

INDEPENDENT AUDITOR'S REPORT

To the Members of

Red Solutions Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **M/s Red Solutions Private Limited** which comprise Balance Sheet as at March 31, 2017, Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

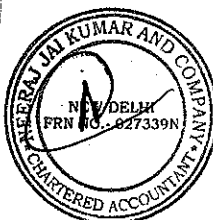
Management's Responsibility for the Financial Statements

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 and presentation of these financial statements that give a true and fair view of the financial position, cash flow and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.



An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

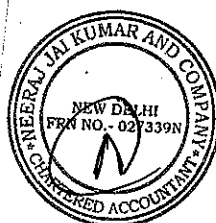
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, cash flow and its loss for the year ended on that date.

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 sub-section (11) of section 143 of the Act, we give in the "Annexure-A" a statement on the matters specified in the paragraph 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 & obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the cash flow statement dealt with by this Report are in agreement with the books of account.
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- 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 is no litigation pending against Company.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
 - (iii) There is no amount required to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv) The company has provided requisite disclosures in its financial statement as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and there are in accordance with the books of accounts maintained by the company. Refer Note No 2.18 to the financial statement.

Place: New Delhi
Date: 25.05.2017

For Neeraj Jai Kumar and Company
Chartered Accountants
Firm's Registration Number:-027339N



The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2017, we report that:

1. *In respect of Fixed Assets:*
 - 1.a) The Company has no fixed assets. Hence this para is not applicable.
 - 1.b) The company does not hold any immovable property. Hence, this clause is not applicable.
2. The company has no inventory. Hence this para is not applicable.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7a). According to the records of the Company examined by us, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including employees' state insurance, sales tax, service tax, custom duty, excise duty, value added tax, cess and other statutory dues with appropriate authorities and no statutory dues are outstanding for a period exceeding six months from the date they became payable.
- 7b). According to the records of the Company examined by us and according to the information and explanations given to us, there are no dues of income-tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax or cess which have not been deposited on account of any dispute.
8. In our opinion and according to the information and explanations given to us, the Company has not taken any loans from PFI, Banks, Governments and has not issued any debentures. Accordingly, the provisions of clause 3 (viii) of the Order are not applicable to the Company and hence not commented upon.



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

10. In our opinion and according to the information and explanation given to us, no material fraud by the company or any fraud on the Company by its officers/ employees has been noticed or reported during the year.
11. The company has been paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
13. In our opinion, the company has complied all the provision of section 177 and 188 of the Companies Act, 2013 regarding the transaction with related parties. The company has disclosed all the transaction with related parties in financial statement.
14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, Accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Place: New Delhi
Date: 25.05.2017

For Neeraj Jai Kumar and Company
Chartered Accountants
Firm's Registration Number:-027339N



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

We have audited the internal financial controls over financial reporting of **Red Solutions Private Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

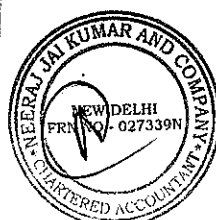
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

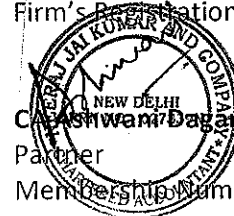
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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.

Place: New Delhi
Date: 25.05.2017

For Neeraj Jai Kumar and Company
Chartered Accountants
Firm's Registration Number:-027339N



Partner
Membership Number-540224

1) **Significant Accounting Policies**

a) **Basis of Preparation of Accounts**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis and comply with mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified).

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI as per Companies Act 2013.

b) **Use of Estimates**

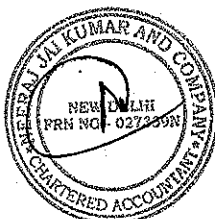
The preparation of financial statements are in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accounting estimates could be change from period to period. Actual results could differ from these estimates. Differences between the actual results and estimates are recognised in the financial statements in the year which results are known/ materialised. If material, their effects are disclosed in the notes to the financial statements. Any revision to accounting estimates is recognized prospectively in the current and future periods.

c) **Cash and Cash Equivalents**

Cash and cash equivalents consist of cash, bank balances in current and short term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the time of purchase.

d) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions: Provisions are recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.



Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

Contingent Assets: Contingent assets are neither recognized nor disclosed.

e) **Depreciation**

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written down value (WDV). Pursuant to the requirement of the Companies Act 2013 (The Act), The Company has revised the depreciation rates based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013.

f) **Revenue recognition**

Sale of Goods

Sale is recognized when the significant risks and rewards of ownership of the goods have passed to the customer. Sales are recorded net of sales returns, sales tax, rebates, trade discounts and price differences.

Income from Services

Revenue from professional and consultancy services and other services, if any, are recognized as and when services are rendered and are accounted on an accrual basis.

Interest Income

Interest income is recognized on time proportion basis taken into account the amount outstanding and the rate applicable.

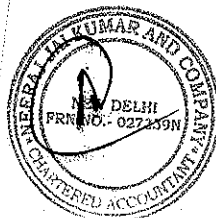
Other Income

In respect of other heads of income, the Company follows the practice of recognising income on accrual basis.

g) **Fixed Assets**

Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes freight, duties, taxes, other expenses incidental to acquisition and installation and also includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying fixed assets up-to the date the assets are ready for use. Where the acquisition of fixed assets are financed through long term foreign currency loans (having a term of 12 months or more at the time of their origination) the exchange differences on such loans are added to or subtracted from the cost of such fixed assets.



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Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the impairment and gains or losses arising from disposal of fixed assets are recognized in the Statement of Profit and Loss.

Intangible Assets

Acquired computer software are capitalized at cost of acquisition (Including License fees paid), net of accumulated amortization and accumulated impairment losses if any and are disclosed as intangible assets.

h) Foreign Exchange Transactions

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

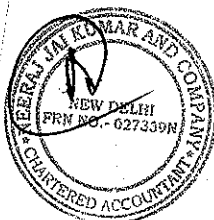
Subsequent Recognition

All monetary assets and liabilities in foreign currency are restated using the exchange rate prevailing at reporting date. As at the reporting date, non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at date of the transaction.

Exchange Differences

The Company has opted to avail the choice provided under paragraph 46A of AS-11 "The Effect of Changes in Foreign Exchange Rates" inserted vide Notification dated December 29, 2011. Consequently, Exchange differences arising on long-term foreign currency monetary items related to acquisition of depreciable capital asset added to or deducted from the cost of the asset and depreciated over the remaining useful life of the asset. For this purpose, the company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.

All other exchange differences are recognized as income or expenses in the period in which they arise.



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i) Investments

Investments which are readily realizable and intended to be held for not more than a year from the date on which the investment made are classified as current investment. All other investments are classified as long term investment.

Current investments are stated at lower of cost or fair value. Long-term investments are stated at cost however provision for diminution in their value is made to recognize a decline, other than temporary value of the investment.

j) Employee Benefits

Short Term Employee Benefits:

Short term employee benefits such as salaries, wages, bonus etc. are recognized as an expense at the undiscounted amount in the profit and loss account for the year in which employee renders the related service

The Company obligation towards others employee benefits as on date, if any has not been ascertained.

k) Borrowing Costs

Borrowing Costs that are attributable to the acquisition, construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for the intended use. All other borrowing costs are charged to revenue in the period in which these are incurred.

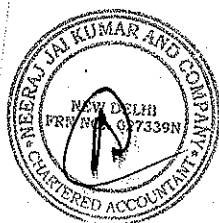
l) Earnings per share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, except where results would be anti-dilutive.

m) Provision for Current and Deferred Tax

Income Tax expenses comprise current tax and deferred tax charge or credit. Current tax provision is made based on the tax liability computed after considering tax allowances and exemptions under the Income tax Act, 1961. The deferred tax charge or credit resulting from the timing difference between taxable and accounting income and the corresponding deferred tax liability and assets are recognized using the tax rates that have been enacted or substantively enacted on the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a



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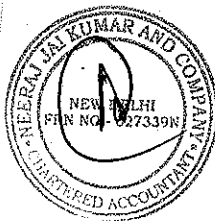
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reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative tax credit is recognized as an asset only when and to the extent there is convincing evidence that The Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that The Company will pay normal income tax during the specified period.

n) Impairment of Assets

The carrying amounts of The Company's assets are reviewed at each balance sheet date in accordance with Accounting Standard 28 'Impairment of Assets' to determine whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the statement of profit and loss. Where there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased, the Company books a reversal of the impairment loss not exceeding the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior accounting periods.



