THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
New Delhi, Mumbai, Kolkata, Chennai.
Patna and Chandigarh

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INDEPENDENT AUDITORS' REPORT

To,
The Members of
Solidaridad Network India (Private) Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH, 2020

1. Opinion

We have audited the accompanying financial statements of **Solidaridad Network India (Private) Limited** ("the Company"), which comprise of the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting principles generally accepted in India:

(a) In the case of Balance Sheet, of the state of affairs of the Company as at 31March, 2020;
(b) In the case of Statement of Profit and Loss, of the profit for the year ended on 31March, 2020;

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Emphasis of Matter

We draw your attention to Note No. 4.10 of the financial statements about the prevailing COVID-19 situation across the globe including India and management's assessment of the impact of pandemic COVID-19 on its operations and financial statements for the year ended March 31, 2020, due to lockdown conditions and various restrictions including on travel imposed by the central/ state government(s) for which a definitive assessment of the impact is highly dependent upon the situation that may prevail in the subsequent period(s). Our opinion is not modified in this regard.

4. Other Information

The Company's Board of Directors is responsible for the other information. We have been provided with the other information included in the Director's Report and Annexure thereto, which did not include the financial statements and our auditor's report thereon.

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

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

Based on the audit work we have performed, we have nothing to report in this regard.

5. Responsibility of Management for the 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 financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in Indiaand other applicable Accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement 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. The Board of Directors are also responsible for overseeing the company's financial reporting process.

6. Auditor's Responsibility for the Audit of the Financial Statements

Our 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 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 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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- 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 exist, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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.

7. Report on Other Legal and Regulatory Requirements

1. As Companies (Auditors Report) Order, 2016 ("the order") issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013 is not applicable to the company, we are not reporting in respect of the matters specified in paragraph 3 and 4 of the said order.

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 and Statement of Profit and Loss for the year ended on 31 March, 2020, dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act to the extent applicable, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.

f) As Section 143(3)(i) of the Companies Act, 2013 is not applicable to the company vide notification no- 464 (E) of Ministry of Corporate Affairs dated 05.06.2015 (as amended on

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13.06.2017), we are not reporting in respect of the adequacy of the internal financial controls over financial reporting of the company and operating effectiveness of such controls.

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) There were no pending litigations the impact of which was required to be disclosed in the financial statements.

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.

For **Thakur, Vaidyanath Aiyar & Co.**
Chartered Accountants
FRN: 000038N

K. N. Gupta

K. N. Gupta
Partner
Membership No.: 009169
UDIN:

Place: New Delhi
Date: 22 OCT 2020

T.V.A. & CO. New Delhi Chartered Accountants

SOLIDARIDAD NETWORK INDIA PRIVATE LIMITED

Balance Sheet as at March 31, 2020

(Amount in Rs.)

Particulars	Notes No.	As at 31st March, 2020	As at 31st March, 2019
I. Equity and liabilities			
(1) Shareholder's Funds			
(a) Share Capital	1	100,000	100,000
(b) Reserves and Surplus	2	5,684,483	5,074,898
(2) Non-Current Liabilities			
(a) Deferred Tax Liabilities		30,201	18,874
(3) Current Liabilities			
(a) Short term provisions	3	224,800	1,457,849
(b) Other current liabilities	4	803,937	568,865
Total		**6,843,421**	**7,220,486**
II.Assets			
(1) Non-current assets			
(a) Fixed assets	5		
(i) Property, plant & equipment		108,842	303,346
(b) Other non-current assets	6	-	1,677,208
(2) Current assets			
(a) Cash and cash equivalents	7	6,409,530	3,434,474
(b) Short-term loans and advances	8	79,773	661,897
(c) Other current assets	9	245,276	1,143,561
Total		**6,843,421**	**7,220,486**

Significant Accounting Policies and Notes to Accounts forming part of the Financial Statements **16**

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

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
FRN : 000038N

T.V.A. & CO. New Delhi Chartered Accountants

K.N. Gupta
Partner
Membership No. 009169

Solidaridad Network India Pvt. Ltd. Solidaridad

For and on behalf of the Board of Directors

Shatadru Chattopadhayay
Director
DIN No. 03634160

Munusamy Subramaniyan
Director
DIN No. 03638505

Place: New Delhi
Date: 22 OCT 2020

SOLIDARIDAD NETWORK INDIA PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2020

