

## INDEPENDENT AUDITOR'S REPORT

To the Members of

**RED SOLUTIONS PRIVATE LIMITED**

### Report on the standalone Financial Statements

We have audited the accompanying standalone financial statements of M/s Red Solutions Private Limited, which comprise the Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position and financial performance 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 standalone 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 there under.

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.

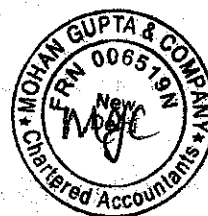
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

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 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 2015 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, 2015 ("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 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 and the Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e. on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has no pending litigations.
  - (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 due to be transferred to the Investor Education and Protection Fund by the Company.

Place: New Delhi  
Date: 14.07.2015

For Mohan Gupta & Company  
Chartered Accountants  
Firm's Registration Number: 006519N  
  
CA Sahil M. Gupta  
Partner  
Membership Number-525626



## Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:

- 1.a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
1. b) The company has a regular programme of verification of its fixed assets in a phased manner. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancy was noticed on such verification. In our opinion, physically verification is reasonable having regard to the size of the Company and the nature of its assets.
- 2a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- 2b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- 2c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. The Company has not given any loan to companies, firms or other parties covered in register maintained under section 189 of the Companies Act, 2013 ('the Act').
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control systems.
5. The Company has not accepted any deposits from the public. Hence, this Para is not applicable.
6. The cost records are not required to maintain by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 148 of the Companies Act, 2013. Hence, this Para is not applicable.
- 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, wealth 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.
- 7c). According to the records of the Company examined by us and according to the information and explanations given to us, there is no amount due to be transferred to the Investor Education and Protection Fund by the Company.
8. Since company is not old more than 5 years, hence this para is not applicable.
9. Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. The company has not issued any debenture.
10. The Company has not given guarantees for loans taken by its subsidiary company from banks and financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not *prima facie* prejudicial to the interest of the Company.
11. In our opinion and according to the information and explanations furnished to us, no term loans have been raised. Hence, this para is not applicable.
12. In our opinion and according to the information and explanation given to us, no material fraud on or by the Company has been noticed or reported during the year.

Place: New Delhi  
Date: 14.07.2015

For Mohan Gupta & Company  
Chartered Accountants  
Firm's Registration Number: 006519N

CA Sahil M. Gupta  
Partner  
Membership Number-525626

**Red Solutions Private Limited**  
**for the financial year ended 31.03.2015**

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.





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.



**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.

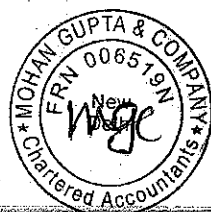
**l) Earnings per share**

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



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.



**Red Solutions Private Limited**  
**Balance Sheet as at 31 March 2015**  
**(Amount in Indian Rupees)**

Particulars	Note No	As at 31 March 2015	As at 31 March 2014
<b>Equity &amp; Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	1,31,45,000	1,31,45,000
Reserves and surplus	2.2	(1,33,62,180)	(1,16,62,014)
		(2,17,180)	14,82,986
<b>Share Application Money pending for allotment</b>		5,00,000	55,00,000
<b>Non Current liabilities</b>			
Deffered Tax Liabilities (Net)	2.3	-	41,069
<b>Current liabilities</b>			
Short-term borrowings	2.4	15,04,25,000	14,55,65,000
Other current liabilities	2.5	1,84,48,470	1,19,39,318
		16,88,73,470	15,75,04,318
<b>TOTAL</b>		<b>16,91,56,290</b>	<b>16,45,28,373</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	2.6	1,19,686	4,40,669
Deffered Tax Asset	2.7	26,641	-
		1,46,327	4,40,669
Trade receivables	2.8	3,91,800	98,000
Cash and bank balances	2.9	6,20,887	2,58,806
Short-term loans and advances	2.10	16,76,11,221	16,34,72,113
Other current assets	2.11	3,86,055	2,58,785
		16,90,09,963	16,40,87,704
<b>TOTAL</b>		<b>16,91,56,290</b>	<b>16,45,28,373</b>

Significant accounting policies and notes to financial statements

1 & 2

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

**For Mohan gupta & Company**

Chartered Accountants  
Firm registration No. 009351/09

CA Sahil M. Gupta  
Partner  
Membership No. 625628  
Place : New Delhi  
Date : 15-07-2015

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

Rakesh Babbar  
Director  
DIN:00025984

Sanjeev Bewtra  
Director  
DIN:02166288

**Red Solutions Private Limited**

**Statement of Profit and Loss for the year ended on 31 March 2015**

(Amount in Indian Rupees)

