

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

**UDAY L. SWADI**

**CHARTERED ACCOUNTANT,**

**CHOUKIMATH, SIRSI – 581 401**

**PHONE: 08384 - 227289**

**AUDIT REPORT**

**OF**

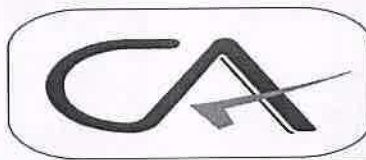
***“DIVGI TRANSMISSION SYSTEMS AND  
TECHNOLOGIES PRIVATE LIMITED”***

***SAHYADRI COLONY,***

***SIRSI – (U.K.)***

**FINANCIAL YEAR**

**1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020**



## 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, 2020, 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,

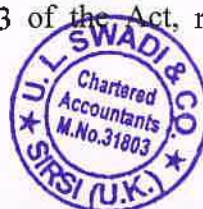
- of the state of affairs of the Company as at March 31, 2020, in case of Balance Sheet and
- Loss for the year ended on that date, in case of Statement of Profit and loss.
- Cash flows for the year ended on that date, in cash of Cash Flow Statement.

### **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 except external confirmations from Trade Debtor is not provided and hence balances are not confirmed.
- 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, 2020** taken on record by the Board of Directors, none of the directors is disqualified as on **March 31, 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 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:

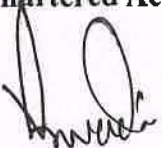
i. The Company does not have any pending litigations which would impact its financial position.

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: 01<sup>st</sup> December 2020**

**“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, 2020** 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, 2020.

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

  
**CA. Uday Swadi**

**Proprietor**

**Membership No: 031803**



**Place: Sirsi**

**Date: 01<sup>st</sup> December 2020.**

**“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, 2020**:

- 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, 2020 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 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.



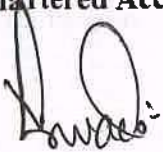


14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 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: 01<sup>st</sup> December 2020.**

**DIVGI TRANSMISSION SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED**

CIN : U34300KA1997PTC022281

SAHYADRI COLONY,

SIRSI (U.K.) - 581402

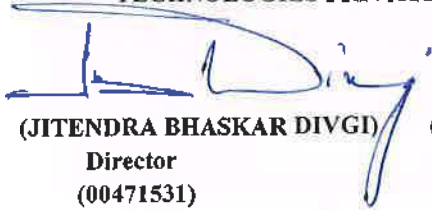
**BALANCE SHEET AS AT 31ST MARCH, 2020**

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	1,23,01,975	1,33,76,169
(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	80,33,855	89,72,398
(b) Deferred Tax Liability (Net)	7	5,31,179	4,91,110
(c) Other Long Term Liabilities		-	-
(d) Other Long Term Provisions		-	-
<b><u>4.Current Liabilities</u></b>			
(e) Short-term Borrowings		-	-
(f) Trade payables		-	-
(g) Other Current Liabilities	4	72,09,423	94,21,466
(h) Short-Term provisions		-	-
<b>TOTAL</b>		<b>3,30,29,432</b>	<b>3,72,14,143</b>
<b><u>II ASSETS</u></b>			
<b><u>1.Non-current Assets</u></b>			
<b>(a) Fixed Assets</b>			
(i) Tangible assets	5	1,53,38,845	1,74,45,408
(ii) Intangible assets	5	4,93,848	2,02,667
(iii) Capital Work In Progress		1,30,100	-
(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		-	-
(b) Inventories	8	-	40,768
(c) Trade receivables	9	1,29,37,900	1,06,71,917
(d) Cash & cash Equivalents	10	14,57,495	69,16,318
(e) Short term Loans & Advances		-	-
(f) Other Current assets	11	23,93,153	16,58,976
Significant Accounting policies	12		
<b>Total</b>		<b>3,30,29,432</b>	<b>3,72,14,143</b>

