

**U.L.SWADI & CO.,**

**UDAY L. SWADI**

**CHARTERED ACCOUNTANT,**

**CHOUKIMATH, SIRSI – 581 401**

**PHONE: 08384 - 227289**

**AUDIT REPORT  
OF**

***“DIVGI TRANSMISSION SYSTEMS AND  
TECHNOLOGIES PRIVATE LIMITED”  
SAHYADRI COLONY,  
SIRSI – (U.K.)***

**FINANCIAL YEAR  
1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019**

**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
**DIVGI TRANSMISSION SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED**

**Report on the Financial Statements**

**Opinion**

I have audited the accompanying (Standalone) financial statements of **DIVGI TRANSMISSION SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED** which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to me, 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,

- a) of the state of affairs of the Company as at March 31, 2019, in case of Balance Sheet and
- b) Profit for the year ended on that date, in case of Statement of Profit and loss.

**Basis for Opinion**

I conducted my audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am 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 my audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Management's Responsibility for the (Standalone) 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 (Standalone) financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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**

My 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 my 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.

#### **Report on Other Legal and Regulatory Requirements**

1. 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 purpose 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors as on **March 31, 2019** taken on record by the Board of Directors, none of the directors is disqualified as on **March 31, 2019** from being appointed as a director in terms of Section 164 (2) of the Act.



f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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 does not have any pending litigations which would 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 which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies(Auditor's Report) Order, 2016 ('The Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in 'Annexure B' a statement on the matters specified in paragraph 3 and 4 of the Order.

For U.L. Swadi and Co.,  
Chartered Accountants



CA. Uday Swadi  
Proprietor  
Membership No: 031803

Place: Sirsi

Date: 5th September, 2019

UOIN: 19031803AAAAAV2327

**“Annexure A” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of DIVGI TRANSMISSION SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED.**

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

We have audited the internal financial controls over financial reporting of **DIVGI TRANSMISSION SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED**, as of **March 31, 2019** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

**Auditors’ 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 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

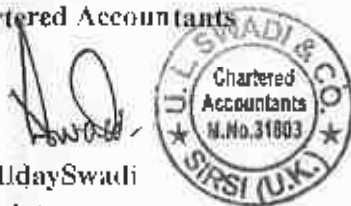
## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019.

For U.L. Swadi and Co.,  
Chartered Accountants



CA. Uday Swadi  
Proprietor  
Membership No: 031803

Place: Sirsi  
Date: 5th September, 2019

**"Annexure B" to the Independent Auditors' Report**

Referred to in paragraph 2 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended **March 31, 2019:**

1) (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 at reasonable intervals and no material discrepancies have been noticed.

(c) The title deeds of immovable properties are held in the name of the company,

2) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals. Material discrepancies noticed on physical verification during the year have been properly dealt with in the books of account.

3) 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.

4) The company has not advanced any loans, investments, guarantees, and security. Hence provisions of section 185 and 186 of the Companies Act, 2013 do not attract.

5) The company has accepted long term loans from Jitendra Divgi (Director of the company) and Divgi Holding Private Limited (Private Company in which director is a director) which are not a deposit as per rule 2(1)(c). And hence the Company has not contravened the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) The maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, , Goods and Service Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and



explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.

b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. Further the Company has not issued any debentures.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has not been paid. The company has provided Director's Sitting Fees which is in accordance with sub-section (5) of section 197 r/w Companies (Appointment and Remuneration of Managerial Personal) Rules.

12) The Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

13) In our opinion, Section 177 is not applicable to the company since it is a Private Limited company. Further all related party transactions are at arm's length price, and therefore as per Proviso to Section 188(1), section 188(1) shall not apply to such transactions. Further all the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully



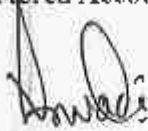


or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For U.L. Swadi and Co.,  
Chartered Accountants



CA. Uday Swadi  
Proprietor  
Membership No: 031803

Place: Sirsi

Date: 5th September, 2019

DIVGI TRANSMISSION SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED  
CIN : U34300KA1997PTC022281  
SAHYADRI COLONY,  
SIRSI (U.K.) - 581402

**BALANCE SHEET AS AT 31ST MARCH, 2019**

Particulars	Note No.	Figures as at the end of Current reporting period	Figures as at the end of Previous reporting period
<b><u>EQUITY &amp; LIABILITIES</u></b>			
<b><u>1.Shareholders' Funds</u></b>			
(a) Share Capital	1	49,53,000	49,53,000
(b) Reserves and Surplus	2	1,33,76,169	97,37,749
(c) Money Received Against Share Warrants		-	-
<b><u>2. Share Application Money Pending Allotment</u></b>			
<b><u>3 Non-current Liabilities</u></b>			
(a) Long Term Borrowings	3	89,72,398	75,93,473
(b) Deferred Tax Liability (Net)	7	4,91,110	4,77,040
(c) Other Long Term Liabilities		-	-
(d) Other Long Term Provisions		-	-
<b><u>4.Current Liabilities</u></b>			
(c) Short-term Borrowings		-	-
(f) Trade payables		-	-
(g) Other Current Liabilities	4	94,21,466	1,84,65,035
(h) Short-Term provisions		-	-
<b>TOTAL</b>		<b>3,72,14,143</b>	<b>4,12,26,297</b>
<b><u>II ASSETS</u></b>			
<b><u>1.Non-current Assets</u></b>			
<b>(a) Fixed Assets</b>			
(i) Tangible assets	5	1,74,45,408	1,97,45,800
(ii) Intangible assets	5	2,02,667	34,200
(iii) Capital Work In Progress		-	-
(iv) Intangible Assets Under Development		-	-
(b) Non-current Investments	6	2,78,090	2,78,090
(c) Deferred Tax assets (Net)		-	-
(d) Long Term loans & Advances		-	-
(e) Other non-current assets		-	-