(Amount in Rs.)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
I. Revenue from operations			
- Consultancy Services	10	4,264,831	18,414,478
II. Other Income	11	89,885	279,692
III. Total Revenue (I +II)		**4,354,716**	**18,694,170**
IV. Expenses:			
- Employee benefit expense	12	-	946,387
- Financial costs	13	19,974	22,334
- Depreciation and amortization expense	14	97,542	72,822
- Other expenses	15	3,342,086	13,359,535
IV. Total Expenses		**3,459,602**	**14,401,078**
V. Profit/(Loss) before tax (III - IV)		**895,114**	**4,293,092**
VI. Tax expense:			
- Current tax		224,800	1,028,478
- Provision for tax - prior years		49,402	-
- Deferred tax (Net)		11,327	29,784
VII. Profit/(Loss) for the year (V - VI) carried to Balance Sheet		**609,585**	**3,234,830**
VIII. Earning per equity share of Rs.10/- each.			
- Basic and Diluted		60.96	323.48

Significant Accounting Policies and Notes to Accounts forming part of the Financial Statements **16**

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

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
Firm registration number: 000038N

K.N. Gupta
Partner
Membership No. 09169

T.V.A. & CO. New Delhi Chartered Accountants

Solidaridad Network India Pvt. Ltd. Solidaridad

For and on behalf of the Board of Directors

Shatadru Chattopadhayay
Director
DIN No. 03634160

Munusamy Subramaniyan
Director
DIN No. 03638505

Place: New Delhi
Date: 22 OCT 2020

Solidaridad Network India Private Limited

Notes annexed to and forming part of the Balance Sheet

Note : 1 Share Capital

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
AUTHORIZED CAPITAL		
50,000 (Previous Year 50,000) Equity Shares of Rs. 10/-	500,000	500,000
	500,000	**500,000**
ISSUED , SUBSCRIBED & PAID UP CAPITAL		
10,000 (Previous Year 10,000) Equity Shares of Rs. 10/- each, Fully Paid up	100,000	100,000
Total	**100,000**	**100,000**

Note : 1 (A) Shareholding Pattern of the company

Particulars	As at March 31, 2020	As at March 31, 2019
	No of Equity Shares	
Dr. Shatadru Chattopadhyay (90%)	9,000	9,000
Mr. Munusamy Subramaniyam (10%)	1,000	1,000
	10,000	**10,000**
	Equity Share Capital (Rupees)	
Dr. Shatadru Chattopadhyay (90%)	90,000	90,000
Mr. Munusamy Subramaniyam (10%)	10,000	10,000
Total	**100,000**	**100,000**

Note : 2 Reserves and Surplus

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Surplus/(Deficit) in the Statement of Profit and Loss		
Balance as per last financial statement	5,074,898	1,840,068
Profit/(Loss) transferred from Statement of Profit and Loss	609,585	3,234,830
	5,684,483	5,074,898
Total	**5,684,483**	**5,074,898**

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Solidaridad Network India Pvt. Ltd.

Note : 3 Short Term Provisions

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Income Tax	224,800	1,457,849
Total	**224,800**	**1,457,849**

Note : 4 Other Current Liabilities

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Duties & Taxes		
TDS payable	32,983	80,447
GST Payable	345,613	-
Other Payables		
Creditors for Expenses	245,341	254,418
Audit fees Payable	180,000	234,000
Total	**803,937**	**568,865**

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Solidarity Network India Pvt. Ltd. Solidarity

Solidaridad Network India Private Limited

Notes annexed to and forming part of the Balance Sheet

Note 5 - Fixed Assets Schedule

(Amount in Rs.)