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Red Solutions Private Limited
Balance Sheet as at 31 March, 2017
(Amount in Indian Rupees)

Particulars	Note No	As at 31 March 2017	As at 31 March 2016
Equity & Liabilities			
Shareholders' funds			
Share capital	2.1	9,95,00,000	1,31,45,000
Reserves and surplus	2.2	(16,12,272)	(1,33,06,544)
		<u>9,78,87,728</u>	<u>(1,61,544)</u>
Current liabilities			
Short-term borrowings	2.3	7,24,00,000	15,73,25,000
Other current liabilities	2.4	2,01,65,963	2,31,45,703
		<u>9,25,65,963</u>	<u>18,04,70,703</u>
TOTAL		<u>19,04,53,691</u>	<u>18,03,09,159</u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	2.5	31,224	47,034
Deffered Tax Asset	2.6	25,949	32,001
		<u>57,173</u>	<u>79,035</u>
Current assets			
Trade receivables	2.7	3,91,800	3,91,800
Cash and bank balances	2.8	7,08,385	47,577
Short-term loans and advances	2.9	18,92,96,333	17,97,90,747
		<u>19,03,96,518</u>	<u>18,02,30,124</u>
TOTAL		<u>19,04,53,691</u>	<u>18,03,09,159</u>

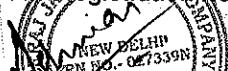
Significant accounting policies and notes to financial statements 1 & 2

The notes referred to above form an integral part of the financial statements

For Neeraj Jai Kumar and Company

Chartered Accountants

Firm registration No. 027339N

NEW DELHI
FIRM NO. 027339N

Dr. Ashwani Dagar

Partner

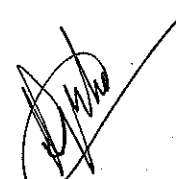
Membership No. - 540224

Place : New Delhi

Date : 25-05-2017

For and on behalf of the Board of
Red Solutions Private Limited


(Ashok Kumar Gupta)
Director
DIN:-02590928



(Swapan Guha)
Director
DIN:-06985292

Red Solutions Private Limited
Statement of Profit and Loss for the year ended 31 March 2017
(Amount in Indian Rupees)

Particulars	Note No.	For year ended 31 March 2017	For year ended 31 March 2016
Income			
Revenue from operations		-	-
Other income	2.10	200	1,99,808
Total income		200	1,99,808
Expenses			
Depreciation and amortisation expense	2.11	15,810	72,652
Other expenses	2.12	9,29,066	74,522
Total expenses		9,44,876	1,47,174
Profit before extraordinary, prior period items and taxed		(9,44,676)	52,634
Cash loss from theft		-	360
Profit (Loss) before tax		(9,44,676)	52,274
Tax expense			
Current tax		-	-
Tax for earlier year		-	1,998
Deferred tax		6,051	(5,360)
Profit (Loss) for the period /year		(9,50,727)	55,636
Basic/Diluted Earning Per Share		(19.01)	1.11
Significant accounting policies and notes to financial statements	1 & 2		

The notes referred to above form an integral part of the financial statements

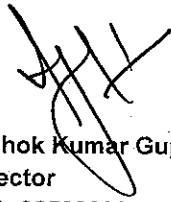
For Neeraj Jai Kumar and Company
Chartered Accountants
Firm registration No. 027339N