Particulars	Note No.	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>Income</b>			
Revenue from operations	2.12	28,63,490	1,00,000
<b>Total income</b>		28,63,490	1,00,000
<b>Expenses</b>			
Purchase	2.13	17,89,600	-
Employee benefit expense	2.14	23,72,239	57,39,457
Depreciation and amortisation expense	2.15	3,23,940	74,277
Other expenses	2.16	1,48,544	5,08,068
<b>Total expenses</b>		46,34,323	63,21,802
<b>Profit (Loss) before tax</b>		(17,70,833)	(62,21,802)
<b>Tax expense</b>			
Deferred tax		(67,710)	43,319
<b>Profit (Loss) for the period /year</b>		(17,03,123)	(62,65,121)
<b>Basic/Diluted Earning Per Share</b>		(34.06)	(155)

Significant accounting policies and notes to financial statements 1 & 2

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

For Mohan gupta & Company

Chartered Accountants

Firm registration No. 0065198

New Delhi

CA Sahil M. Gupta

Partner

Membership No. - 525626

Place : New Delhi

Date : 15-07-2015

For and on behalf of the Board of

Red Solutions Private Limited

Rakesh Babbar

Director

DIN:00025984

Sanjeev Bewtra

Director

DIN:02166288

2.1 Share capital	As at 31 March 2015		As at 31 Mar 2014	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised</b>				
Equity shares of Rs.10 each	1,00,000	10,00,000	1,00,000	10,00,000
Preference Shares of Rs. 100 each	2,00,000	2,00,00,000	2,00,000	2,00,00,000
<b>Issued and subscribed</b>				
Equity shares of Rs. 10 each	50,000	5,00,000	50,000	5,00,000
Preference Shares of Rs. 100 each	1,68,600	1,68,60,000	1,68,600	1,68,60,000
<b>Paid up Capital</b>				
Equity shares of Rs. 10 each fully paid up	50,000	5,00,000	50,000	5,00,000
Preference Shares of Rs. 75 each partly paid up	1,68,600	1,26,45,000	1,68,600	1,26,45,000
<b>Total</b>	<b>2,18,600</b>	<b>1,31,45,000</b>	<b>2,18,600</b>	<b>1,31,45,000</b>

a) Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the

b) During the period ended 31 March 2015, 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 2015		As at 31 Mar 2014	
	No. of shares	Amount	No. of shares	Amount
Balance at the Beginning of the Year	50,000	5,00,000	11,110.00	1,11,100
Add: Issued during the Period	-	-	38,890	3,88,900
<b>Balance at the end of the Period</b>	<b>50,000</b>	<b>5,00,000</b>	<b>50,000</b>	<b>5,00,000</b>

d) 'Reconciliation of share capital (Preference)

Particulars	As at 31 March 2015		As at 31 Mar 2014	
	No. of shares	Amount	No. of shares	Amount
Balance at the Beginning of the Year	1,68,600	1,26,45,000	1,68,600.00	1,26,45,000
Add: Issued during the period (Rs. 75 paid up)	-	-	-	-
<b>Balance at the end of the Period</b>	<b>1,68,600</b>	<b>1,26,45,000</b>	<b>1,68,600</b>	<b>1,26,45,000</b>

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

Particulars	As at 31 March 2015		As at 31 Mar 2014	
	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				
Mr. Rakesh Babbar	15,000	30%	15,000	30%
Mr. Sanjeev Bewtra	15,000	30%	15,000	30%
M/s Ess Kay operations Pvt Ltd	5,000	10%	5,000	10%
M/s Eversheds services Pvt. Ltd.	15,000	30%	15,000	30%
	<b>50,000</b>	<b>100%</b>	<b>50,000</b>	<b>100%</b>

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

Particulars	As at 31 March 2015		As at 31 Mar 2014	
	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 Assurance Buildtech Limited	44,000	26%	44,000	26%
M/s Shoveller Infracon Limited	66,600	40%	66,600	40%
M/s Symbolic Finance and Investment Pvt. Ltd.	58,000	34%	58,000	34%
	<b>1,68,600</b>	<b>100%</b>	<b>1,68,600</b>	<b>100%</b>

g) As on 31.03.2015 NIL Shares were reserved for issuance towards employee stock options, Share warrants, & for convertible Securities.