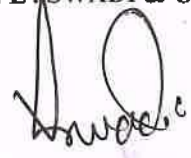
For DIVGI TRANSMISSION SYSTEMS AND  
TECHNOLOGIES PRIVATE LIMITED

  
(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  
01-12-2020

**DIVGI TRANSMISSION SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED**

CIN : U34300KA1997PTC022281

SAHYADRI COLONY,

SIRSI (U.K.) - 581402

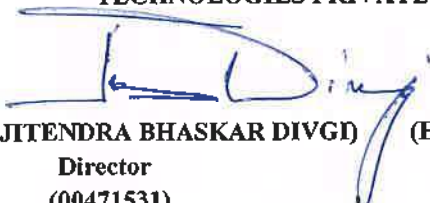
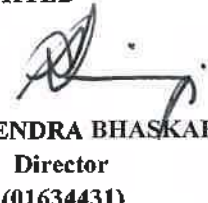
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31/03/2020**

Particulars	Note No.	Figures as at the end of Current reporting period	Figures as at the end of Previous reporting period
<b>I REVENUE FROM OPERATIONS</b>	14	2,88,14,658	4,90,29,808
<b>II OTHER INCOME</b>	15	40,46,864	62,48,241
<b>III TOTAL REVEUNE (I+II)</b>		<b>3,28,61,521</b>	<b>5,52,78,050</b>
<b>IV. EXPENSES</b>			
Cost Of Materials Consumed (Gear Wheel Blank)		53,368	1,17,933
Purchase Of Stock In Trade		-	-
Changes Of Inventories Of Finished Goods, Work In Progress & Stock In Trade		-	-
Employees Benefit Expenses	16	1,94,53,875	2,79,69,050
Finance Cost	17	2,87,409	4,08,818
Depreciation & Amortization Of Expenses	5	22,42,783	25,35,552
Other Expenses	18	1,18,58,211	1,92,34,594
<b>TOTAL EXPENSES</b>		<b>3,38,95,646</b>	<b>5,02,65,947</b>
<b>V. Profit Before Exceptional &amp; Extraordinary Items &amp; Tax (III-IV)</b>		(10,34,125)	50,12,102
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit Before Extraordinary Items &amp; Tax (V-VI)</b>		(10,34,125)	50,12,102
<b>VIII. Extraordinary Items</b>		-	-
<b>IX. Profit Before Tax (VII-VIII)</b>		(10,34,125)	50,12,102





<b>X. Tax Expense:</b>		
i) Current Tax	-	(13,59,612)
ii) Deferred Tax	(40,069)	(14,070)
<b>XI. Profit\Loss For The Period From Continuing Operations (X-IX)</b>	(10,74,194)	36,38,420
<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>	(10,74,194)	36,38,420
<b>XVI. Earning Per Equity Share</b>		
i) Basic	(22)	73
ii) Diluted	-	-