Sr. No	Particulars	Gross Block				Accumalated Depreciaton				Net Block	
		As on 01.04.2019	Additions during the year	Deductions during the year	As on 31.03.2020	Upto 31.03.2019	Depreciation during the Year	Deductions during the year	Upto 31.03.2020	WDV as on 31.03.2020	WDV as on 31.03.2019
I	Tangible Assets										
1	Furnitures & Fixtures	286,203	-	-	286,203	221,956	16,877	-	238,833	47,370	64,247
2	Office Equipments	1,156,279	-	28,956	1,127,323	1,102,300	6,696	-	1,108,996	18,327	53,979
3	Computers	2,008,390	-	68,006	1,940,384	1,823,270	73,969	-	1,897,239	43,145	185,120
	SUB TOTAL (I)	**3,450,872**	**-**	**96,962**	**3,353,910**	**3,147,526**	**97,542**	**-**	**3,245,068**	**108,842**	**303,346**
II	Intangible Assets										
1	Software	250,198	-	-	250,198	250,198	-	-	250,198	-	-
	SUB TOTAL (II)	**250,198**	**-**	**-**	**250,198**	**250,198**	**-**	**-**	**250,198**	**-**	**-**
	GRAND TOTAL (I+II)	**3,701,070**	**-**	**96,962**	**3,604,108**	**3,397,724**	**97,542**	**-**	**3,495,266**	**108,842**	**303,346**
	Previous Year	**3,560,389**	**140,681**	**-**	**3,701,070**	**3,324,902**	**72,822**	**-**	**3,397,724**	**303,346**	**235,487**

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Solidaridad Network India Pvt. Ltd. Solidaridad

Solidaridad Network India Private Limited

Notes annexed to and forming part of the Balance Sheet

Note : 6 Other Non - Current Assets (Unsecured,considered good) **(Amount in Rs.)**

Particulars	As at March 31, 2020	As at March 31, 2019
TDS Recoverable	-	1,677,208
Total	**-**	**1,677,208**

Note : 7 Cash and Cash Equivalents **(Amount in Rs.)**

Particulars	As at March 31, 2020	As at March 31, 2019
Cash-in-Hand		
Cash Balance	11,040	11,926
Sub Total (A)	**11,040**	**11,926**
Bank Balances		
- In current account with HSBC Bank	6,398,490	3,422,548
Sub Total (B)	**6,398,490**	**3,422,548**
Total [A + B]	**6,409,530**	**3,434,474**

Note : 8 Short Terms Loans and Advances (Unsecured,considered good) **(Amount in Rs.)**

Particulars	As at March 31, 2020	As at March 31, 2019
Advances - Others	78,373	276,197
Prepaid Expenses	-	6,686
Security Deposits - *(With BSNL)*	1,400	379,014
Total	**79,773**	**661,897**

Note : 9 Other Current Assets (Unsecured,considered good) **(Amount in Rs.)**

Particulars	As at March 31, 2020	As at March 31, 2019
TDS Recoverable	234,476	943,225
GST Input Credit	10,800	200,336
Total	**245,276**	**1,143,561**

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Solidaridad Network India Pvt. Ltd.

Solidaridad Network India Private Limited

Notes annexed to and forming part of the statement of Profit and Loss

Note : 10 Revenue from Operations (Amount In Rs.)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Technical Consultancy Services- International	-	8,982,234
Technical Consultancy Services- Domestic	4,264,831	9,432,243
Total	**4,264,831**	**18,414,478**

Note : 11 Other Income (Amount in Rs.)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest on Income Tax refund	89,885	-
Provision for Gratuity written back	-	279,692
Total	**89,885**	**279,692**

Note : 12 Employee Benefit Expenses (Amount in Rs.)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Salaries,wages and allowances	-	946,387
Total	**-**	**946,387**

Note :13 Financial Cost (Amount in Rs.)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Bank Charges	19,974	22,334
Total	**19,974**	**22,334**

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Solidaridad Network India Pvt. Ltd. New Delhi

Note : 14 Depreciation and Amortised Cost

(Amount in Rs.)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Depreciation On - Tangible Assets	97,542	72,822
Total	**97,542**	**72,822**

Note : 15 Other Expenses

(Amount in Rs.)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Liquidated Damages	377,614	-
Meeting & Workshop Expenses	81,136	791,302
Communication Expenses	56,030	65,228
Printing & Stationary	45,752	62,218
Legal & Consultancy Charges	2,095,781	11,364,406
Auditor's Remuneration		
- Statutory Audit Fees	200,000	173,000
- Reimbursement of expenses	12,795	5,800
General Office Expenses	117,659	215,248
Office maintenance Expenses	228,608	220,888
Fixed Assets - written off	96,962	-
Interest on Statutory Dues	12,907	14,878
Travelling & Conveyance Expenses	3,604	438,834
Miscellaneous Expenses	13,238	7,733
Total	**3,342,086**	**13,359,535**

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Solutions Network India Pvt. Ltd. Solutions Pvt. Ltd.