Ashwani Daga
Partner

Membership No. 540224

Place : New Delhi
Date : 25-05-2017

For and on behalf of the Board of
Red Solutions Private Limited


(Ashok Kumar Gupta)
Director
DIN:-02590928


(Swapan Guha)
Director
DIN:-06985292

Red Solutions Private Limited

Cash flow statement for the year ended 31 March 2017

(Amount in Indian Rupees)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before taxes	(9,44,676)	52,274
Adjustments for :		
Depreciation on Fixed Assets	15,810	72,652
	15,810	72,652
Operating gain before working capital changes	(9,28,866)	1,24,926
Adjustments for :		
Decrease/ (increase) in trade receivable	-	-
Decrease/ (increase) in Short term loans and advances	(95,05,586)	(1,17,93,471)
Decrease/ (increase) in Other current assets	-	-
Increase / (Decrease) in Other current liabilities	(29,79,740)	46,97,233
	(1,24,85,326)	(70,96,238)
Cash generated from operating activities before taxes	(1,34,14,192)	(69,71,312)
Direct taxes paid (net of refunds)	-	(1,998)
Net cash generated from/ (used in) operating activities	(1,34,14,192)	(69,73,310)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Net cash generated from / (used in) investing activities	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue from share capital	9,90,00,000	-
Proceeds from Short term borrowings	(8,49,25,000)	69,00,000
Refund of Share Application Money pending allotment	-	(5,00,000)
Net cash generated from/ (used in) financing activities	1,40,75,000	64,00,000
INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	6,60,808	(5,73,310)
Cash and cash equivalents at the beginning of the year	47,577	6,20,887
Effect of exchange gain on cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year	7,08,385	47,577
Notes :		
Cash and cash equivalents include :		
Cash in hand	2,01,799	47,577
With banks in :		
Current accounts	5,06,586	-
Cash and bank balances at the end of the year	7,08,385	47,577

For Neeraj Jai Kumar and Company

Chartered Accountants

Firm Registration No. 027339N

CA Ashwani Dagar

Partner

Membership No. - 540224

Place : New Delhi

Date : 25-05-2017

For and on behalf of the Board of
Red Solutions Private Limited

(Ashok Kumar Gupta)
Director
DIN:-02590928

(Swapan Guha)
Director
DIN:-06985292

Red Solutions Private Limited
Notes to financial statements for the year ended 31 March 2017
(Amount in Indian Rupees)

2.1 Share capital	As at: 31 March 2017		As at: 31 March 2016	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity shares of Rs. 10 each	1,00,000	10,00,000	1,00,000	10,00,000
Preference Shares of Rs. 100 each	10,00,000	10,00,00,000	2,00,000	2,00,00,000
Issued and subscribed				
Equity shares of Rs. 10 each	50,000	5,00,000	50,000	5,00,000
Preference Shares of Rs. 100 each	9,90,000	9,90,00,000	1,68,600	1,68,60,000
Paid up Capital				
Equity shares of Rs. 10 each fully paid up	50,000	5,00,000	50,000	5,00,000
Preference Shares of Rs. 100 each fully paid up (Rs. 75 paid up)	9,90,000	9,90,00,000	1,68,600	1,26,45,000
Total	10,40,000	9,95,00,000	2,18,600	1,31,45,000

a) Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company in the proportion of equity shares held by the shareholders.

b) During the year ended 31 March 2017, the Company has recorded per share dividend of Rs. Nil (previous year: Nil) to equity shareholders.

c) 'Reconciliation of share capital (Equity)

Particulars	As at: 31 March 2017		As at: 31 March 2016	
	No. of shares	Amount	No. of shares	Amount
Balance at the Beginning of the Year	50,000	5,00,000	50,000	5,00,000
Add: Issued during the Year	-	-	-	-
Balance at the end of the Year	50,000	5,00,000	50,000	5,00,000

d) 'Reconciliation of share capital (Preference)

Particulars	As at: 31 March 2017		As at: 31 March 2016	
	No. of shares	Amount	No. of shares	Amount
Balance at the Beginning of the Year	1,68,600	1,26,45,000	1,68,600	1,26,45,000
Add: Issued during the year (Rs.100 paid up)	8,21,400	8,21,40,000	-	-
Add: Reissued during the year (Rs.100 paid up)	1,68,600	1,68,60,000	-	-
Less: 1,68,600 shares forfeited	(1,68,600)	(1,26,45,000)	-	-
Balance at the end of the Year	9,90,000	9,90,00,000	1,68,600	1,26,45,000

e) Details of shareholders(Equity) holding more than 5% shares of the Company

Particulars	As at: 31 March 2017		As at: 31 March 2016	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of Rs.10 each fully paid up held by M/s Avonmore Capital & Management Services Limited	50,000	100%	50,000	100%
	50,000	100%	50,000	100%

f) Details of shareholders(Preference) holding more than 5% shares of the Company