For DIVGI TRANSMISSION SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED


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

FOR U. L. SWADI & COMPANY

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

SIRSI  
1-Dec-20

**DIVGI TRANSMISSION SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED**

CIN : U34300KA1997PTC022281


SAHYADRI COLONY,

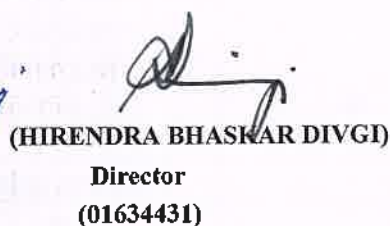
SIRSI (U.K.) - 581402

Cash Flow Statement For the Year Ending 31/03/2020

<u>Operating Activities</u>	<u>For the year ended 31/03/2020</u>	<u>For the year ended 31/03/2019</u>
<b>Net Profit Before Taxation &amp; Extraordinary Items</b>	<b>(10,34,125)</b>	<b>50,12,102</b>
<b>Adjustments For</b>		
<b>1) Non Cash Incomes / Expenses</b>		
Add: Depreciation	22,42,783	25,35,552
<b>2) Non Business Incomes / Expenses</b>		
Less: Dividend On Shares	21,300	17,040
<b>3) Items Considered Separately</b>		
Add: Interest Expense	2,87,409	4,08,818
<b>Operating Profit Before Working Capital Changes</b>	<b>14,74,767</b>	<b>79,39,432</b>
Increase/(Decrease) In Trade Payables	-	-
Increase/(Decrease) In Other Current Liabilities	(22,93,656)	(91,19,719)
Decrease/(Increase) In Trade Receivables	(22,65,983)	52,34,941
Decrease/(Increase) in Current Assets	-	16,25,648
Decrease/(Increase) in Inventories	40,767	52,277
Decrease/(Increase) In Other Current Assets	(7,34,177)	396
<b>Cash Generated From Operations</b>	<b>(37,78,281)</b>	<b>57,32,975</b>
Less: Income Tax Paid	-	(13,59,612)
<b>Net Cash From Operating Activities (A)</b>	<b>(37,78,281)</b>	<b>43,73,363</b>
<b><u>Investing Activities</u></b>		
Loans & Advances Recovered	-	-
Dividend Received	21,300	17,040
Interest received on Investments	-	-
Purchase Of Fixed Assets	(4,27,401)	(4,03,627)
Capital Work-in-progress	(1,30,100)	-
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(5,36,201)</b>	<b>(3,86,587)</b>
<b><u>Financing Activities</u></b>		
Repayment Of Loan	(8,56,930)	(23,44,207)
Acceptance Of Loan	-	37,99,282
Interest Paid	(2,87,409)	(4,08,818)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>(11,44,339)</b>	<b>10,46,257</b>
<b>Net Increase in Cash (A+B+C)</b>	<b>(54,58,822)</b>	<b>50,33,033</b>
Add: Cash & Cash Equivalents At The Beginning Of Period	<b>69,16,318</b>	<b>18,83,284</b>
<b>Cash &amp; Cash Equivalents At The End Of Period (See Sch To B/S)</b>	<b>14,57,495</b>	<b>69,16,318</b>

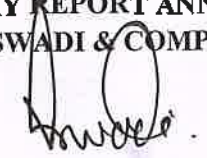
**For DIVGI TRANSMISSION SYSTEMS AND TECHNOLOGIES  
PRIVATE LIMITED**

  
(JITENDRA BHASKAR DIVGI)  
Director  
(00471531)

  
(HIRENDRA BHASKAR DIVGI)  
Director  
(01634431)

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



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

SIRSI  
1-Dec-20

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

**NOTES FORMING PART OF BALANCE SHEET AS AT 31-03-2020**

	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>		
<u>Authorized Capital</u>		
100,000 Equity Shares of Rs.100.00 each	1,00,00,000	1,00,00,000
<u>Issued, Subscribed &amp; Paid up:</u>		
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>

**1.1. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity Shares	Figures as at the end of Current reporting period		Figures as at the end of Previous reporting period	
	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.

**1.2. Details of shareholders holding more than 5% shares in the company**

	Figures as at the end of Current reporting period		Figures as at the end of Previous reporting period	
	No	%	No	%
Meera Divgi	48,500	97.92	48,500	97.92

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	1,33,76,169	97,37,749
Add: Net Profit (loss) For The Year	(10,74,194)	36,38,420
<b>Total</b>	<b>1,23,01,975</b>	<b>1,33,76,169</b>



<b>NOTE 3</b>			
<b>LONG TERM BORROWINGS</b>			
<b>Term Loans From Banks</b>			
HDFC Bank Ltd Machinery Loan		25,38,857	32,23,296
HDFC Bank Ltd Car Loan 39774329		2,40,829	4,13,320
	A	27,79,686	36,36,616
<b>Less: Current Maturities of Long Term Borrowings</b>			
HDFC Bank Ltd Machinery Loan		7,48,270	6,84,439
HDFC Bank Ltd Car Loan 39774329		1,90,273	1,72,491
	B	9,38,543	8,56,930
Total Long Term Borrowings	A-B	18,41,143	27,79,686
<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>80,33,855</b>	<b>89,72,398</b>
<b>3.1</b>			
The above amount includes		<b>31-Mar-20</b>	<b>31-Mar-19</b>
Secured borrowings		18,41,143	27,79,686
Unsecured borrowings		61,92,712	61,92,712
Net amount		<b>80,33,855</b>	<b>89,72,398</b>