Solidaridad Network India Pvt Ltd

Fixed Assets Schedule as on 31st March 2020

(Amount in Rs.)

ASSETS	COST				ACCUMULATED DEPRECIATION				BOOK VALUE	
	Opening Balance as on 01/04/2019	Addition during the year	Sale/Adjustment during the year	Closing balance as on 31/03/2020	Opening Balance as on 01/04/2019	During the year	on Sale / Adjustment during the year	Closing balance as on 31/03/2020	As on 31/03/2020	As on 31/03/2019
Property, plant & equipment										
Building	-	-	-	-	-	-	-	-	-	-
Computer	2,043,839	-	-	2,043,839	1,908,450	54,158		1,962,608	81,231	135,389
Equipments	1,169,675			1,169,675	705,800	69,578		775,378	394,297	463,875
Furniture & Fixtures	286,203			286,203	128,580	15,763		144,343	141,860	157,623
Vehicle				-	-			-	-	-
Sub Total	3,499,717	-	-	3,499,717	2,742,830	139,499	-	2,882,329	617,388	756,887
Intangible Assets										
Software	323,282	-	-	323,282	319,257	1,608	-	320,865	2,417	4,025
Sub Total	323,282	-	-	323,282	319,257	1,608	-	320,865	2,417	4,025
G Total	3,822,999	-	-	3,822,999	3,062,087	141,107	-	3,203,194	619,805	760,912
Previous Year	3,682,318	140,681	-	3,822,999	2,916,671	145,416	-	3,062,087	760,912	765,647

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Solidaridad Network India Pvt. Ltd.

SOLIDARIDAD NETWORK INDIA PVT.LTD.
CALCULATION OF MINIMUM ALTERNATIVE TAX (MAT)
FOR THE YEAR 2017-18

Section.NO	PARTICULARS		AMOUNT(RS.)
115JB	**Profit /(Loss) as per companies Act**		**895,114**
	ADDITION :		
(a)	The amount of Income-tax paid or payable,and the provision therefor;		12,907
(b)	The amounts carried to any reserves by whatever name called;		NIL
(C)	**The amount or amounts set aside to provisions made for the meeting liabilities,other than ascertained liabilities :**		
	Gratuity	-	
	Leave Encashment	-	
	Deferred Tax Exps.	-	-
(d)	The amount by way of provision for losses of subsidiary companies;		NIL
(e)	The amount or amounts of dividends paid or proposed;		NIL
(f)	The amounts or amounts of expenditure relatable to any income to which any of the provisions of Chapter III applies;		NIL
(g)	The amount or amounts set aside as provision for diminution in the value of asset;		NIL
(h)	The amount standing in revaluation reserve relating to revalued asset on the retirement or disposal of such asset,		NIL
(i)	Depreciation (including relating to Revalued Amount)		97,542
	Total (Addition)		**110,449**
	DEDUCTION :		
(i)	The amount withdrawn from any reserves or provisions if any such amount is credited to the profit and loss account;		NIL
(ii)	The amount of income to which any of the provisions of chapter III applies,if any such amount is credited to the profit and loss account;		NIL
(iii)	The amount of loss brought forward or unabsorbed depreciation,whichever is less as per books of account.		
	(a) the loss shall not include depreciation;		
	Whichever is less:		
	Brought forward loss (including Deprecation)	-	
	Brought forward Deprecation as per Companies Act		
	Brought forward loss (excluding Deprecation)	-	NIL
	(b) the provisions of this clause shall not apply if the amount of loss brought forward or unabsorbed depreciation is nil;		
(iv)	The amount of profits derived by an industrial undertaking from the business of generation or generation and distribution of power, or		NIL
(v)	The amount of profits derived by an industrial undertaking located in industrially backward State or district as referred to in [sub-section (4) and sub-section (5) of section 80-IB], for the assessment years such industrial undertaking is eligible to claim a deduction of hundred per cent of the [profits and gains under sub -section (4) or sub-section (5) of section 80-IB];		NIL
(vi)	The amount of profits derived by an industrial undertaking from the business of developing,maintaining and operating any infrastructure facility [as defined in the Expalantion to sub-section (4) of section 80-IA and subject to fulfilling the conditions laid down in that sub-section];		NIL
(vii)	commencing from the assessment year relevant to the previous year in which the said company has become a sick industrial company under sub-section (1) of section 17 of the Sick Industrial Comapnies(Special Provisions) Act,1985 and ending with the assessment year during which the entire net worth of such company becomes equal to or exceeds the accumalated losses.		NIL
(viii)	The amount of profits eligible for deduction under sectiobn 80HHC,computed under clause (a),(b) or (c) of sub-ection (3) or sub-section(3A), as the case may be,of that section, and subject to the conditions specified in sub-sectios (4) and (4A) of that section;		NIL
(ix)	The amount of profits eligible for deduction under section 80HHE,computed under sub-section (3) of that section.		NIL
(x)	Depreciation (excluding relating to Revalued Amount)		97,542
	Total (Deduction)		**97,542**
	Book Profit/(Loss)		**908,021**
	Minimum Alternative Tax@15%		136,203
	Education Cess@4%		5,448.00
	Total		141,651