<b>2 Current Assets</b>			
(a) Current Investments	8	-	16,25,648
(b) Inventories	9	40,768	93,045
(c) Trade receivables	10	1,06,71,917	1,59,06,858
(d) Cash & cash Equivalents	11	69,16,318	18,83,284
(e) Short term Loans & Advances		-	-
(f) Other Current assets	12	16,58,976	16,59,372
Significant Accounting policies	13		
<b>Total</b>		<b>3,72,14,143</b>	<b>4,12,26,297</b>


For DIVGI TRANSMISSION SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED

  
 (JITENDRA BHASKAR DIVGI)  
 Director  
 (00471531)

  
 (HIRENDRA BHASKAR DIVGI)  
 Director  
 (01634431)



FOR U. L. SWADI & COMPANY

  
**U. L. SWADI**  
 For U. L. SWADI & CO.  
 CHARTERED ACCOUNTANT  
 M. NO. 031803

SIRSI  
 5-Sep-19



**DIVGI TRANSMISSION SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED**  
**CIN : U34300KA1997PTC022281**  
**SAHYADRI COLONY,**  
**SIRSI (U.K.) - 581402**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31/03/2019**

Particulars	Note No.	Figures as at the end of Current reporting period	Figures as at the end of Previous reporting period
<b><u>I REVENUE FROM OPERATIONS</u></b>	14	4,90,29,808	4,22,88,170
<b><u>II OTHER INCOME</u></b>	15	62,48,241	31,39,021
<b>III TOTAL REVEUNE (I+II)</b>		<b>5,52,78,049</b>	<b>4,54,27,191</b>
<b><u>IV. EXPENSES</u></b>			
Cost Of Materials Consumed (Gear Wheel Blank)		1,17,933	45,290
Purchase Of Stock In Trade		-	-
Changes Of Inventories Of Finished Goods, Work In Progress & Stock In Trade		-	-
Employeas Benefit Expenses	16	2,79,69,050	2,15,17,444
Finance Cost	17	4,08,818	4,09,696
Depreciation & Amortization Of Expenses	5	25,35,552	25,69,386
Other Expenses	18	1,92,34,594	1,40,75,521
<b>TOTAL EXPENSES</b>		<b>5,02,65,947</b>	<b>3,86,17,336</b>
<b>V. Profit Before Exceptional &amp; Extraordinary Items &amp; Tax (III-IV)</b>		50,12,102	68,09,855
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit Before Extraordinary Items &amp; Tax (V-VI)</b>		50,12,102	68,09,855
<b>VIII. Extraordinary Items</b>		-	-
<b>IX. Profit Before Tax (VII-VIII)</b>		50,12,102	68,09,855



<b>X. Tax Expense:</b>		
i) Current Tax	(13,59,612)	(15,42,405)
ii) Deferred Tax	(14,070)	(3,77,303)
<b>XI. Profit\Loss For The Period From Continuing Operations (X-IX)</b>	<b>36,38,420</b>	<b>48,90,147</b>
<b>XII. Profit\Loss From Discontinuing Operations</b>	-	-
<b>XIII. Tax Expenses of Discontinuing Operations</b>	-	-
<b>XIV. Profit\Loss From Discontinuing Operations (XII-XIII) (After Tax)</b>	-	-
<b>XV. Profit\Loss For The Period (XI+XIV)</b>	<b>36,38,420</b>	<b>48,90,147</b>
<b>XVI. Earning Per Equity Share</b>		
i) Basic	73	99
ii) Diluted	-	-

For DIVGI TRANSMISSION SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED

*[Signature]*  
 (JITENDRA BHASKAR DIVGI)  
 Director  
 (00471531)

*[Signature]*  
 (HIRENDR BHASKAR DIVGI)  
 Director  
 (01634431)



FOR U. L. SWADI & COMPANY

*[Signature]*  
 U. L. SWADI  
 For U. L. SWADI & CO.  
 CHARTERED ACCOUNTANT  
 M. NO. 031803

SIRSI  
 5-Sep-19

**DIVGI TRANSMISSION SYSTEMS AND TECHNOLOGIES PRIVATE, LIMITED**

**Cash Flow Statement For the Year Ending 31/03/2019**

<u>Operating Activities</u>	<u>For the year ended 31/03/2019</u>	<u>For the year ended 31/03/2018</u>
<b>Net Profit Before Taxation &amp; Extraordinary Items</b>	<b>50,12,102</b>	<b>68,24,855</b>
<b>Adjustments For</b>		
<b>1) Non Cash Incomes / Expenses</b>		
Add: Depreciation	25,35,552	25,69,386
<b>2) Non Business Incomes / Expenses</b>		
Less: Dividend On Shares	17,040	36,210
Less: Interest On FD	-	-
<b>3) Items Considered Separately</b>		
Add: Interest Expense	4,08,818	4,09,696
<b>Operating Profit Before Working Capital Changes</b>	<b>79,39,432</b>	<b>97,67,727</b>
Increase/(Decrease) In Trade Payables	-	-
Increase/(Decrease) In Other Current Liabilities	(91,19,719)	70,90,438
Decrease/(Increase) In Trade Receivables	52,34,941	(1,03,11,453)
Decrease/(Increase) in Current Assets	16,25,648	(16,25,648)
Decrease/(Increase) in Inventories	52,277	(93,045)
Decrease/(Increase) In Other Current Assets	396	11,04,451
<b>Cash Generated From Operations</b>	<b>57,32,975</b>	<b>59,36,845</b>
Less: Income Tax Paid	(13,59,612)	15,42,405
<b>Net Cash From Operating Activities (A)</b>	<b>43,73,363</b>	<b>43,90,065</b>
<b><u>Investing Activities</u></b>		
Loans & Advances Recovered	-	-
Dividend Received	17,040	36,210
Interest received on Investments	-	-
Purchase Of Fixed Assets	(4,03,627)	(48,40,221)
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(3,86,587)</b>	<b>(48,04,011)</b>
<b><u>Financing Activities</u></b>		
Repayment Of Loan	(23,44,207)	(39,85,168)
Acceptance Of Loan	37,99,282	28,76,000
Interest Paid	(4,08,818)	(4,09,696)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>10,46,257</b>	<b>(15,18,864)</b>
<b>Net Increase in Cash (A+B+C)</b>	<b>50,33,034</b>	<b>(19,32,810)</b>
Add: Cash & Cash Equivalents At The Beginning Of Period	18,83,284	38,16,094
<b>Cash &amp; Cash Equivalents At The End Of Period (See Sch To B/S)</b>	<b>69,16,318</b>	<b>18,83,284</b>