<b>NOTE 4</b>		
<b>Other Current Liabilities</b>		
Current Maturities of Long Term Borrowings (Refer Note 3)		
	9,38,543	8,56,930
(A)	9,38,543	8,56,930
Interest Accrued but not due on borrowings	20,913	27,434
(B)	20,913	27,434
Other Payables - Other Expenses	1,69,044	4,62,947
Other Payables - Building & Electrical Maintenance	9,852	1,73,578
Other Payables - Machinery repairs	3,58,450	6,83,338
Other Payables - Legal & Professional Fees	88,270	61,200
Other Payables - Taxes	40,271	3,57,768
Other Payables - Related to Salary & Wages	32,25,182	22,19,041
Other Payables - Expenses	10,50,898	15,11,793
Other Payables - Capital Expenditure	-	70,592
Other Payables - Raw Materials	-	37,642
Divgi Metal Ware Pvt Ltd., Sirsi (Lease Rent Payable)	13,08,000	25,25,484
Income Tax Payable	-	4,33,720
(C)	62,49,967	85,37,102
(A) + (B)+(C)	72,09,423	94,21,466

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

<b>NOTE 7</b>		
<b>DEFERRED TAX ASSET \ (LIABILITY)</b>		
Opening Balance (Liability)	(4,91,110)	(4,77,040)
Add: Provision For the Year D.T.A./(D.T.L)	(40,069)	(14,070)
<b>Closing Balance (Liability)</b>	<b>(5,31,179)</b>	<b>(4,91,110)</b>

<b>NOTE 8</b>		
<b>Inventories (Raw Materials)</b>		
Wheel Gear	-	40,768
<b>Total</b>	<b>-</b>	<b>40,768</b>





<b>NOTE 9</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
Divgi Torq Transfer Systems Pvt Ltd, Sirsi	1,28,78,215	85,54,994
Aditya Auto Products & Engg. (India) Pvt. Ltd. Bangalore	59,685	-
Guindy Machine Tools Limited	-	48,887
<b>Total</b>	<b>1,29,37,900</b>	<b>1,06,71,917</b>

<b>NOTE 10</b>		
<b>CASH &amp; CASH EQUIVALENTS</b>		
Cash in hand	7,814	6,296
<b>Cash at Bank:</b>		
<b>(a) With Scheduled Banks</b>		
Indian Overseas Bank C. A/c 162602000000065	1,14,039	7,15,211
HDFC Bank 50200009176979	2,09,280	53,27,279
<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	11,24,782	8,65,951
<b>Total</b>	<b>14,57,495</b>	<b>69,16,318</b>

<b>NOTE 11</b>		
<b>Other Current Assets</b>		
Divgi Metalware Pvt Ltd (Roofing Work)	16,58,976	16,58,976
Advance for supply of goods	1,75,700	-
GST E-credit Balance	254	-
Income Tax Refund (A.Y. 2020-21)	5,58,223	-
<b>Total</b>	<b>23,93,153</b>	<b>16,58,976</b>


For DIVGI TRANSMISSION SYSTEMS AND  
TECHNOLOGIES PRIVATE LIMITED

  
(JITENDRA BHASKAR DIVGI)  
Director  
(00471531)

  
(HIRENDRA BHASKAR DIVGI)  
Director  
(01634431)

FOR U. L. SWADI & Co.,



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

SIRSI  
1-Dec-20

**Note-12**  
**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:**

There are no stock of inventories at the year end.