T.V.A. & CO. New Delhi Chartered Accountants

Solidaridad Network India Pvt. Ltd.

SOLIDARIDAD NETWORK INDIA PVT. LTD.

NOTE- 16: Significant Accounting Policies and Notes to Accounts for the year ended 31st March, 2020

1. **Corporate Information**

Solidaridad Network India Pvt. Ltd. (the company) was incorporated under the Companies Act, 1956 as a Pvt. Ltd. Company on the second day of January Two Thousand Twelve. The registered office of the company is situated at New Delhi. The Company is engaged in providing Technical Consultancy and Support Services.

2. **Basis of preparation of financial statements**

The Financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. These financial statements comply in all material respects with the applicable accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2015 mainly applicable to Small and Medium Sized Enterprises (SME).

These financial statements have been prepared and presented in Indian Rupees (INR).

3. **Significant Accounting Policies**

a) **Revenue Recognition**

i. Revenue from consultancy services is recognized on completion of different stages of consultancy and acceptance by the client(s).

ii. Other income, if any, is recognized on accrual basis except when there is significant uncertainty.

b) **Property, plant & equipment**

Property, plant & equipment are carried at cost less accumulated depreciation/amortization and impairment losses, if any. Cost comprises of cost of acquisition/construction, including any expenses attributable to bring the asset to its working condition for its intended use, and is net of credit for taxes, as applicable. Intangible assets are carried at cost of acquisition of such assets and are carried at cost less accumulated amortization.

c) **Depreciation and Amortization:**

I. Property, plant & equipment

Depreciation on fixed assets is provided on written down method at the rates determined as per the useful lives prescribed in Schedule II to the Companies Act, 2013.

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II. On intangible assets

Cost of software is amortized equally over a period of three years.

d) Accounting for provision, contingent liabilities & contingent assets

i) Provision is made in the accounts if it becomes probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Contingent liabilities are not recognized but are disclosed in Notes to Accounts.

ii) Contingent assets are usually arise from unplanned or unexpected events that give rise to the possibility of an inflow of economic benefits to the enterprise. Contingent assets are not recognized in the Financial Statements since they may result in the recognition of income that may never be realized. Though it is not disclosed in the Financial Statements, contingent assets are assessed continually and if it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the Financial Statement of the period in which the change occurs.

e) **Use of Estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent liabilities at the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

f) **Accounting for taxes on income**

Tax expense comprises current tax, provision of tax for prior years and deferred tax.

i. Provision for current tax amount Rs. 2,24,800/- is made on the basis of estimated taxable income for the current accounting year determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

ii. Provision for tax for prior years amounting to Rs. 49,402/- has been created based on the assessment of prior financial years completed by the Income Tax Assessing Officer during the current financial year. This is the amount of shortfall in the provisions made in prior financial years.

iii. Minimum Alternate Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Income-tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for

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which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

iv. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date.
Deferred tax liabilities are recognised for all timing differences.
Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised.
Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.
Deferred tax assets are reviewed at each balance sheet date for their realisability.

g) **Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding as at the end of the year.