Particulars	As at: 31 March 2017		As at: 31 March 2016	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Preference shares of Rs.100 each fully partly paid up held by M/s Avonmore Capital & Management Services Limited	9,60,000	96.97%	-	-
M/s Assurance Buildtech Limited	-	-	44,000	26%
M/s Shoveller Infracon Limited	-	-	66,600	40%
M/s Symbolic Finance and Investment Pvt. Ltd.	-	-	58,000	34%
	9,60,000	96.97%	1,68,600	100%

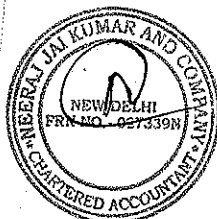
g) As on 31.03.2017 NIL Shares were reserved for issuance towards employee stock options, Share warrants, & for convertible Securities.

h) No shares has been issued other than cash during the year.

i) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date

- No share has been issued without payment being received in cash in preceding 5 years.
- No share has been bonus issued in preceding 5 years.
- No share has been bought back in preceding 5 years.

j) No calls unpaid from directors and officers.



Red Solutions Private Limited

Notes to financial statements for the year ended 31 March 2017

(Amount in Indian Rupees)

2.2 Reserves and surplus	As at 31 March 2017	As at 31 March 2016
(Deficit)/ surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	(1,33,06,544)	(1,33,62,180)
Add: Transferred from Statement of Profit & Loss	(9,50,727)	55,636
Balance at the end of the Year	(1,42,57,272)	(1,33,06,544)
Capital Reserve	1,26,45,000	-
Total	(16,12,272)	(1,33,06,544)

2.3 Short Term borrowings	As at 31 March 2017	As at 31 March 2016
Unsecured		
Loans from Holding Company	-	8,59,00,000
Loans from Others*	7,24,00,000	7,14,25,000
	7,24,00,000	15,73,25,000

*Repayable on demand and interest rate are not prejudicial to the interest of the company

2.4 Other Current Liabilities	As at 31 March 2017	As at 31 March 2016
Statutory Liabilities	5,27,940	13,34,596
Other Payables	23,95,838	18,96,338
Interest Payable to Others	1,72,42,185	1,95,18,687
Book Overdraft	-	3,96,082
	2,01,65,963	2,31,45,703

2.6 Deferred Tax Asset (Net)	As at 31 March 2017	As at 31 March 2016
Deferred Tax :-		
a. Related to Fixed Assets	25,949	29,529
b. Related to Preliminary Expenses	-	2,472
	25,949	32,001



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Red Solutions Private Limited

Notes to financial statements for the year ended 31 March 2017

(Amount in Indian Rupees)

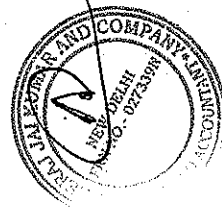
Note 2.5

Tangible assets

Description	As at 1 April 2015	Additions	Deletions	Retained Earnings	As at 31 March 2016	As at 1 April 2016	Additions	Deletions	As at 31 March 2017
Furniture and fixtures	76,466	-	-	-	76,466	76,466	-	-	76,466
Computers and peripherals	4,33,968	-	-	-	4,33,968	4,33,968	-	-	4,33,968
Office equipments	1,20,313	-	-	-	1,20,313	1,20,313	-	-	1,20,313
Total	6,30,747	-	-	-	6,30,747	6,30,747	-	-	6,30,747

Description	As at 1 April 2015	Additions	Deletions	Retained Earnings	As at 31 March 2016	As at 1 April 2016	Additions	Deletions	As at 31 March 2017
Depreciation									
Furniture and fixtures	56,300	4,828	-	-	61,128	61,128	3,540	-	64,668
Computers and peripherals	3,83,895	41,309	-	-	4,25,204	4,25,204	-	-	4,25,204
Office equipments	70,866	26,515	-	-	97,381	97,381	12,270	-	1,09,651
Total	5,11,061	72,652	-	-	5,83,713	5,83,713	15,810	-	5,99,523