**Red Solutions Private Limited**

**Notes to financial statements for the year ended 31 March 2015**

**(Amount in Indian Rupees)**

2.2 Reserves and surplus	As at 31 March 15	As at 31 Mar 14
<b>(Deficit)/ surplus in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	(1,16,62,014)	(53,96,893)
Add: Depreciation credited to Reserve & Surplus	2,957	
Add: Transferred from Statement of Profit & Loss	(17,03,123)	(62,65,121)
Balance at the end of the Year	<u>(1,33,62,180)</u>	<u>(1,16,62,014)</u>

2.3 Deferred Tax Liabilities (Net)	As at 31 March 15	As at 31 Mar 14
<b>Deferred Tax :-</b>		
a. Related to Fixed Assets	-	48,485
b. Related to Preliminary Expenses	-	(7,416)
	<u>-</u>	<u>41,069</u>

2.4 Short Term borrowings	As at 31 March 15	As at 31 Mar 14
<b>Unsecured</b>		
Loans & Advances from Others*	14,79,25,000	14,55,25,000
Loans & Advances from Directors**	25,00,000	40,000
	<u>15,04,25,000</u>	<u>14,55,65,000</u>

**\*Terms of Loans & Advances From Others**

375 Lacs is repayable on demand and interest rate is 8.50% p.a.

393.25 Lacs is repayable on demand and interest rate is 9.00% p.a.

70 Lacs is repayable on demand and interest rate is 9.50% p.a.

326 Lacs is repayable on demand and interest rate is 10.00% p.a.

45 Lacs is repayable on demand and interest rate is 10.50% p.a.

25 Lacs is repayable on demand and interest rate is 12.00% p.a.

245 Lacs is repayable on demand and interest rate is NIL.

**\*\*Terms of Loans & Advances From Directors**

25 Lacs is repayable on demand and interest rate is Nil.

2.5 Other Current Liabilities	As at 31 March 15	As at 31 Mar 14
a) Other payables		
Statutory Liabilities	5,17,401	13,20,628
Payable to employees	5,47,500	6,66,565
Payable for expenses	18,35,522	50,480
Stale Cheque	1,02,638	2,638
Adviel Creations	1,01,238	-
Interest Due On Borrowings	1,43,53,120	98,99,007
Book Overdraft	9,91,051	-
	<u>1,84,48,470</u>	<u>1,19,39,318</u>



**Red Solutions Private Limited**

**Notes to financial statements for the year ended 31 March 2015**

(Amount in Indian Rupees)

**Note 2.6**

**Tangible assets**

Description	As at 1 April 2013	Additions	Deletions	As at 31 March 2014	As at 1 April 2014	Additions	Deletions	Retained Earnings	As at 31 Mar 2015
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	87,688	32,625	-	1,20,313	1,20,313	-	-	-	87,688
<b>Total</b>	<b>5,98,122</b>	<b>32,625</b>	<b>-</b>	<b>6,30,747</b>	<b>6,30,747</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,98,122</b>

Description	As at 1 April 2013	Additions	Deletions	As at 31 March 2014	As at 1 April 2014	Additions	Deletions	Retained Earnings	As at 31 Mar 2015
Furniture and fixtures	49,826	1,927	-	51,753	51,753	6,583	0	-2036	56300
Computers and peripherals	54,270	70,621	-	1,24,891	1,24,891	2,59,925	0	-921	383895
Office equipments	11,705	1,729	-	13,434	13,434	57,432	0	0	70866
<b>Total</b>	<b>1,15,801</b>	<b>74,277</b>	<b>-</b>	<b>1,90,078</b>	<b>1,90,078</b>	<b>3,23,940</b>	<b>-</b>	<b>(2,957)</b>	<b>5,11,061</b>

Carrying amounts	As at 31 March 2014	As at 31 Mar 2015
Furniture and fixtures	24,713	20,166
Computers and peripherals	3,09,077	50,073
Office equipments	1,06,879	49,447
<b>Total</b>	<b>4,40,669</b>	<b>1,19,686</b>

*[Handwritten signature]*

*[Handwritten signature]*





**Red Solutions Private Limited**

**Notes to financial statements for the year ended 31 March 2015**

(Amount in Indian Rupees)

**2.7 Deferred Tax Asset (Net)** As at 31 March 15 As at 31 Mar 14

Deferred Tax :-

a. Related to Fixed Assets	21,697	-
b. Related to Preliminary Expenses	4,944	-
	<u>26,641</u>	<u>-</u>

**2.8 Trade Receivables** As at 31 March 15 As at 31 Mar 14

a) Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered Good		
b) Others		
Unsecured, Considered Good	3,91,800	98,000
	<u>3,91,800</u>	<u>98,000</u>