**For DIVGI TRANSMISSION SYSTEMS AND TECHNOLOGIES  
PRIVATE LIMITED**

  
(JITENDRA BHASKAR DIVGI)  
Director  
(00471531)


  
(HIRENDRA BHASKAR DIVGI)  
Director  
(01634431)

SIRSI  
5-Sep-19



AS PER MY REPORT ANNEXED  
FOR U.L.SWADI & COMPANY



  
**U. L. SWADI**  
For U. L. SWADI & CO.  
CHARTERED ACCOUNTANTS  
M. NO. 031803

**DIVGI TRANSMISSION SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED**  
**SAHYADRI COLONY,**  
**SIRSI (U.K.) - 581402**

**NOTES FORMING PART OF BALANCE SHEET AS AT 31-03-2019**

	Figures as at the end of Current reporting period (Rs.)	Figures as at the end of Previous reporting period (Rs.)		
<b>NOTE 1</b>				
<b>SHARE CAPITAL</b>				
<i>Authorized Capital</i>				
100,000 Equity Shares of Rs.100.00 each	1,00,00,000	1,00,00,000		
<i>Issued, Subscribed &amp; Paid up:</i>				
49530 Equity Shares of Rs.100.00 each fully paid	49,53,000	49,53,000		
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>49,53,000</b>	<b>49,53,000</b>		
<b>1.1. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period</b>				
<b>Equity Shares</b>	<b>Figures as at the end of Current reporting period</b>		<b>Figures as at the end of Previous reporting period</b>	
	NO	Amount	NO	Amount
At the beginning of the period	49,530	49,53,000	49,530	49,53,000
Issued during the period				
Bought Back during the period				
<b>Outstanding at the end of the period</b>	<b>49,530</b>	<b>49,53,000</b>	<b>49,530</b>	<b>49,53,000</b>
The company has only one class of equity shares having a par value of Rs.100 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. During the year, the company has not proposed for any dividend payable to the share holders .				
In the event of Liquidation, Equity Share holders are entitled to receive the assets of the company remaining after distribution of all preferential amount, in proportion to the number of shares held by them.				
<b>1.2. Details of shareholders holding more than 5% shares in the company</b>				
	<b>Figures as at the end of Current reporting period</b>		<b>Figures as at the end of Previous reporting period</b>	
	No	%	No	%
Meera Divgi	48,500	97.92	48,500	98
As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.				

<b>NOTE 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
Profit / (Loss) Brought Forward	97,37,749	48,47,602
Add: Net Profit (loss) For The Year	36,38,420	48,90,147
<b>Total</b>	<b>1,33,76,169</b>	<b>97,37,749</b>



<b>NOTE 3</b>				
<b>LONG TERM BORROWINGS</b>				
<b>Term Loans From Banks</b>				
Sirsi Urban Co-operative Bank Machinery Loan 30041/464		-	16,11,851	
HDFC Bank Ltd Machinery Loan		32,23,296	-	
HDFC Bank Ltd Car Loan 39774329		4,13,320	5,69,690	
	A	<b>36,36,616</b>	<b>21,81,541</b>	
<b>Less: Current Maturities of Long Term Borrowings</b>				
Sirsi Urban Co-operative Bank Machinery Loan 30041/464		-	5,75,220	
HDFC Bank Ltd Machinery Loan		6,84,439	-	
HDFC Bank Ltd Car Loan 39774329		1,72,491	2,05,560	
	B	<b>8,56,930</b>	<b>7,80,780</b>	
Total Long Term Borrowings	A-B	<b>27,79,686</b>	<b>14,00,761</b>	
<b>Other loan From</b>				
Divgi Holdings Private Ltd., Sirsi		31,36,451	31,36,451	
<b>From Directors</b>				
Shri Jitendra B. Divgi		30,56,261	30,56,261	
	<b>Total</b>	<b>89,72,398</b>	<b>75,93,473</b>	
<b>3.1</b>				
<b>The above amount includes</b>		<b>42,825</b>	<b>42,460</b>	
Secured borrowings		27,79,686	14,00,761	
Unsecured borrowings		61,92,712	61,92,712	
Net amount		<b>89,72,398</b>	<b>75,93,473</b>	
<b>3.2</b>				
<b>Security, EMI, Rate of Interest Details</b>				
<b>Particulars</b>	<b>Rate of Interest</b>	<b>Total No. of EMI</b>	<b>Amount of EMI</b>	<b>Default if Any</b>
HDFC Bank Ltd Machinery Loan	8.95	60	78,775	NIL
HDFC Bank Ltd Car Loan 39774329	9.85	60	17,130	NIL
<b>a) Details of Guarantees for each Borrowings</b>				
Guaranteed by Directors			<b>31-03-19</b>	<b>31-03-18</b>
Term Loans			27,79,686	14,00,761
			<b>27,79,686</b>	<b>14,00,761</b>
<b>b) Nature of Security</b>				
Term Loans by Bank are secured by:				
<b>Primary Security:</b>				
Hypothecation of Machinerics & Vehicle				