Description	As at 1 April 2015	Additions	Deletions	Retained Earnings	As at 31 March 2016	As at 1 April 2016	Additions	Deletions	As at 31 March 2017
Carrying amounts									
Furniture and fixtures					15,338				11,798
Computers and peripherals					8,764				8,764
Office equipments					22,932				10,662
Total					47,034				31,224



Red Solutions Private Limited

Notes to financial statements for the year ended 31 March 2017

(Amount in Indian Rupees)

2.7 Trade Receivables	As at 31 March 2017	As at 31 March 2016
a) Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered Good	3,91,800	3,91,800
b) Others		
Unsecured, Considered doubtful	-	-
	<u>3,91,800</u>	<u>3,91,800</u>

2.8 Cash and Cash equivalents	As at 31 March 2017	As at 31 March 2016
Cash in hand	2,01,799	47,577
Bank balances		
Current account	5,06,586	-
	<u>7,08,385</u>	<u>47,577</u>

2.9 Short Term Loans & Advances	As at 31 March 2017	As at 31 March 2016
Capital Advances	14,23,09,000	14,23,09,000
Interest Capitalized on Capital advances	4,63,31,546	3,73,39,826
Loan to others	-	65,000
Other Receivable	6,55,787	57,596
Balance with statutory/ government authorities :	-	19,325
	<u>18,92,96,333</u>	<u>17,97,90,747</u>



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2.10 Other Income	For year ended 31 March 2017	For year ended 31 March 2016
Excess Provision Written Back	-	214
Interest on Income Tax Refund	200	34,360
Liability No Longer Payable	-	1,07,638
Interest Income	-	57,596
	<u>200</u>	<u>1,99,808</u>

2.11 Depreciation and amortization expense	For year ended 31 March 2017	For year ended 31 March 2016
Depreciation on tangible assets	15,810	72,652
	<u>15,810</u>	<u>72,652</u>

2.12 Other expenses	For year ended 31 March 2017	For year ended 31 March 2016
Legal and professional	2,750	3,000
Rates and taxes - Capital increase	8,13,440	-
Debit Balance Written Off	84,325	-
Rates and taxes	7,000	6,870
Auditor's remuneration	5,000	5,000
Bank Charges	1,878	3,379
Miscellaneous Expenses	1,438	4,229
Interest on Govt. Dues	13,235	52,044
	<u>9,29,066</u>	<u>74,522</u>



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Solutions Private Limited
Notes to financial statements for the year ended 31 March 2017
(Amount in Indian Rupees)

2.13 Earning per share

	Year ended 31 March 2017	Year ended 31 March 2016
Net Profit/(loss) after tax available for equity shareholders (A)	(9,50,727)	55,636
Weighted average number of equity shares for Basic EPS (B) (Face value of Rs. 10 each)	50,000	50,000
Weighted average number of equity shares for diluted EPS (C) (Face value of Rs. 10 each)	50,000	50,000
Basic EPS (A/B)	(19.01)	1.11
Diluted EPS (A/C)	(19.01)	1.11

2.14 Payment to Auditors

	Year ended 31 March 2017	Year ended 31 March 2016
Audit Fee	5,000	5,000
	5,000	5,000

2.15 Contingent Liabilities

	Year ended 31 March 2017	Year ended 31 March 2016
Contingent Liabilities	Nil	Nil

2.16 Related Party disclosures

Names of related parties and description of relationship:

(i) Holding Company

Avonmore Capital and Management Services Limited

(ii) key Managerial Personnel

Mr. Ashok Kumar Gupta

Mr. Swapan Guha

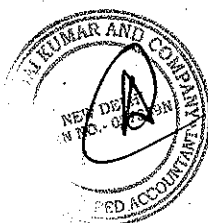


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2.16 Related Party disclosures -Continued

Transactions during the year and balances outstanding as at the year-end in respect of transactions entered into during the year with the related parties.

