

# GHOSH KHANNA & CO.

CHARTERED ACCOUNTANTS

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## AUDITORS' REPORT

### TO THE MEMBERS RULETEK INC

#### Report on the Financial Statements

1. We have audited the attached Balance Sheet of **RULETEK INC.** as at 31st March, 2019 and the related Profit and Loss Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards. This responsibility includes the design, implementation and maintenance of internal control 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.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. In our opinion and to the best of our information and according to the explanation given to us, the said accounts together with notes thereto and Statement on Significant Accounting Policies give the information, to give, a true and fair view in conformity with the generally accepted accounting principles.

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2019 and



*Brauch:*

(ii) In the case of the Profit and Loss Statement, of the Profit for the year ended on that date.

For **GHOSH KHANNA & CO.**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No. 003366N

*Amit*

**AMIT KUMAR GUPTA**  
**PARTNER**  
Membership No.508656

Place: New Delhi  
Date: 3<sup>rd</sup> May 2019



**RuleTek Inc.**  
**Balance Sheet as at 31st March 2019**

PARTICULARS		Notes	As at 31st March 2019 USD	As at 31st March 2018 USD
<b>I</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	Fixed assets	2.1		
	Tangible assets		137,936	136,871
	Intangible assets		-	-
	Other non-current assets	2.5	-	-
	Deferred tax Assets (net)		66,935	-
<b>2</b>	<b>Current assets</b>			
	Cash and bank balances	2.2	5,227,372	441,708
	Short-term loans and advances	2.3	-134,453	9,013
	Trade receivables	2.4	2,929,311	3,043,166
	Other current assets	2.5	53,295	-
	<b>TOTAL</b>		<b>8,280,396</b>	<b>3,630,758</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	Share capital	2.5	100	100
	Reserves and surplus	2.6	7,558,703	3,280,941
<b>2</b>	<b>Non-current liabilities</b>			
	Employee Benefit Obligation	2.7	206,759	85,800
<b>3</b>	<b>Current liabilities</b>			
	Trade Payables	2.8	191,273	107,476
	Other current liabilities	2.9	323,561	156,441
	<b>TOTAL</b>		<b>8,280,396</b>	<b>3,630,758</b>

The accompanying notes referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date

For and on behalf of  
Ghosh Khanna & Co  
Firm Registration No. 003366N  
Chartered Accountants

*Amit*  
Amit Kumar Gupta  
Partner  
Membership No. 508656

For and on behalf of the Board of Directors of Ruletek Inc

*Madan Mohan*      *Mark T. Covrig*  
Madan Mohan      Mark T. Covrig  
Director      Director

Place: New Delhi  
Date: 31/3/19



**RuleTek Inc.**  
**Statement of Profit & Loss for the year ended 31st March 2019**

PARTICULARS		Notes	Year ended 31st March 2019 USD	Year ended 31st March 2018 USD
<b>INCOME</b>				
I	Revenue from Operations	2.11	15,330,288	8,985,383
	Other Income		579	
II	<b>Total Revenue</b>		<b>15,330,867</b>	<b>8,985,383</b>
<b>EXPENDITURE</b>				
III	Employee Benefits Expense	2.12	8,423,086	4,742,772
	Depreciation and Amortization Expenses	2.10.	34,666	14,713
	Finance Costs	2.15	592	562
	Other Expenses	2.13	974,681	459,133
	<b>Total Expenses</b>		<b>9,433,025</b>	<b>5,217,180</b>
	<b>Profit before exceptional and extraordinary items and tax</b>		<b>5,897,842</b>	<b>3,768,203</b>
IV	Exceptional Item		-	-
V	<b>Profit before tax (II- III)</b>		<b>5,897,842</b>	<b>3,768,203</b>
VI	<b>Tax expense:</b>			
	Current tax		1,687,014	1,338,684
	Deferred tax		(66,935)	
VII	<b>Profit (Loss) for the period</b>		<b>4,277,762</b>	<b>2,429,519</b>

The accompanying notes referred to above form an integral part of the Statement of Profit and Loss

This is the Profit and Loss Account referred to in our report of even date

For and on behalf of  
 Ghosh Khanna & Co  
 Firm Registration No 003366N  
 Chartered Accountants