<b>NOTE 4</b>		
<b>Other Current Liabilities</b>		
Current Maturities of Long Term Borrowings (Refer Note 3)		
	8,56,930	7,80,780
	(A) 8,56,930	7,80,780
Interest Accrued but not due on borrowings	27,434	16,660
	(B) 27,434	16,660
Other Payables - Other Expenses	4,62,947	2,98,183
Other Payables - Building & Electrical Maintenance	1,73,578	52,340
Other Payables - Machinery repairs	6,83,338	5,29,465
Other Payables - Legal & Professional Fees	61,200	2,40,637
Other Payables - Taxes	3,57,768	4,67,621
Other Payables - Related to Salary & Wages	22,19,041	28,24,788
Other Payables - Expenses	14,28,393	6,19,662
Other Payables - Capital Expenditure	70,592	57,55,255
Other Payables - Raw Materials	37,642	1,52,615
Divgi Metal Ware Pvt Ltd., Sirsi (Lease Rent Payable)	25,25,484	58,39,224
Director's Sitting fees payable	83,400	1,98,000
Income Tax Payable	4,33,720	6,89,805
	(C) 85,37,102	1,76,67,595
	(A) + (B) - (C)	94,21,466
		1,84,65,035

<b>NOTE 6</b>		
<b>NON-CURRENT INVESTMENTS</b>		
<b>Other Non Current Investments</b>		
National Savings Certificate	9,000	9,000
Sirsi Urban Souharda Co-op Bank Shares	2,69,090	2,69,090
	Total	2,78,090
		2,78,090
<b>Amount of Unquoted Investments</b>	2,78,090	2,78,090

<b>NOTE 7</b>		
<b>DEFERRED TAX ASSET / (LIABILITY)</b>		
Opening Balance (Liability)	(4,77,040)	(99,737)
Add: Provision For the Year D.T.A./ (D.T.L)	(14,070)	(3,77,303)
	Total	(4,91,110)
		(4,77,040)

<b>NOTE 8</b>		
<b>Current Investments</b>		
HDFC Bank Fixed Deposit	-	15,85,000
Accrued Interest on HDFC FD (Net of TDS)	-	40,648
	Total	16,25,648
		-

<b>NOTE 9</b>		
<b>Inventories (Raw Materials)</b>		
Wheel Gear	40,768	93,045
	Total	40,768
		93,045



<b>NOTE 10</b>		
<b>TRADE RECEIVABLES</b>		
<b>Trade Debtors considered Good:</b>		
<b>Debts for less than six months</b>		
<b>Debtors for Services &amp; Supplies:</b>		
Divgi Metalwares Pvt Ltd, Shivare Pune	20,68,036	22,09,208
Divgi Torq Transfer Systems Pvt Ltd, Sirsi	85,54,994	1,36,15,647
Aditya Auto Products & Engg. (India) Pvt. Ltd. Bangalore	-	33,304
Guindy Machine Tools Limited	48,887	48,699
<b>Total</b>	<b>1,06,71,917</b>	<b>1,59,06,858</b>

<b>NOTE 11</b>		
<b>CASH &amp; CASH EQUIVALENTS</b>		
Cash in hand	6,296	9,274
<b>Cash at Bank:</b>		
<b>(a) With Scheduled Banks</b>		
Indian Overseas Bank C. A/c 162602000000065	7,15,211	14,32,026
HDFC Bank 50200009176979	53,27,279	1,90,813
<b>(b) With Others</b>		
Sirsi Urban Souharda Co-op Bank C A/c 481	1,580	1,580
Sirsi Urban Souharda Co-op Bank C A/c 002120100000615	8,65,951	2,49,592
<b>Total</b>	<b>69,16,318</b>	<b>18,83,284</b>

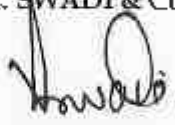
<b>NOTE 12</b>		
<b>Other Current Assets</b>		
Divgi Metalware Pvt Ltd (Roofing Work)	16,58,976	16,58,976
Excise Duty CEN VAT Credit	-	396
<b>Total</b>	<b>16,58,976</b>	<b>16,59,372</b>

For DIVGI TRANSMISSION SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED

  
 (JITENDRA BHASKAR DIVGI)  
 Director  
 (00471531)

  
 (HIRENDRA BHASKAR DIVGI)  
 Director  
 (01634431)



  
 U. L. SWADI  
 For U. L. SWADI & CO.  
 CHARTERED ACCOUNTANT  
 M. NO. 031803

SIRSI  
 5-Sep-19

**Note-13**  
**SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS:**

The Financial Statements have been prepared under the historical cost convention, in accordance with Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act 2013.

**2. VALUATION OF INVENTORIES:**

Inventories of Wheel gear are arrived at on FIFO Basis and are valued at Cost or NRV whichever is less.

**3. CONTINGENCIES & EVENTS OCCURRING AFTER BALANCESHEET DATE:**

There are no contingencies and events occurring after Balance Sheet date, which will have significant impact on current year's accounts.