**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.

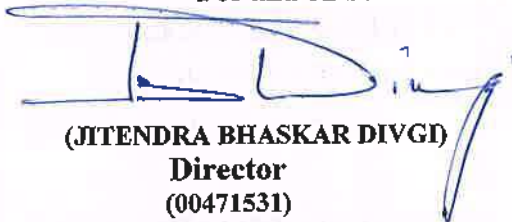
**13. EARNINGS PER SHARE:**

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

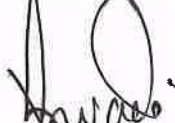
  
(JITENDRA BHASKAR DIVGI)  
Director  
(00471531)

  
(HIRENDRA BHASKAR DIVGI)  
Director  
(01634431)

SIRSI  
01-12-2020



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 31-03-2020**

	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	2,87,68,029	4,88,46,778
Sale of Gear Wheel Teeth Cutting ESA	46,629	1,83,030
<b>Total</b>	<b>2,88,14,658</b>	<b>4,90,29,808</b>

<b>NOTE 15</b>		
<b>OTHER INCOME</b>		
Sale of Drums	23,877	28,147
Sale of Scrap	38,88,224	60,11,773
Sale of Waste Oil	35,463	13,430
Dividend on Sirsi Urban Bank Shares	21,300	17,040
Interest on HDFC FD	-	10,251
Sitting Fees Excess provision reversed	78,000	-
Other Business Support Services to Divgi Torque Transfer Systems Pvt Ltd	-	1,67,600
<b>Total</b>	<b>40,46,864</b>	<b>62,48,241</b>

<b>NOTE 16</b>		
<b>EMPLOYEES BENEFIT EXPENSES</b>		
Labour Charges	94,23,493	1,75,08,019
Bonus to Workers	3,30,191	3,38,158
Overtime Wages	1,04,032	5,41,024
Group Gratuity	5,34,168	3,35,979
Salary paid (Admin Staff)	69,81,433	67,01,405
Provident fund	5,78,321	6,54,438
Employees State Insurance	1,88,487	3,08,515
Employee Settlement	2,39,515	635
<b>Staff Welfare</b>		
Uniform Cloth, Stitching, Shoes etc	-	60,962
Employees Personal Accident Policy premium	23,422	17,417
Labour Welfare fund	2,280	2,520
Labour Welfare Expenses	1,64,393	2,08,801
Medical expenses	8,018	10,282
Vehicle Conveyance	5,751	5,971
Meals to Employees	8,70,371	12,74,924
<b>Total</b>	<b>1,94,53,875</b>	<b>2,79,69,050</b>





<b>NOTE 17 - FINANCIAL COST</b>		
<b><u>Interest on loans</u></b>		
Sirsi Urban Co-op Bank Machinery Loan a/c No. 464	-	41,655
HDFC Bank Car Loan 39774329	31,653	52,583
HDFC Bank Machinery Term Loan	2,55,756	3,14,580
<b>Total</b>	<b>2,87,409</b>	<b>4,08,818</b>

<b>NOTE 18 - OTHER EXPENSES</b>		
<b><u>Power &amp; Fuel</u></b>		
Electricity Charges	24,65,846	43,44,282
Oil & Lubricant Expenses	12,35,797	21,30,937
Calibration Charges	31,167	47,428
Labour Charges (Coating, Painting and Others )	2,89,733	3,86,358
Lease Rent to Divgi Torq Transfer Systems Pvt Ltd (Building)	12,00,000	12,00,000
Lease Rent to Divgi Torq Transfer Systems Pvt Ltd (Machinery)	12,00,000	12,00,000
Material Rejection charges	-	6,31,553
<b><u>Repairs, Maintenance &amp; Consumables</u></b>		
Factory Building	37,572	8,93,410
Electrical Maintenance & Consumables	1,64,355	7,13,102
Generator Fuel & Maintenance	5,35,827	13,24,123
Machinery & Other Consumables	7,84,399	12,76,355
Machinery Repairs & Maintenance	11,31,280	17,72,051
Vehicle Repairs & Maintenance	1,81,566	1,83,922
<b><u>Insurance Paid</u></b>		
Machinery Insurance	12,614	3,584
Fire Insurance	-	13,152
Vehicle Insurance	10,825	12,007
<b><u>Professional charges</u></b>		
a) Company Law Matters	7,500	15,250
<b>b) Payment to Auditors</b>		
Audit Fees	60,000	45,000
Tax Matters	32,700	15,000
c) Consultancy Fees	96,000	86,912
d) Quality Systems Management Audit	76,168	-
e) Other Legal Fees	-	150
f) Salary processing fees	57,500	-
g) ESI Filing Fees	-	5,500
<b>c/f</b>	<b>96,10,849</b>	<b>1,63,00,075</b>



