



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NEOTEC ENTERPRISES LIMITED

Report on the Audit of the Ind AS Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Neotec Enterprises Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors' Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises Board's Report, Report on Corporate governance and Business Responsibility report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Responsibilities for the Audit of Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern..
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the order"), issued by the Central Government of India in terms of Section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in para 3 and 4 of the order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,



- c) The Balance Sheet, the Statement of Profit and Loss(including Other Comprehensive Income), Statement of changes in equity, Cash Flow Statement and the Notes to Accounts 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 Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014,
- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the company with reference to these standalone IND AS financial statements and operating effectiveness of such controls, refer our separate Report in "Annexure-B" to this report.
- 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 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its standalone financial position;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - There were no amounts, which were required to be transferred to the investor Education and Protection Fund by the Company.

For MRKS And Associates
Chartered Accountants
FRN: 023711N




Kamal Ahuja
(Partner)
M. No. 505788
Place: New Delhi
Date: June 14, 2021
UDIN: 21505788AAAAUH4869

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF NEOTEC ENTERPRISES LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) The Company does not have any fixed assets accordingly requirements of clause 3(i) are not applicable to the company.
- (ii) The Company does not have any inventories, accordingly requirements of clause 3(ii) are not applicable to the company.
- (iii) As informed, the Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable.
- (iv) According to the information and explanations given to us, the Company has not given any loans, made investments or provided securities to companies and other parties listed under section 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the order is not applicable to the company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for the products of the Company. Therefore, in our opinion, the provisions of clause 3(vi) of the order are not applicable to the company.
- (vii) (a) The Company is incorporated on March 17, 2021 and as per the information and explanation given to us, no statutory liability such as Provident Fund, Employee's State Insurance, Income-tax, Sales-tax, Service tax, duty of Customs, duty of Excise, value added tax and cess and any other statutory dues are accrued during the audit period. Accordingly, provision of clause 3(vii) is not applicable to the company.

(b) As mentioned above the company is newly incorporated, so there are no amounts payable as on March 31, 2021 in respect of Goods and Service Tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute.
- (viii) The Company has no dues in respect of a financial institution, bank, Government or debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and do not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.



- xi) As informed, the Company has not paid or provided for any managerial remuneration during the year. Accordingly, provisions of clause 3(xi) of the Order are not applicable.
- xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- xiii) In our opinion and according to the information and explanation given to us, the company is in compliance with Sections 177 and 188 of Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Ind AS.
- xiv) According to the information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.
- xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For MRKS And Associates
Chartered Accountants
FRN: 023711N



Kamal Ahuja
(Partner)
M. No. 505788
Place: New Delhi
Date: June 14, 2021
UDIN: 21505788AAAAUH4869

ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF NEOTEC ENTERPRISES LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Referred to in paragraph 2(f) under 'Report on other Legal and regulatory requirements' section of our report of even date)

In conjunction with our audit of the financial statements of **NEOTEC ENTERPRISES LIMITED** ("the Company") as of and for the year ended March 31 2021, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors 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 the company's 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

A company's IFCoFR 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 IFCoFR 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 authorisation 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 IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR 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, to the best of our information and according to the explanation given to us, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For MRKS And Associates
Chartered Accountants
FRN: 023711N



Kamal Ahuja
(Partner)
M. No. 505788
Place: New Delhi
Date: June 14, 2021
UDIN: 21505788AAAAUH4869

Neotec Enterprises Limited
 Balance Sheet as at 31 March 2021
 (All amount in Rs. Thousands, unless stated otherwise)

	Note	As at 31 March 2021
ASSETS		
Current assets		
Financial assets		
Cash and cash equivalents	1	100.00
TOTAL ASSETS		100.00
EQUITY AND LIABILITIES		
Equity		
Equity share capital	2	100.00
Other equity	3	(11.80)
		88.20
Current liabilities		
Financial liabilities		
Other financial liabilities	4	11.80
		11.80
TOTAL EQUITY AND LIABILITIES		100.00

Significant accounting policies and accompanying notes are integral part of the standalone financial statements

This is the balance sheet referred to in our report of even date.