**4. EXTRAORDINARY AND PRIOR PERIOD ITEMS & CHANGES IN ACCOUNTING POLICIES:**

There are neither changes in the Accounting policies as compared to previous year nor any extraordinary and prior period items which needs to be adjusted against current year's profit.

**5. FIXED ASSETS & DEPRECIATION:**

Fixed Assets are stated at Cost, which is inclusive of Freight, installation cost, duties and other incidental expenses. As per Schedule II of Companies Act 2013:

- 1) Depreciation is provided on W.D.V. method over the remaining useful life of the asset.
- 2) Useful Life for the assets has been considered as per Part C of Annexure- A to Schedule II.
- 3) After retaining the residual value, the balance carrying amount is transferred to the opening balance of retained earnings where the remaining useful life of an asset is nil.

**6. REVENUE RECOGNITION:**

The Company follows mercantile system of accounting and recognizes income on accrual basis. Revenue on job work transactions is recognized as and when the work is carried out & billed. Revenue from other sources is recognized on accrual basis.



**7. INVESTMENTS:**

Investments are stated at their cost of acquisition.

**8. BORROWING COST:**

Borrowing costs includes interest fees and other charges incurred in connection with borrowing funds and are considered as revenue expenditure for the year in which it is incurred.

**9. INCOME TAX:**

Tax expense comprises of current tax and deferred tax. Current tax and deferred tax are accounted for in accordance with Accounting Standard 22 (AS-22) on "Accounting for taxes on Income". Current tax is measured at the amount expected to be paid / recovered from the tax authority using the applicable tax rates. Deferred tax liabilities are recognized for future tax consequence attributable to timing difference between taxable income and accounting income that are capable of reversing in one or more subsequent periods and are measured at relevant enacted /substantively enacted tax rates and in the case of deferred tax asset on consideration of prudence, are recognised and carried forward to the extent of reasonable / virtual certainty as case may be. At each balance sheet date, the Company reassesses unrealized deferred tax assets to the extent they become reasonably certain or virtually certain of realisation, as the case may be. Minimum Alternate Tax(MAT) credit entitlement is recognised in accordance with the Guidance Note on "Accounting for credit available in respect of Minimum Alternate Tax under the Income tax Act,1961" issued by ICAI.

**10. INTANGIBLE ASSET:**

Intangible assets include Computer Software and the same is amortized as per Schedule II of Companies Act 2013 and Accounting Standard 26 on "Intangible Assets".

**11. GRATUITY:**

The Company provides for gratuity and provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the company. Liabilities with regard to Gratuity are determined by the Life Insurance Corporation of India and lump sum amount is contributed accordingly.



**12. PROVIDENT FUND:**

Eligible employees receive benefits from provident fund. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The contributions are being remitted to P.F Commissioner Government of India.

**13. EARNINGS PER SHARE:**

Basic Earnings per Share is computed by dividing the net profit after tax by the number of equity shares outstanding during the period.

**14. 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. The cash flows from operating, investing and financing activities of the company are segregated.

For and on behalf of the Board



(JITENDRA BHASKAR DIVGI)  
Director  
(00471531)



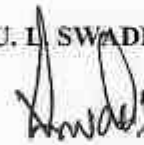
(HIRENDRA BHASKAR DIVGI)  
Director  
(01634431)



SIRSI  
5-September-2019



FOR U. L. SWADI & CO.,



U. L. SWADI  
For U. L. SWADI & CO.  
CHARTERED ACCOUNTANT  
M. NO. 031803

**DIVGI TRANSMISSION SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED**  
**NOTES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING ON 31-03-2019**

	Figures as at the end of Current reporting period	Figures as at the end of Previous reporting period
	(Rs.)	(Rs.)
<b>NOTE 14</b>		
<b>REVENUE FROM OPERATIONS</b>		
Labour charges from Divgi Torq Transfer Systems Pvt Ltd, Sirsi	4,15,15,925	3,84,12,469
Labour charges from Divgi Metalwares Pvt. Ltd., Pune	73,30,853	38,22,353
Sale of Gear Wheel Teeth Cutting ESA	1,83,030	53,348
<b>Total</b>	<b>4,90,29,808</b>	<b>4,22,88,170</b>

<b>NOTE 15</b>		
<b>OTHER INCOME</b>		
Sale of Drums	28,147	33,096
Sale of Scrap	60,11,773	29,54,696
Sale of Waste Oil	13,430	12,713
Dividend on Sirsi Urban Bank Shares	17,040	36,210
Interest On IT Refund	-	22,870
Interest on HDFC FD	10,251	42,169
Excess Provision of Bonus last year written back	-	37,229
Rounding off	-	38
Other Business Support Services to Divgi Torque Transfer Systems Pvt Ltd	1,67,600	-
<b>Total</b>	<b>62,48,241</b>	<b>31,39,021</b>

<b>NOTE 16</b>		
<b>EMPLOYEES BENEFIT EXPENSES</b>		
Labour Charges	1,75,08,019	1,36,90,527
Bonus to Workers	3,38,158	3,64,797
Overtime Wages	5,41,024	8,27,005
Group Gratuity	3,35,979	5,70,625
Salary paid (Admin Staff)	67,01,405	40,70,389
Provident fund	6,54,438	5,79,163
Employees State Insurance	3,08,515	2,70,145
Employee Settlement	635	3,17,539
<b>Staff Welfare</b>		
Uniform Cloth, Stitching, Shoes etc	60,962	53,350
Employees Personal Accident Policy premium	17,417	-
Labour Welfare fund	2,520	2,520
Labour Welfare Expenses	2,08,801	27,771
Medical expenses	10,282	8,573
Vehicle Conveyance	5,971	7,643
Meals to Employees	12,74,924	7,27,397
<b>Total</b>	<b>2,79,69,050</b>	<b>2,15,17,444</b>