b/f	96,10,849	1,63,00,075
<b><u>Taxes &amp; Cess</u></b>		
Profession tax	2,500	2,500
Service Tax	-	491
Ineligible Input GST	1,81,403	2,43,782
Excise Duty Written - off	-	396
Penalty on Provident Fund	-	301
Interest on Belated TDS	11,183	7,628
Interest on Belated TCS	852	865
Late Fees filing - GST	650	-
Bank Charges	1,292	22,472
Bond Paper Charges For Loan	340	220
Boarding & Lodging Expenses	-	7,645
Charity & Donations	-	70,501
Computer Consumables & Maintenance	53,368	93,785
Deputation charges	9,93,819	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	950	-
Freight	9,217	92,300
House Keeping	3,62,932	2,86,968
Inspection Testing Certification	-	3,150
Miscellaneous	2,084	2,711
Pooja Expenses	21,569	21,817
Postage & Courier	33,665	46,219
Printing & Stationery	90,896	1,53,023
Refreshment & Hospitality	9,432	13,171
ROC Filing Fees	1,200	26,274
Round-off	126	118
Telephone & Mobile	90,303	1,24,493
Travelling Expenses	1,37,976	1,62,563
Watch and Ward Expenses	1,56,705	1,43,022
<b>Total</b>	<b>1,18,58,211</b>	<b>1,92,34,594</b>

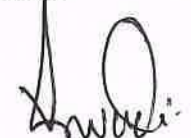
For DIVGI TRANSMISSION SYSTEMS AND TECHNOLOGIES PRIVATE  
LIMITED


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

SIRSI  
1-Dec-20



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 31-03-2020 - PART TO NOTE 5**

<b>Other Payables - Other Expenses</b>		
Akshya Medicals & General Stores, Sirsi	1,016	1,254
Bright Engineering Services Dharwad	-	12,535
Graphic, Sirsi	-	6,065
Gururaj Stores, Sirsi	154	-
Hotel Ganapati, Sirsi	51,247	1,14,694
Kapali Marketing, Dharwad	-	13,806
King Shoe Collection, Belgaum	-	9,131
Lucky Stores, Sirsi	198	396
Multiclean Solutions, Hubli	-	4,956
Oerlikon Balzers Coating India Ltd, Bangalore (Labour Charges)	12,973	28,285
Padma Files, Sirsi	1,250	1,625
Premier Sales Corporation, Pune	2,727	-
Printview, Sirsi	5,250	-
Quality House, Sirsi	-	7,070
Rangoli Traders, Hubli	7,841	41,667
Sadguru Graphic World, Sirsi	-	1,464
Saraswati Media	-	1,866
Shri Akshaya Automobiles, Sirsi	-	1,025
Shri Marikamba Enterprises (DTC), Sirsi	2,378	4,006
Shri Sai Enterprises	6,613	7,866
Size Master Calibration Services, Pune	9,673	21,361
Suresh Stationery, Sirsi	2,351	-
The A.S. & D Co-op. Society, Sirsi	64,923	1,83,275
Vishweshwar Hegde Wood Industries	450	600
	<b>1,69,044</b>	<b>4,62,947</b>
<b>Other Payables - Building &amp; Electrical Maintainance</b>		
Computrack, Hubli	-	29,800
Nandini Brothers, Mumbai	-	18,970
Pavan Enterprises, Pune	-	92,320
Poonam Electricals Works, Sirsi	3,800	3,950
Prabhu Enterprises, Sirsi	-	3,040
Pragati Systems., Sirsi	5,132	21,424
Vijayalaxmi Electricals, Sirsi	920	4,074
	<b>9,852</b>	<b>1,73,578</b>