For MRKS and Associates

Chartered Accountants

FRN No. 023711N




Kamal Ahuja

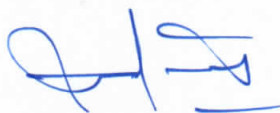
Partner

Membership No. 505788

Place : New Delhi

Date : 14 June 2021

For and on behalf of the Board of Directors



Surinder Kumar Aery

Director

DIN-02430754

Place : New Delhi

Date : 14 June 2021



Amit Jain

Director

DIN-06802414

Place : New Delhi

Date : 14 June 2021

Neotec Enterprises Limited
Statement of Profit and Loss for the period ended 31 March 2021
(All amount in Rs. Thousands, unless stated otherwise)

	Note	For the period ended 31 March 2021
Revenue		
Other income		-
Expenses		
Other expenses	5	11.80
Loss before tax		11.80
Tax expense		(11.80)
Current tax		-
Deferred tax		-
Loss for the year		(11.80)
Other Comprehensive Income		
Items that will not be reclassified to profit and loss		-
Items that may be reclassified to profit or loss		-
Other Comprehensive Income for the year		-
Total Comprehensive Income for the year		(11.80)
Earnings per equity share (Face Value Rs. 10)		
Basic (Rs.)	23	(1.18)
Diluted (Rs.)		(1.18)

Significant accounting policies and accompanying notes are integral part of the standalone financial statements

This is the statement of profit and loss referred to in our report of even date.

For MRKS and Associates

Chartered Accountants
FRN No. 023711N

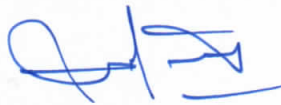


Kamal Ahuja
Partner
Membership No. 505788

Place : New Delhi
Date : 14 June 2021



For and on behalf of the Board of Directors



Surinder Kumar Aery
Director
DIN-02430754

Place : New Delhi
Date : 14 June 2021



Amit Jain
Director
DIN-06802414

Place : New Delhi
Date : 14 June 2021

Neotec Enterprises Limited
Statement of changes in equity for the period ended 31 March 2021
 (All amount in Rs. Thousands, unless stated otherwise)

A Equity Share Capital

Particulars	Balance as at 1 April 2020	Movement during the year	Balance as at 31 March 2021
Equity Share Capital	-	100.00	100.00

B Other Equity

Particulars	Reserves and Surplus		Total
	Securities Premium Reserve	Retained Earnings	
Balance as at 01 April 2020	-	-	-
Loss for the period	-	(11.80)	(11.80)
Other comprehensive income; net of income tax	-	-	-
Balance as at 31 March 2021	-	(11.80)	(11.80)

Significant accounting policies and accompanying notes are integral part of the standalone financial statements

This is the statement of changes in equity referred to in our report of even date.

For MRKS and Associates

Chartered Accountants
 FRN No. 02371 IN



Kamal Ahuja
 Partner
 Membership No. 505788

Place : New Delhi
 Date : 14 June 2021

For and on behalf of the Board of Directors



Surinder Kumar Aery
 Director
 DIN-02430754

Place : New Delhi
 Date : 14 June 2021



Amit Jain
 Director
 DIN-06802414

Place : New Delhi
 Date : 14 June 2021

Neotec Enterprises Limited
Statement of Cash Flow for the period ended 31 March 2021
(All amount in Rs. Thousands, unless stated otherwise)

	For the period ended 31 March 2021
A CASH FLOWS FROM OPERATING ACTIVITIES	
Loss before tax	(11.80)
Adjustments for:	
Interest income	-
Operating loss before working capital changes	<u>(11.80)</u>
Movement in working capital	
Movement in other financial liabilities	11.80
Cash flow used in operating activities post working capital changes	<u>-</u>
Income tax refund/ (paid) (net)	-
Net cash used in operating activities (A)	<u><u>-</u></u>
B CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	-
Net cash generated in investing activities (B)	<u><u>-</u></u>
C CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of share capital	100.00
Net cash used in financing activities (C)	<u><u>100.00</u></u>
(Decrease)/ Increase in cash and cash equivalents (A+B+C)	100.00
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year (refer note 4)	<u><u>100.00</u></u>

This is the cash flow statement referred to in our report of even date.

For MRKS and Associates

Chartered Accountants
FRN No. 023711N



Kamal Ahuja
Partner
Membership No. 505788

Place : New Delhi
Date : 14 June 2021

For and on behalf of the Board of Directors

Surinder Kumar Aery
Director
DIN-02430754

Place : New Delhi
Date : 14 June 2021

Amit Jain
Director
DIN-06802414

Place : New Delhi
Date : 14 June 2021

1. Corporate Information

Nature of Operations

Neotec Enterprises Limited ("the Company") was incorporated on 17 March 2021 as a wholly owned subsidiary of RattanIndia Enterprises Limited (formerly known as RattanIndia Infrastructure Limited).

The main objects of the Company enable it to engage in the business of providing service to the prospective borrowers, for securing loans for meeting their requirements, from banks /financial institutions and other loan providing entities, without being involved in lending of money or any other activity of lending.

General information and statement of compliance with Ind AS

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ("MCA")) and amendment rules issued thereafter. The Company has uniformly applied the accounting policies during the periods presented.