<b>NOTE 17 - FINANCIAL COST</b>		
<b>Interest on loans</b>		
Sirsi Urban Co-op Bank Machinery Loan a/c No. 455	-	89,184
Sirsi Urban Co-op Bank Vehicle Loan 6006 (30052)	-	13,039
Sirsi Urban Co-op Bank Machinery Loan a/c No. 444	-	5,344
Sirsi Urban Co-op Bank Machinery Loan a/c No. 464	41,655	2,33,754
HDFC Bank Car Loan 39774329	52,583	68,375
HDFC Bank Machinery Term Loan	3,14,580	-
<b>Total</b>	<b>4,08,818</b>	<b>4,09,696</b>

<b>NOTE 18 - OTHER EXPENSES</b>		
<b>Power &amp; Fuel</b>		
Electricity Charges	43,44,282	46,28,773
Oil & Lubricant Expenses	21,30,937	14,54,897
Calibration Charges	47,428	11,828
Labour Charges (Coating, Painting and Others )	3,86,358	3,83,525
Lease Rent to Divgi Metal Ware Ltd. (Building)	12,00,000	12,00,000
Lease Rent to Divgi Metal Ware Ltd. (Machinery)	12,00,000	12,00,000
Quality Registration & Assessment Charges	-	1,11,280
Material Rejection charges	6,31,553	-
<b>Repairs, Maintenance &amp; Consumables</b>		
Factory Building	8,93,410	1,92,951
Electrical Maintenance & Consumables	7,13,102	1,30,693
Generator Fuel & Maintenance	13,24,123	6,32,641
Machinery & Other Consumables	12,76,355	8,76,938
Machinery Repairs & Maintenance	17,72,051	8,28,292
Vehicle Repairs & Maintenance	1,83,922	1,31,413
<b>Insurance Paid</b>		
Machinery Insurance	3,584	13,595
Fire Insurance	13,152	-
Vehicle Insurance	12,007	31,716
<b>Professional charges</b>		
a) Vat matters	-	15,000
b) Company Law Matters	15,250	11,000
<b>d) Payment to Auditors</b>		
Audit Fees	45,000	40,000
Tax Matters	15,000	10,000
f) Provident Fund Filing Fees	5,000	25,500
g) Other Legal Fees	150	12,000
h) Consultancy Charges	81,912	1,12,974
i) ESI Filing Fees	5,500	18,500
<b>c/f</b>	<b>1,63,00,075</b>	<b>1,20,73,515</b>



	b/f	1,63,00,075	1,20,73,515
<b>Taxes &amp; Cess</b>			
Profession tax		2,500	2,500
Entry tax		-	35,114
Service Tax		491	2,82,375
Krishi Kalyan Cess		-	3,000
Swachh Bharat Cess		-	2,500
VAI on Machinery Lease Rent		-	43,500
Ineligible Input GST		2,43,782	1,14,002
Excise Duty Written - off		396	-
Interest on Belated Service Tax		-	682
Penalty on Service Tax		-	58,000
Penalty on Provident Fund		301	145
Interest on Belated TDS		7,628	11,305
Interest on Belated TCS		865	520
Late Fees filing - GST		-	50
Bank Charges		22,472	71,575
Bond Paper Charges For Loan		220	110
Boarding & Lodging Expenses		7,645	800
Charity & Donations		70,501	501
Computer Consumables & Maintenance		93,785	59,522
Deputation charges		7,66,889	-
Director Remuneration		5,56,316	-
Directors Sitting Fees		78,000	78,000
Electrical Inspection Charges		6,900	6,900
Factory License Renewal		-	9,160
Freight		92,300	58,829
House Keeping		2,86,968	1,14,007
Inspection Testing Certification		3,150	3,623
I.C Discounting charges		-	5,45,290
Miscellaneous		2,711	1,668
Pooja Expenses		21,817	17,529
Postage & Courier		46,219	31,284
Printing & Stationery		1,53,023	1,36,903
Photocopying Charges		-	6,775
Refreshment & Hospitality		13,171	23,557
Registration amendment charges		-	100
ROC Filing Fees		26,274	-
Stamp paper charges		-	36,740
Round-off		118	-
Telephone & Mobile		1,24,493	1,02,998
Travelling Expenses		1,62,563	1,42,442
Watch and Ward Expenses		1,43,022	-
<b>Total</b>		<b>1,92,34,594</b>	<b>1,40,75,521</b>

For DIVGI TRANSMISSION SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED

(JITENDRA BHASKAR DIVGI)

Director  
(00971531)

(HIRENDRA BHASKAR DIVGI)

Director  
(01634431)

SIRSI  
5-Sep-19



FOR U.L. SWADI & COMPANY

U. L. SWADI  
For U. L. SWADI & CO.  
CHARTERED ACCOUNTANT  
M. NO. 031803



**DIVGI TRANSMISSION SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED**  
**SAHYADRI COLONY,**  
**SIRSI (U.K.) - 581402**