4.0 Notes to Accounts

4.1 Earnings in Foreign Currency

(Amount in Rs.)

Particulars	For the year ended 31st March, 2020 *	For the year ended 31st March, 2019 *
Income from consultancy & project implantation services	-	1,05,99,038

*Amount inclusive of GST

4.2 Earning per equity share

(Amount in Rs.)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Net Profit/ (loss) for the calculation of Basic/diluted EPS (amount in INR)	6,09,585	32,34,830
Weighted average number of equity shares in computing Basic EPS (in numbers)	10,000	10,000
Nominal value of shares (Amount in INR)	10	10
Basic EPS (Amount in INR)	60.96	323.48

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4.3 Transfer Pricing

For the fiscal year ended March 31, 2020, the Company has not entered into any international transaction with its associated enterprises and accordingly the company believes that the "Transfer Pricing" legislation will not have any impact on the financial statements, particularly the tax expense and that of provision for taxation for the year ended as at 31st March, 2020. Accordingly no adjustment has been made in these financial statements.

4.4 Deferred Tax Assets / (Liabilities) - Net:

Based on the future projections of profitability, there is a certainty of sufficient future taxable income against which Deferred tax liability can be realized by the company.

4.5 Provision for gratuity liability has not been made as at 31st March 2020 as there was no employee on the payroll of company or eligible for gratuity.

4.6 In Financial year 2019-20, the company has no employee on its payroll. Hence, the Act is not presently applicable on the company.

4.7 As the Company is covered under the provision of section 2(40) of Companies Act, 2013, it is not required to attach Cash flow statement in its financial statements.

4.8 Disclosure as per Section 22 of "The Micro, Small and Medium Enterprises Development Act, 2006"

Based on information available with the Company, the balance due to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") is Rupees Nil (Previous year Rupees Nil) and no interest during the year has been paid or payable under the terms of MSMED Act, 2006. Micro and Small enterprises as defined in section 7(1) of the MSMED Act, 2006 have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by auditors.

4.9 Disclosures as per Accounting Standard – 22 "Accounting for Taxes on Income":

Deferred Tax Liability

The breakup of Net Deferred Tax Assets / (Liabilities) is as under:

S. No.	Particulars	March 31, 2020	March 31, 2019
1	Timing Difference on Depreciation Expense (DTL)	(11,327)	(18,874)
Deferred Tax Asset/(Liability)		**(11,327)**	**(18,874)**

4.10 Impact of COVID- 19

The novel coronavirus (COVID-19) outbreak which was declared as global pandemic by the World Health Organization (WHO) on March 11, 2020 continues to spread across the globe

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including India resulting in significant impact on global and India's economic environment.

The company has assessed the impact of COVID-19, to the best of its information, on its operations, as well its financial statements, including but not limited to the areas of revenue, costs, operational controls and processes followed, debtors and other assets, as at March 31, 2020. Based on the overall assessment, the company is of the view that no additional provision needs to be created in books of account for the year ended March 31, 2020.

Further, there is no material impact on the financial statements due to the changes in the operational controls and processes followed by the company during the COVID-19 pandemic situation in the country considering the lockdown implemented w.e.f. March 25, 2020. The company will however continue to closely monitor any material changes to the future economic conditions that may have any significant impact on its business and financial position.

4.11 As the company is Small and Medium Sized Enterprise (SME), the disclosure related to AS – 18 (Related Parties) is not required to it.

4.12 Previous Year figures are regrouped and reclassified wherever applicable, so as to make them comparable with the current year figures.

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
Firm registration number: 000038N

K.N. Gupta
Partner
Membership No. 09169
UDIN No. : 20009169AAAADH1749

For and on behalf of Board of Directors

Shatadru Chattopadhayay
Director
DIN No.03634160

Munusamy Subramaniyan
Director
DIN No.03638505

Solidaridad Network India Pvt. Ltd.

Place: New Delhi
Date: 22 OCT 2020

T.V.A. & CO. New Delhi Chartered Accountants