**Other Payables - Machinery Repairs & Consumables**

G P Petroleum , Bangalore	2,20,436	3,43,105
G.B Toolings, Pune	1,280	3,840
Goodluck Stores, Sirsi	2,010	4,930
Industrial Tools & Accessories, Bangalore	42,869	65,797
Jointline Equipments, Mangalore	-	7,663
K K Forms Tools, Aurangabad	5,664	2,478
Laxmi Auto Centre, Sirsi	320	2,700
Max Flow Controls Pvt. Ltd.,	-	17,703
Mahalasa Auto Stores	15,800	-
Mitsubishi Heavy Industries	10,438	65,197
Motherson Advanced Tooling Solutions Limited Aurangabad	-	61,171
Orient Auto Spares, Sirsi	-	803
Precicut Manufacturing Solution	22,941	-
Precision Tools Corporation, Pune	-	7,788
Prospect Trading Co, Mumbai	330	25,121
R.G. Enterprises, Harihar	-	33,997
Rajesh Trade Centre, Mumbai	3,776	-
Reliable Tools Center, Pune	-	6,668
Sace Engineering, Pune	-	6,514
Sunkad Brothers, Dharwad	-	9,279
Suprabhat Protective Products Pvt Ltd, Pune	18,172	18,585
Universal Caliberation Services Priavate Limited	14,413	-
	<b>3,58,450</b>	<b>6,83,338</b>
<b>Legal &amp; Profession Fees</b>		
Audit Fees	54,000	40,500
Tax Matters	13,500	13,500
Salary Processing charges	13,570	-
Naveen Shastri	7,200	7,200
	<b>88,270</b>	<b>61,200</b>
<b>Other Payables - Taxes</b>		
<b>TDS Payable on</b>		
Audit Fees & Tax Matters	7,500	6,000
Consultancy charges	1,950	800
Contract Labour	7,338	10,674
Professional Fees	1,500	-
Building Lease Rent	10,000	10,000
Machinery Lease Rent	2,000	2,000
Salary	6,958	27,810
Labour charges	1,230	-
Deputation Charges	1,355	2,021
House Keeping	350	1,225
Director Remuneration	-	55,632
GST Payable/to be reversed	90	2,25,560
TCS @ 1 % Payable	-	16,045
	<b>40,271</b>	<b>3,57,768</b>



<u>Other Payables - Related to Salary &amp; Wages</u>		
Profession Tax collected from employees	1,800	2,400
Salary payable	10,86,054	6,87,196
Provident Fund payable	87,567	89,275
Overtime wages payable	-	13,043
Workmen Compensation premium payable	12,652	11,338
Employee State Insurance Payable	16,062	27,616
Bonus Payable	3,30,191	3,38,158
Group Gratuity Payable	44,514	44,514
Medical Insurance Payable	-	4,956
Shri Marikamba Career Works, Sirsi	16,46,342	10,00,545
	<b>32,25,182</b>	<b>22,19,041</b>
<u>Other Payables - Expenses</u>		
Electricity Charges Payable	7,72,106	7,30,883
Vishal Tele Shopee	5,426	6,000
Director Remuneration payable	-	5,00,684
Director Sitting payable	75,600	83,400
Divgi Holdings Pvt. Ltd., Sirsi - Housekeeping Services	40,600	71,050
Divgi Holdings Pvt. Ltd., Sirsi - Deputation charges	1,57,166	1,19,777
	<b>10,50,898</b>	<b>15,11,793</b>
<u>Other Payables - Capital Expenditure</u>		
Ravi Banu Ayyan, Sirsi (Labour Charges)	-	3,960
Nitish C. Devadiga	-	66,632
Ace Designers Ltd, Bangalore (Plant & Machinery)	-	-
	-	<b>70,592</b>
<u>Other Payables - Raw Materials</u>		
Ace Forge Pvt Ltd, Bangalore	-	37,642
	-	<b>37,642</b>
<b>Total</b>	<b>49,41,967</b>	<b>55,77,898</b>