**NOTES FORMING PART OF BALANCE SHEET AS AT 31-03-2019 - PART TO NOTE 5**

<b>Other Payables - Other Expenses</b>		
Akshya Medicals & General Stores, Sirsi	1,254	684
Bright Engineering Services Dharwad	12,535	-
Graphic, Sirsi	6,065	14,809
Gururaj Stores, Sirsi	-	6,085
Hotel Ganapati, Sirsi	1,14,694	99,870
Hotel Panchavati, Sirsi	-	3,622
Kapali Marketing, Dharwad	13,806	-
King Shoe Collection, Belgaum	9,131	5,270
Laxmi Tradelinks, Sirsi	-	2,100
Lucky Stores, Sirsi	396	1,320
Multiclean Solutions, Hubli	4,956	-
Oerlikon Balzers Coating India Ltd, Bangalore (Labour Charges)	28,285	21,718
Padma Files, Sirsi	1,625	250
Premier Sales Corporation, Pune	-	2,079
Quality House, Sirsi	7,070	2,340
Rangoli Traders, Hubli	41,667	10,839
RNS Motors, Hubli	-	13,241
Sadguru Graphic World, Sirsi	1,464	14,674
Saraswati Media	1,866	-
Shri Akshaya Automobiles, Sirsi	1,025	-
Shri Gajanan Stores, Sirsi	-	3,808
Shri Marikamba Enterprises (DTC), Sirsi	4,006	3,126
Shri Sai Enterprises	7,866	-
Sindoor Collection, Sirsi	-	-
Size Master Calibration Services, Pune	21,361	37,629
The A.S. & D Co-op. Society, Sirsi	1,83,275	51,052
Vishwas Enterprises Karwar	-	3,068
Vishweshwar Hegde Wood Industries	600	600
	<b>4,62,947</b>	<b>2,98,183</b>
<b>Other Payables - Building &amp; Electrical Maintenance</b>		
Computrack, Hubli	29,800	-
Modera Building Works, Sirsi	-	23,887
Nandini Brothers, Mumbai	18,970	8,036
Pavan Enterprises, Pune	92,320	-
Poonam Electricals Works, Sirsi	3,950	9,490
Prabhu Enterprises, Sirsi	3,040	-
Pragati Systems., Sirsi	21,424	4,369
Vijayalaxmi Electricals, Sirsi	4,074	6,558
Vijayalaxmi Hardwares & Paints, Sirsi	-	-
	<b>1,73,578</b>	<b>52,340</b>



<b>Other Payables - Machinery Repairs &amp; Consumables</b>		
Engineering Hindustan, Mumbai	-	5,469
G P Petroleum, Bangalore	3,43,105	3,36,533
G.B Toolings, Pune	3,840	-
Goodluck Stores, Sirsi	4,930	5,167
Industrial Tools & Accessories, Bangalore	65,797	75,911
Jointline Equipments, Mangalore	7,663	-
K K Form Tools, Aurangabad	2,478	-
Laxmi Auto Centre, Sirsi	2,700	3,250
Max Flow Controls Pvt. Ltd.,	17,703	-
Micromatic Machine Tools Pvt Ltd, Bangalore	-	-
Mitsubishi Heavy Industries	65,197	26,104
Motherson Advanced Tooling Solutions Limited Aurangabad	61,171	10,030
Orient Auto Spares, Sirsi	803	3,350
Prevision Tools Corporation, Pune	7,788	-
Prospect Trading Co, Mumbai	25,121	10,137
R.G. Enterprises, Harihar	33,997	3,118
Rajesh Trade Centre, Mumbai	-	8,585
Reliable Tools Center, Pune	6,668	-
Robotech Systems, Pune	-	15,930
Sree Engineering, Pune	6,514	870
Sunkad Brothers, Dharwad	9,279	3,506
Suprabhat Protective Products Pvt Ltd, Pune	18,585	12,390
Uma Engineering Works, Bangalore	-	9,116
	<b>6,83,338</b>	<b>5,29,465</b>
<b>Legal &amp; Profession Fees</b>		
Audit Fees	40,500	36,000
Tax Matters	13,500	9,000
VAT Matters	-	15,000
Company Matters	-	39,150
Deutsch Quality Systems India Private Limited	-	1,20,182
Dhananjaya Bangalore	-	13,068
E-PEF Filing Charges Payable	-	3,150
Naveen Shastri	7,200	5,087
	<b>61,200</b>	<b>2,40,637</b>
<b>Other Payables - Taxes</b>		
Income Tax	-	-
<b>TDS Payable on</b>		
Audit Fees & Tax Matters	6,000	-
Consultancy charges	800	5,915
Contract Labour	10,674	14,444
Professional Fees (Quality Assessment)	-	11,128
Building Lease Rent	10,000	10,000
Machinery Lease Rent	2,000	2,290
Salary	27,810	17,450
Legal Fees	-	1,100
Deputation Charges	2,021	-
House Keeping	1,225	-
Director Remuneration	55,632	-
GST Payable	2,25,560	4,05,065
TCS @ 1% Payable	16,045	178
Late Fees on GST Payable	-	50




Service Tax Payable	3,57,768	4,67,621
<b>Other Payables - Related to Salary &amp; Wages</b>		
Profession Tax collected from employees	2,400	5,200
Salary payable	6,87,196	8,18,994
Provident Fund payable	89,275	53,677
Overtime wages payable	13,043	67,279
Workmen Compensation premium payable	11,338	11,901
Employee State Insurance Payable	27,616	10,243
Bonus Payable	3,38,158	3,64,797
Group Gratuity Payable	44,514	22,493
Medical Insurance Payable	4,956	-
Shri Marikamba Career Works, Sirsi	10,00,545	14,70,204
	<b>22,19,041</b>	<b>28,24,788</b>
<b>Other Payables - Expenses</b>		
Electricity Charges Payable	7,30,883	6,13,912
Vishal Tele Shoppe	6,000	5,750
Director Remuneration payable	5,00,684	-
Divgi Holdings Pvt. Ltd., Sirsi - Housekeeping Services	71,050	-
Divgi Holdings Pvt. Ltd., Sirsi - Deputation charges	1,19,777	-
	<b>14,28,393</b>	<b>6,19,662</b>
<b>Other Payables - Capital Expenditure</b>		
New Architectures, Sirsi (Furniture)	-	14,083
Ravi Banu Ayyan, Sirsi (Labour Charges)	3,960	-
Nitish C. Devadiga	66,632	-
Acc Designers Ltd, Bangalore (Plant & Machinery)	-	57,41,172
	<b>70,592</b>	<b>57,55,255</b>
<b>Other Payables - Raw Materials</b>		
Acc Forge Pvt Ltd, Bangalore	37,642	1,52,615
	<b>37,642</b>	<b>1,52,615</b>
<b>Total</b>	<b>54,94,498</b>	<b>1,09,40,566</b>