*Amit*  
**Amit Kumar Gupta**  
 Partner  
 Membership No. 508656

For and on behalf of the Board Of Directors of Ruletek  
 Inc

*Madan Mohan*      *Mark T. Covrig*  
**Madan Mohan**      **Mark T. Covrig**  
 Director              Director

Place: New Delhi  
 Date: 31/5/19



**RuleTek Inc.**

**2.1 Fixed Assets**

(Amount in USD)

Description of Assets	GROSS BLOCK			DEPRECIATION AND AMORTISATION		NET BLOCK			
	Cost As on 01.04.2018	Additions during the year	Sales / Adj. during the year	Total as on 31.03.2019	As on 01.04.2018	For the year	Total as on 31.03.2019	As on 31.03.2019	As on 31.03.2018
<u>Tangible</u>									
Plant & Equipment	28,217	24,733		52,950	5,937	15,903	21,840	31,110	22,280
- Plant & Machinery	123,367	10,998	-	134,365	8,776	18,763	27,539	106,826	114,591
- Furniture & Fixtures									
<b>Total</b>	<b>151,584</b>	<b>35,731</b>	-	<b>187,315</b>	<b>14,713</b>	<b>34,666</b>	<b>40,379</b>	<b>137,936</b>	<b>136,871</b>



**RuleTek Inc.**

2.2 Cash and Bank Balances	Current	
	As at 31st March 2019 USD	As at 31st March 2018 USD
<b>Cash and cash equivalents:</b>		
Balance with banks		
Current Accounts	5,214,478	439,197
Cash on hand	-	2,511
Cheques, drafts on hand	12,894	-
	<b>5,227,372</b>	<b>441,708</b>
	<b>5,227,372</b>	<b>441,708</b>



Statement of Cash Flows	
	Year ended 31 March 2019
<b>Cash flow from operating activities</b>	
Profit after income tax Deferred tax from	4,277,762
Continuing operations	
Discontinued operations	
<b>Profit after income tax including discontinued operations</b>	<b>4,277,762</b>
Adjustment for	
Depreciation and amortisation expenses	34,666
Loss on sale of Fixed Assets	-
<b>Changes in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:</b>	<b>34,666</b>
(Increase)/Decrease in trade receivables	113,855
Increase in trade payables	83,797
(Increase)/Decrease in other current assets	23,236
Increase in other current liabilities	288,079
<b>Cash generated from operations</b>	<b>508,967</b>
<b>Net cash inflow from operating activities</b>	<b>4,821,395</b>
<b>Cash flow from investing activities</b>	
Payment for property, plant and equipment	(35,731)
<b>Net cash outflow from investing activities</b>	<b>(35,731)</b>
<b>Cash flow from financing activities</b>	
<b>Net cash inflow (outflow) from financing activities</b>	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>4,785,664</b>
Cash and cash equivalents at the beginning of the financial year	441,708
Effects of exchange rate changes on cash and cash equivalents	
<b>Cash and cash equivalents at the end of the financial year</b>	<b>5,227,371</b>
Non-cash financing and investing activities	
- Acquisition of property, plant and equipment	
- Shares issued for acquisition of	
Reconciliation of cash and cash equivalents as per the cash flow statement	
Cash and cash equivalents as per above comprise of the following	
Cash and cash equivalents	5,227,372
Bank overdrafts	
<b>Balance as per statement of cash flows</b>	<b>5,227,372</b>



**RuleTek Inc.**

2.3	Loans & Advances	Short Term	
		As at 31st March 2019 USD	As at 31st March 2018 USD
	Advances recoverable in cash or in kind Unsecured, considered good	775	5,345
	Less: Provision for doubtful advances	-	-
	(A)	<b>775</b>	<b>5,345</b>
	Advance Tax	2,890,470	1,342,352
	Less : Provision for Tax	(3,025,698)	(1,338,684)
	(B)	<b>(135,228)</b>	<b>3,668</b>
	<b>Total (A+B)</b>	<b>(134,453)</b>	<b>9,013</b>





**RuleTek Inc.**

2.4 Trade Receivables	Current	
	As at 31st March 2019 USD	As at 31st March 2018 USD
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good		-
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
<b>Other Trade Receivables</b>		
Unsecured, considered good	2,929,311	3,043,166
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	<b>2,929,311</b>	<b>3,043,166</b>
	<b>2,929,311</b>	<b>3,043,166</b>