**2.9 Cash and Cash equivalents** As at 31 March 15 As at 31 Mar 14

Cash on hand	12,476	768
Bank balances		
Current account	6,08,411	2,58,038
	<u>6,20,887</u>	<u>2,58,806</u>

**2.10 Short Term Loans & Advances** As at 31 March 15 As at 31 Mar 14

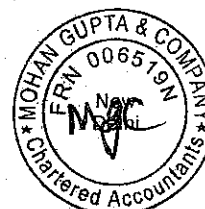
Capital Advances	14,23,09,000	14,31,09,000
Interest Capitalized	2,52,20,285	2,02,71,271
Security deposits (Unsecured, considered good)	10,000	10,000
Advance recoverable in cash or kind	6,936	20,206
Loan to others	65,000	50,000
Prepaid Expenses	-	11,636
	<u>16,76,11,221</u>	<u>16,34,72,113</u>

**2.11 Other Current Assets** As at 31 March 15 As at 31 Mar 14

Balance with statutory/ government authorities :		
Cenvat Credit Available	18,007	18,007
Tax Refund F.Y. 2013-14	2,40,798	2,40,778
TDS Receivable F.Y. 2014-15	1,27,270	-
	<u>3,86,055</u>	<u>2,58,785</u>

*MB*

*MB*



**Red Solutions Private Limited**

**Notes to financial statements for the year ended 31 March 2015**

(Amount in Indian Rupees)

2.12 Revenue From Operation	For year ended 31 March 2015	For year ended 31 March 2014
Professional Fee	8,75,000	1,00,000
Supply of Plant	19,88,490	-
	<u>28,63,490</u>	<u>1,00,000</u>
2.13 Purchase	For year ended 31 March 2015	For year ended 31 March 2014
Purchase of Plant	17,89,600	-
	<u>17,89,600</u>	<u>-</u>
2.14 Employee benefit expense	For year ended 31 March 2015	For year ended 31 March 2014
Salaries, wages and bonus	23,64,839	57,25,960
Contribution to provident and other fund	-	7,019
Staff welfare expense	7,400	6,478
	<u>23,72,239</u>	<u>57,39,457</u>
2.15 Depreciation and amortization expense	For year ended 31 March 2015	For year ended 31 March 2014
Depreciation on tangible assets	3,23,940	74,277
	<u>3,23,940</u>	<u>74,277</u>
2.16 Other expenses	For year ended 31 March 2015	For year ended 31 March 2014
Travelling and conveyance	14,070	1,23,018
Communication	73,187	1,20,688
Legal and professional	7,314	8,520
Rates and taxes	1,340	2,11,350
Printing and stationery	2,362	-
Business promotion	-	11,291
Auditor's remuneration	5,000	5,000
Bank Charges	3,039	1,184
Miscellaneous Expenses	42,232	27,017
	<u>1,48,544</u>	<u>5,08,068</u>

*CB*

*MS*



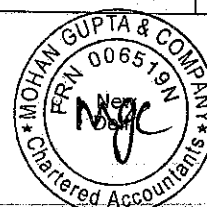
**Red Solutions Private Limited****(Amount in Indian Rupees)****Note 2.17: Notes to the financial statements**

- a) There are no contingent liabilities or capital commitments that have not been provided for in these accounts.(P.Y. NIL).
- b) Previous year's figures have been regrouped and re-casted wherever necessary.
- c) All known liabilities have been provided for and there are no disputed liabilities as confirmed by the Directors.
- d) In the opinion of Directors, current assets and loans and advances have a value on realisation in the ordinary course of the business at least equal to the amount at which these have been stated in the Balance Sheet.
- e) No provision for gratuity has been made in the books, as the amount of liability as on date, if any, has not been ascertained.
- f) Deferred Tax Calculation as per accounting standard AS-22.