  
 (JITENDRA BHASKAR DIVGI) (HIRENDRA BHASKAR DIVGI)  
 Director Director  
 (00471531) (01634431)

SIRSI  
5-Sep-19



FOR U. L. SWADI & Co.,  
  
**U. L. SWADI**  
**For U. L. SWADI & CO.**  
**CHARTERED ACCOUNTANT**  
**M. NO. 031803**

**DIVGI TRANSMISSION SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED**  
**SAHYADRI COLONY,**  
**SIRSI (U.K.)**

**NOTE 5**  
**DEPRECIATION**

Depreciation as per Schedule II of Companies Act - 2013

S.L. No	Block of Asset as per Sch II Companies Act 2013	Opening WDV as on 1/4/2018	Addition during the year	Deductions	Gross Block	Depreciation	Written Down Value at the year end 31/03/2019
1	2	3	6	7	8	9	10
	<b>Tangible Assets</b>						
1	Computers and data processing units	52,018	70,200	-	1,22,218	52,909	69,309
2	Electrical Installations and Equipment	2,00,266	21,000	-	2,21,266	50,777	1,70,489
3	Furniture and fittings	1,99,289	51,900	-	2,51,189	53,759	1,97,430
4	Office equipments	36,454	67,341	-	1,03,795	30,478	73,317
5	Plant and Machinery	1,83,23,732	-	-	1,83,23,732	20,31,167	1,62,92,565
6	Motor Vehicles	9,34,041	-	-	9,34,041	2,91,743	6,42,298
		<b>1,97,45,800</b>	<b>2,10,441</b>	<b>-</b>	<b>1,99,56,241</b>	<b>25,10,833</b>	<b>1,74,45,408</b>
	<b>Intangible Assets</b>						
1	Computer Software	34,200	1,93,186	-	2,27,386	24,719	2,02,667
		<b>34,200</b>	<b>1,93,186</b>	<b>-</b>	<b>2,27,386</b>	<b>24,719</b>	<b>2,02,667</b>

  
**JITENDRA BHASKAR DIVGI**  
 Director  
 (00471531)

  
**URENDRA BHASKAR DIVGI**  
 Director  
 (01634431)



**FOR U. L. SWADI & COMPANY**  
  
**U. L. SWADI**  
 For U. L. SWADI & Co.  
 CHARTERED ACCOUNTANT  
 M. NO. 031803



**SIRSI**  
 5-Sep-19

**DIVGI TRANSMISSION SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED**

**Notes To Accounts**

**I Deferred Tax Calculation**

		Particulars	Amt (in Rs.)
		<b>Opening Balance - Deferred Tax Liability</b>	<b>(4,77,040)</b>
		<b>Adjustment for Timing Differences:</b>	
1)	Depreciation as per Companies Act:	25,35,552.00	
	Depreciation as per Income Tax Act:	25,90,194.00	(54,642.00)
			D.T.L
			(14,070)
		<b>Closing Balance - Deferred Tax Liability</b>	<b>(4,91,110)</b>

**II Related Party Disclosures under Accounting Standard 18**

**A) Payments to Directors:**

Sl.no	Name of the Director	Nature of Payment	Amount (in Rs.)
1)	Mr.Jitendra Divgi, Director	Director's Sitting Fees	26,000
2)	Mr.Hirendra Divgi, Director	Director's Sitting Fees	26,000
3)	Bharat B. Divgi, Director	Director's Sitting Fees	26,000
3)	Mr.Jitendra Divgi, Director	Director's Remuneration	1,85,438.50
3)	Mr.Hirendra Divgi, Director	Director's Remuneration	1,85,438.50
3)	Bharat B. Divgi, Director	Director's Remuneration	1,85,438.50

**B) Private Companies in which director/manager is a director / manager:**

Sl.no	Name of the Private Company	Position held
1)	Divgi Torq Transfer Systems Private Limited	Mr.Jitendra Divgi, Managing Director
2)	Divgi Holding Private Limited	Mr.Jitendra Divgi, Director
3)	Divgi MetalWare Private Limited	Mr.Jitendra Divgi, Chairman Mr.Hirendra Divgi, Managing Director

**C) Transactions and balances with related parties**

Sl.no	Name of the Related Party	Nature of Transaction/ Balance	Amount (Rs.)	
			2018-19	2017-18
1)	Divgi Torq Transfer Systems Pvt Ltd, Sirsi	Labour Charges Received	4,15,15,925	3,84,12,469
		Other Business Support Services	1,67,600	
2)	Divgi Holding Pvt Ltd	Deputation charges Paid	7,66,889	
		Long Term Borrowings Balance	31,36,451	31,36,451
3)	Divgi MetalWare Pvt Ltd	Payment of Lease Rent on Building	12,00,000	12,00,000
		Payment of Lease Rent on Machinery	12,00,000	12,00,000
		Labour Charges Received	73,30,853	38,22,353
4)	Mr.Jitendra Divgi, Director	Long Term Borrowings Balance	30,56,261	30,56,261