<b>Trade Receivable stated above include debts due by:</b>		
Directors *		
Other officers of the Company *		
Firm in which director is a partner *		
Private Company in which director is a member		
*Either severally or jointly		

2.5 OTHER ASSETS	Current	
	As at 31st March 2019 USD	As at 31st March 2018 USD
Unbilled revenue	53,295	-
	<b>53,295</b>	<b>-</b>



**RuleTek Inc.**

<b>2.5</b>	<b>Equity Share Capital</b>	<b>As at 31st March 2019 USD</b>	<b>As at 31st March 2018 USD</b>
	Authorised Equity Share Capital		
	Movements in Equity Share Capital		
	As at 31st March 2018	100	100
	Increase during the year		
	As at 31st March 2019	<u>100</u>	<u>100</u>

<b>2.6</b>	<b>Reserves &amp; Surplus</b>	<b>As at 31st March 2019 USD</b>	<b>As at 31st March 2018 USD</b>
	<b>Profit &amp; Loss Account</b>		
	Balance Brought Forward from Previous year	3,280,941	851,422
	Add : Current Year Profit / (Loss) attributable to Share Holders	4,277,762	2,429,519
		<u>7,558,703</u>	<u>3,280,941</u>



**RuleTek Inc.**

2.7	Employees Benefit Obligation	Long Term	
		As at 31st March 2019 USD	As at 31st March 2018 USD
	Leave Obligation	206,759	85,800
		206,759	85,800



**RuleTek Inc.**

2.8	Trade Payables	Current	
		As at 31st March 2019 USD	As at 31st March 2018 USD
	- Due to Others	191,273	107,476
		<b>191,273</b>	<b>107,476</b>

2.9	Other Liabilities	Current Liabilities	
		As at 31st March 2019 USD	As at 31st March 2018 USD
	Other Payables	323,561	156,441
	Provision for Tax		
		<b>323,561</b>	<b>156,441</b>

**2.10. Contingent Liabilities**

There is no Contingent Liabilities



**RuleTek Inc.**

<b>2.11</b>	<b>Revenue from Operations</b>	<b>Year ended 31st March 2019 USD</b>	<b>Year ended 31st March 2018 USD</b>
	Sale of Services	15,330,288	8,985,383
		<b>15,330,288</b>	<b>8,985,383</b>



**RuleTek Inc.**

<b>2.12</b>	<b>Employee Benefits Expenses</b>	<b>Year ended 31st March 2019 USD</b>	<b>Year ended 31st March 2018 USD</b>
	Salary Wages & Bonus Staff Welfare expenses	8,178,082 139,804 <u>8,423,086</u>	4,673,822 68,950 <u>4,742,772</u>



**RuleTek Inc.**

2.13 Other Expenses	Year ended	Year ended
	31st March 2019	31st March 2018
	USD	USD
Rent (net of recoveries)	246,455	117,394
Rates and Taxes	-	20
Communication	43,134	16,365
Legal and Professional	49,278	60,756
Traveling and Conveyance	143,379	53,928
Recruitment expenses	-	5,649
Insurance	22,253	66,004
Repairs and Maintenance		
- Plant and Machinery	35,122	7,007
- Buildings	16,640	2,421
- Others	25,876	4,967
Professional Expenses	269,108	32,871
Advertisement and Publicity	-	31,054
Other Marketing Expenses	96,797	2,547
Sundry Expenses	26,639	58,150
	<u>974,681</u>	<u>459,133</u>

2.14 Payment to Auditors	Year ended	Year ended
	31st March 2019	31st March 2018
	USD	USD
Audit fee	8,422	8,422
	<u>8,422</u>	<u>8,422</u>

2.15 Finance costs	Year ended	Year ended
	31st March 2019	31st March 2018
	USD	USD
Bank & Financial Charges	592	562
	<u>592</u>	<u>562</u>

For and on behalf of  
 Ghosh Khanna & Co  
 Firm Registration No. 003366N  
 Chartered Accountants

*Amit*  
**Amit Kumar Gupta**  
 Partner  
 Membership No. 508656

Place: New Delhi  
 Date: *31/5/19*



For and on behalf of the Board of Directors of Ruletek Inc.

*Madan Mohan*  
**Madan Mohan**  
 Director

*Mark T. Covrig*  
**Mark T. Covrig**  
 Director