The financial statements for the year ended 31 March 2021 were approved by the Board of Directors on 14 June 2021.

2. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01 April 2021.

3. Summary of significant accounting policies

a) Overall consideration

The financial statements have been prepared using the significant accounting policies and measurement basis as summarised below. These were used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

Basis of preparation

The financial statements have been prepared on going concern basis under the historical cost basis, unless and otherwise indicated.

b) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and it can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable net of rebates and taxes. The Company applies the revenue recognition criteria to each separately identifiable component of the sales transaction as set out below.

Service income

Revenue from services is recognised when services are rendered.

Interest Income

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

Dividend income

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.



c) **Borrowing costs**

Borrowing costs include interest and amortisation of ancillary costs incurred to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/ development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Any income earned on the temporary deployment/ investment of those borrowings is deducted from the borrowing costs so incurred. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

d) **Property, plant and equipment**

Recognition and initial measurement

Properties plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013:

Properties plant and equipment acquired and put to use for the purpose of the Project are capitalised and depreciation thereon is included in capital work-in-progress till the Project is ready for its intended use.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

e) **Intangible assets**

Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent measurement (amortisation)

The cost of capitalized software is amortized over a period in the range of three to five years from the date of its acquisition.



f) **Financial instruments**

Financial assets

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, unless the financial instrument is designated to be measured at fair value through profit or loss or fair value through other comprehensive income.

Subsequent measurement

- Financial assets at amortised cost – the financial assets are measured at the amortised cost if both the following conditions are met:
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. All other debt instruments are measured at Fair Value through other comprehensive income or Fair value through profit and loss based on Company's business model. All investments in mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

Subsequent measurement

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. These liabilities include borrowings and deposits.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



g) Income taxes

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income ("OCI") or directly in equity.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Current income tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss in OCI or equity depending upon the treatment of underlying item.

Deferred income taxes are calculated using the liability method. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss in OCI or equity depending upon the treatment of underlying item.

h) Cash and cash equivalents

Cash and cash equivalents comprise Cash on hand, demand deposits with banks/ corporations and short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

i) Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefit is probable, related asset is disclosed.

j) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



k) **Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

Significant management judgments

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements –

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties under the relevant tax jurisdiction.

Provisions – At each balance sheet date on the basis of the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions. However the actual future outcome may be different from this judgment.

Significant estimates

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be different.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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Neotec Enterprises Limited

Significant accounting policies and notes to the standalone financial statements for the year ended 31 March 2021

(All amount in Rs. Thousands, unless stated otherwise)

4. Cash and cash equivalents

Balances with banks

Current accounts

As at
31 March 2021
100.00
<u>100.00</u>

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Neotec Enterprises Limited

Significant accounting policies and notes to the standalone financial statements for the year ended 31 March 2021

(All amount in Rs. Thousands, unless stated otherwise)

5. Equity share capital

Authorised capital

150,000 equity shares of Rs.10 each

As at
31 March 2021

1,500.00

1,500.00

Issued, subscribed and fully paid up capital

10,000 equity shares of Rs.10 each fully paid up

100.00

100.00

a) Reconciliation of equity shares outstanding at the beginning and at the end of the year.

Equity shares at the beginning of the year

Add : Issued during the year

Equity shares at the end of the year

As at 31 March 2021

No of shares	Amount
-	-
10,000	100.00
10,000	100.00

b) Rights/restrictions attached to equity shares

The Company has only one class of equity shares with voting rights, having a par value of Rs. 10 per share. Each shareholder of equity shares is entitled to one vote per share held. Each share is entitled to dividend, if declared, in Indian Rupees. The dividend, if any, proposed by Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders.

c) Details of shareholders holding more than 5% shares in the Company

Equity shares of Rs. 10 each fully paid up

RattanIndia Enterprises Limited and its nominees

As at 31 March 2021

No of shares	% holding
10,000	100

6. Other equity

Retained earnings

Opening balance

Add : Loss for the year

Closing balance

As at
31 March 2021

(11.80)

(11.80)

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Neotec Enterprises Limited

Significant accounting policies and notes to the standalone financial statements for the year ended 31 March 2021

(All amount in Rs. Thousands, unless stated otherwise)

7. Other current financial liabilities

Audit Fee Payable

<u>As at</u> <u>31 March 2021</u>
11.80
<u>11.80</u>

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Neotec Enterprises Limited

Significant accounting policies and notes to the standalone financial statements for the year ended 31 March 2021

(All amount in Rs. Thousands, unless stated otherwise)

8. Other expenses

Payments to statutory auditors- for audit

	<u>For the year ended</u> <u>31 March 2021</u>
	11.80
	<u>11.80</u>

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9. Financial Instrument:**(i) Fair Value hierarchy**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data, rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Financial instruments by category

All Financial Instruments i.e. Cash & Cash Equivalent and Financial Liabilities are measured at amortised cost, except mutual funds which are measured at fair value.