Sr. No.	Particulars	Amount 31 March 2017	Amount 31 March 2016
1)	Transaction during the Year		
(A)	Income / Expenses		
	Interest paid to Holding Company		
	Avonmore Capital & Management Services Limited	37,12,352	53,32,123
		37,12,352	53,32,123
	Expenses reimbursement to Holding Company		
	Avonmore Capital & Management Services Limited	11,90,373	-
		11,90,373	-
(C)	Assets / Liabilities		
a	Share Capital received from Holding Company		
	Avonmore Developers Pvt Ltd.	9,60,00,000	-
	Avonmore Capital & Management Services Limited	30,00,000	-
		9,60,00,000	-
b	Repayment of short term loan & interest from Holding Comp		
	Avonmore Capital & Management Services Limited	81,40,028	-
		81,40,028	-
c	Short term loan recd from Holding company		
	Avonmore Capital & Management Services Limited	34,50,000	-
		34,50,000	-
d	Short term loan paid to Holding company		
	Avonmore Capital & Management Services Limited	8,93,50,000	-
		8,93,50,000	-
2)	Closing balance at at March 31, 2017		
a	Share Capital		
	Avonmore Capital & Management Services Limited	5,00,000	5,00,000
		5,00,000	5,00,000
b	Loan liability		
	Avonmore Capital & Management Services Limited	-	8,59,00,000
		-	8,59,00,000



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2.17 Deferred Tax Calculation as per accounting standard AS-22

Particulars	Wdv. As On 31.03.2017 As Per Co. Act	Wdv. As On 31.03.2017 As Per II. Act	Difference	Deferred Tax Liability/ (Asset)
Related to Fixed Asset	31,224	1,16,202	(83,978)	(25,949)
Related to Preliminary Expenses	-	-	-	-
Total	31,224	1,16,202	(83,978)	(25,949)

2.18 Disclosure on specified bank notes (SBNs)

During the year, the company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs	Other Denomination notes	Total
	Amount	Amount	Amount
Closing cash in hand as on November 8, 2016	5,00,000	2,000	2,000
	1,45,000	700	700
		60	60
		2	2
(+) Withdrawal from bank accounts	-	-	-
(+) Permitted receipts	-	-	-
(+) Non Permitted receipts	-	-	-
(-) Permitted payments	-	734	-
(-) Non Permitted payments	-	-	-
(-) Deposited in Bank Accounts	6,45,000	-	-
Closing cash in hand as on December 30, 2016	-	Total 2,028	2,028

2.19 Others 31.03.2017 31.03.2016

- a Additional information
- i) C.I.F. value of Imports Nil Nil
 - ii) Expenditure in Foreign Currency Nil Nil
 - iii) Remittances in Foreign Currency Nil Nil
 - iv) Earning in foreign currency Nil Nil
- b The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the yearend together with interest paid / payable under this Act have not been given.
- c In respect of those who were in receipt of remuneration of Rs. 60,00,000/- per year or More of Rs. 5,00,000 per month or more is NIL.
- d In the opinion of directors, current assets and loans and advances have a value on realization in the ordinary course of the business at least equal to the amount at which these have been stated in the balance sheet.
- e All known liabilities have been provided for and there are no disputed liabilities as confirmed by the Directors.



Red Solutions Private Limited

Notes to financial statements for the year ended 31 March 2017

(Amount in Indian Rupees)

Payments made or provided during the financial year to Directors as Managerial Remuneration is Nil (PY Nil).

- g Maximum amount other than imprest account due from directors of the company at any time during the year is Nil (PY Nil).
- h Company has adopted the mercantile system of accounting.
- i Balances in respect of parties in some cases are subject to confirmation and adjustments, if any
- j Previous year's figures have been regrouped and re-casted wherever necessary and figures in brackets pertain to last year.
- k No provision for gratuity has been made in the books, as the amount of liability as on date, if any, has not been ascertained necessary and figures in brackets pertain to last year.

As per our report of even date attached

For Neeraj Jai Kumar and Company

Chartered Accountants

Firm Registration No. 027339N

CA Ashwani Desai
Registration No. - 027539N
Membership No. - 540222

Place : New Delhi
Date : 25-05-2017

For and on behalf of the Board of
Red Solutions Private Limited

(Ashok Kumar Gupta)
Director
DIN:-02590928

(Swapan Guha)
Director
DIN:-06985292