(JITENDRA BHASKAR DIVGI)

Director  
(00471531)

SIRSI  
1-Dec-20

(HIRENDRA BHASKAR DIVGI)

Director  
(01634431)



FOR U. L. SWADI & Co.,

*U. L. Swadi*  
**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 1/4/2019	Addition during the year	Deductions	Gross Block	Depreciation	Written Down Value at the year end 31/03/2020
1	2	3	6	7	8	9	10
	<b>Tangible Assets</b>						
1	Computers and data processing units	69,308	22,400		91,708	46,061	45,647
2	Electrical Installations and Equipment	1,70,490	49,100		2,19,590	48,484	1,71,106
3	Furniture and fittings	1,97,431		-	1,97,431	50,499	1,46,932
4	Office equipments	73,316	4,901	-	78,217	32,837	45,380
5	Plant and Machinery	1,62,92,565			1,62,92,565	18,04,465	1,44,88,100
6	Motor Vehicles	6,42,299		-	6,42,299	2,00,618	4,41,681
		<b>1,74,45,409</b>	<b>76,401</b>	<b>-</b>	<b>1,75,21,810</b>	<b>21,82,965</b>	<b>1,53,38,845</b>
	<b>Intangible Assets</b>						
1	Computer Software	2,02,667	3,51,000		5,53,667	59,819	4,93,848
		<b>1,76,48,076</b>	<b>4,27,401</b>	<b>-</b>	<b>1,80,75,477</b>	<b>22,42,784</b>	<b>1,58,32,693</b>

  
**(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

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

**P.A.NO: AABCD 8647C**


**A.Y.: 2020-2021**

**PARTICULARS OF DEPRECIATION ALLOWABLE AS PER THE INCOME TAX ACT 1961 IN RESPECT OF EACH ASSET**

Block	Description of Assets	Rate of Depreciation (%)	Written Down value as on 01-04-2019	Addition during the year		Deductions during the year	Gross Block	Depreciation Allowable	Written Down Value at the year end
				upto 3.10.19	after 3.10.19				
I	Furniture & Electrical Fittings	2	4,86,373.00	4	5	6	7	8	10
II	Plant & Machinery Additional Depreciation	15	1,39,67,096.00	54,001.00	-	-	4,86,373.00	48,637.00	4,37,736.00
III	Computer & Software	40	2,43,073.00	3,73,400.00	-	-	1,40,21,097.00	21,03,165.00	1,19,17,932.00
	<b>Total</b>		<b>1,46,96,542.00</b>	<b>4,27,401.00</b>	<b>-</b>	<b>-</b>	<b>1,51,23,943.00</b>	<b>23,98,391.00</b>	<b>1,27,25,552.00</b>

  
**(JITENDRA BHASKAR DIVGI)**  
 Director



FOR U.L. SWADI & CO.,  
  
**U. L. SWADI**  
**For U. L. SWADI & CO.**  
**CHARTERED ACCOUNTANTS**  
**M. NO. 0...**

**SIRSI**  
 December 1, 2020

**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: 22,42,783.78	
	Depreciation as per Income Tax Act: 23,98,391.00 (1,55,607.22) D.T.L	(40,069)
	<b>Closing Balance - Deferred Tax Liability</b>	<b>(5,17,109)</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

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

Sl.no	Name of the Private Company	Position held
1)	Divgi Torq Transfer Sysytems 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.)	
			2019-2020	2018-2019
1)	Divgi Torq Transfer Systems Pvt Ltd, Sirsi	Labour Charges Received	2,87,68,029	4,88,46,778
2)	Divgi Holding Pvt Ltd	Deputation charges Paid Long Term Borrowings Balance	9,93,819 31,36,451	7,66,889 31,36,451
3)	Divgi Torq Transfer Systems Pvt Ltd	Payment of Lease Rent on Building Payment of Lease Rent on Machinery	12,00,000 12,00,000	12,00,000 12,00,000
4)	Mr.Jitendra Divgi , Director	Long Term Borrowings Balance	30,56,261	30,56,261