10. Financial risk management**(i) Financial instruments by category**

Particulars	31 March 2021		
	FVTPL	FVOCI	Amortised cost
Financial assets			
Cash and cash equivalents	-	-	100.00
Total	-	-	100.00
Financial liabilities			
Other financial liabilities	-	-	11.80
Total	-	-	11.80

(ii) Risk Management

The Company is exposed to various risks in relation to financial instruments. The main types of risks are credit risk and liquidity risk. The most significant financial risks to which the Company is exposed are described below:

Credit risk

Credit risk is the risk that a counter party fails to discharge an obligation to the Company. Credit risk arises from cash and cash equivalents & loans. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 March, as summarised below:

Particulars	31 March 2021
Cash and cash equivalents	100.00

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The Company's management considers that all of the above financial assets that are not impaired and/ or past due for each of the above assets reporting dates under review are of good credit quality



Neotec Enterprises Limited

Significant accounting policies and notes to the standalone financial statements for the year ended 31 March 20 21
(All amount in Rs. thousands, unless stated otherwise)

Liquidity Risk

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31 March 2021	Less than 1 year	1-5 year	More than 5 years	Total
Non-derivatives				
Other financial liabilities	11.80	-	-	11.80

11. Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

12. As per Ind AS-24 "Related Party Disclosure", the related parties where control exist or where significant influence exists and with whom transactions have taken place are as below:

Nature of relationship**Related parties****I. Holding Company**

RattanIndia Enterprises Limited
(formerly known as RattanIndia Infrastructure Limited)

II. Key Management Personnel

Name	Designation
Rajiv Rattan *	Executive Director and Executive Chairman of the Holding Company
Vikas Kumar Adukia	Chief Financial Officer of the Holding Company (upto 29 April 2021)
Raghunandan Kumar Sharma	Manager of the Holding Company (upto 30 June 2020)
Ram Kumar Agarwal	Company Secretary of the Holding Company

* Designation changed to Executive Director and Executive Chairman of the Company w.e.f. 4 September 2020.

III. Summary of Significant Transactions with Related Parties for the period ended 31 March 2021:

The Company has not entered into any significant transaction with related party

IV. Summary of Outstanding Balances with Related Parties for the period ended 31 March 2021:

The Company has not entered into any significant transaction with related party



Neotec Enterprises Limited**Significant accounting policies and notes to the standalone financial statements for the year ended 31 March 20 21**
(All amount in Rs. thousands, unless stated otherwise)**13. Earnings per Share:**

Particulars	For the year ended 31 March 2021
Loss after tax	(11.80)
Weighted average number of Equity Shares used in computing Basic earnings per share	100,000
Weighted average number of Equity Shares used in computing Diluted earnings per share	100,000
Nominal Value per Equity Share - (₹)	10.00
Basic earnings per Share - (₹)	(1.18)
Diluted earnings per Share - (₹)	(1.18)

14. Effective tax reconciliation

Particulars	For the year ended 31 March, 2021
Loss before tax	(11.80)
Domestic tax rate	26.00%
Expected tax expense [A]	(3.07)
Tax effect due to exempt income	-
Tax effect due to disallowed expenses	-
Deferred tax assets not recognized	3.07
Total adjustments [B]	3.07
Actual tax expense [C=A+B]	-
Tax expense comprises	
Current tax expense	-
Deferred tax credit	-
Tax expense recognized in Statement of profit and loss [D]	-

15. In the opinion of the Board of Directors, all current and non-current assets, appearing in the Balance Sheet as at 31 March 2021 have a value on realisation in the ordinary course of the Company's business at least equal to the amount at which they are stated in the Balance Sheet.

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Neotec Enterprises Limited**Significant accounting policies and notes to the standalone financial statements for the year ended 31 March 20 21
(All amount in Rs. thousands, unless stated otherwise)****16. Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 :**

Particulars	As at 31 March 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year;	Nil
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year;	Nil
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day;	Nil
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year;	Nil
(vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	Nil

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

17. There is neither any contingent liability nor any commitments to be reported as at 31 March 2021.**As per our report of even date attached****For MRKS and Associates**

Chartered Accountants

FRN No. 023711N

**Kamal Ahuja**

Partner

Membership No. 505788

Place : New Delhi

Date : 14 June 2021

For and on behalf of the Board of Directors**Surinder Kumar Aery**

Director

DIN-02430754

Place : New Delhi

Date : 14 June 2021

**Amit Jain**

Director

DIN-06802414

Place : New Delhi

Date : 14 June 2021