PARTICULARS	WDV AS ON 31.03.2015 As per Co. Act	WDV AS ON 31.03.2015 As per IT. Act	DIFFERENCE	DEFERRED TAX LIABILITY/ (ASSET)
Related to Fixed Asset	119,686	189,903	(70,217)	(21697)
Related to Preliminary Expenses	NIL	16000	(16000)	(4944)
<b>Total</b>	<b>119,686</b>	<b>205,903</b>	<b>(86,217)</b>	<b>(26641)</b>

- g) 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.
- h) **Expenditure incurred on Employees**  
In respect of those who were in receipt of remuneration of Rs. 6,000,000/- per year or More or Rs. 5,00,000/- per month or more is NIL (P.Y. NIL).
- i) Earnings per share is computed in accordance with the mandatory requirement of Accounting Standard AS

Particulars	2014-15	2013-14
Net Profit After Tax available for Equity Shareholders	(17,03,123)	(62,65,121)
Weighted average No. of Equity Shares for basic/Diluted EPS (Nos.)	50,000	40,517
Basic/Diluted earning per share	(34.06)	(155)



**Red Solutions Private Limited****(Amount in Indian Rupees)****Note 2.17: Notes to the financial statements****j) Payment to Auditors:**

Particulars	2014-15	2013-14
Statutory Auditors Fee	5,000	5,000
<b>Total</b>	<b>5,000</b>	<b>5,000</b>

**k) Related Party Disclosures:**

The information given below is only in respect of the transactions entered into by the company with the related parties:

**A) Names of related parties & description of relationship:**

(i) Holding Company: Nil

(ii) Enterprises over which key Managerial Personnel and relatives of such personnel exercise significant influence:

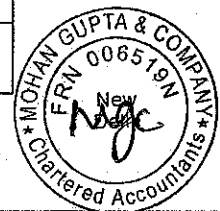
- a) Investsmart Solutions Private Limited
- b) EOD Amusement Private Limited
- c) Team Buildcon Pvt Ltd

(ii) Key Managerial Personnel:

- d) Rakesh Babbar
- e) Sanjeev Bewtra

**B) 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.**

FY 14-15					
Particulars	Investmart Solutions Private Limited.	Rakesh Babbar	Sanjeev Bewtra	EOD Amusement Private Limited	Team Buildcon Private Limited
<b>Short Term Loan Given</b>					
Balance as at 01.04.2014	50,000	NIL	NIL	NIL	NIL
Paid During the Year	NIL	NIL	NIL	NIL	NIL
Received during the year	15,000	NIL	NIL	NIL	NIL
Balance as at 31.03.2015	65,000	NIL	NIL	NIL	NIL



**Red Solutions Private Limited****(Amount in Indian Rupees)****Note 2.16: Notes to the financial statements**

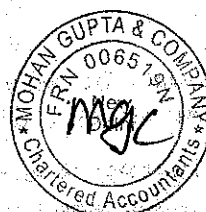
<b>Short Term Borrowings</b>					
Balance as at 01.04.2014	NIL	20,000	20,000	NIL	NIL
Paid During the Year	NIL	20,000	20,000	NIL	NIL
Received during the year	NIL	25,00,000	NIL	25,00,000	NIL
Balance as at 31.03.2015	NIL	25,00,000	20,000	25,00,000	NIL
<b>Advance Given for Expenses</b>					NIL
Balance as at 01.04.2014	NIL	NIL	NIL	6,936	NIL
Received During the Year	NIL	NIL	NIL	NIL	NIL
Repaid during the year	NIL	NIL	NIL	NIL	NIL
Balance as at 31.03.2015	NIL	NIL	NIL	6,936	NIL

**l) Detail of Income, Expenditure and Remittance in foreign currency:-**

S.No.	Particulars	2014-15	2013-14
1	C.I.F. value of Imports	Nil	Nil
2	Expenditure in Foreign Currency	Nil	Nil
3	Remittances in Foreign Currency	Nil	Nil
4	Earning in foreign currency	Nil	Nil

m) Payments made or provided during the financial year to Directors as Managerial remuneration under section 198 of the Companies Act, 1956 is Rs. Nil (PY Nil).

m.i) During the year, company has incurred interest cost of Rs.4949014/- on loans taken, which was capitalize in books of accounts under the head of Loans & Advances.



**Red Solutions Private Limited**

**(Amount in Indian Rupees)**

**Note 2.17: Notes to the financial statements**

n) Maximum amount other than imprest account due from directors of the company at any time during the year is Rs. Nil (PY Nil).

o) Company has adopted the mercantile system of accounting.

p) Balances in respect of parties in some cases are subject to confirmation and adjustments, if any

As per our report of even date annexed

For Mohan Gupta & Company

Chartered Accountants

Firm Registration No. 006519N

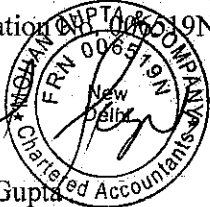
CA Sahil M Gupta

Partner

Membership No. – 525626

Date : 15.07.2015

Place : New Delhi



(Rakesh Babbar)

Director

DIN: 00025984

(Sanjeev Bewtra)

Director

DIN: 02166288