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## INDEPENDENT AUDITORS' REPORT

To the Members of  
**DU DIGITAL TECHNOLOGIES PRIVATE LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **DU DIGITAL TECHNOLOGIES PRIVATE LIMITED**, which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss 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 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 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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 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 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 true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015; and
- in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date;

**DU DIGITAL TECHNOLOGIES PRIVATE LIMITED**

*Schedule annexed to and forming part of the Balance Sheet as at 31st March 2015*

<b>CURRENT ASSETS &amp; LOANS AND ADVANCES</b>	<b>As at 31.03.2015</b>	<b>As at 31.03.2014</b>
<b><u>SCHEDULE - P</u></b>	<b>INR</b>	<b>INR</b>
<b><u>SUNDRY DEBTORS</u></b>		
Less than 6 Months	-	-
<b>TOTAL</b>	-	-

<b>CURRENT ASSETS</b>	<b>As at 31.03.2015</b>	<b>As at 31.03.2014</b>
<b><u>SCHEDULE-Q</u></b>	<b>INR</b>	<b>INR</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash in hand	4,322	57,070
Balances with Scheduled Bank :- in current accounts	-	11,453
<b>TOTAL</b>	<b>4,322</b>	<b>68,523</b>

<b>CURRENT ASSETS</b>	<b>As at 31.03.2015</b>	<b>As at 31.03.2014</b>
<b><u>SCHEDULE-R</u></b>	<b>INR</b>	<b>INR</b>
<b><u>Loans And Advances</u></b>		
Loans and advances to related parties	-	-
<b>Total</b>	-	-



# DU DIGITAL TECHNOLOGIES PRIVATE LIMITED

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### 1. SIGNIFICANT OF ACCOUNTING POLICIES

- a) **Basic of Accounting:** The accounts are prepared on the basis of historical cost. Both income and expenditure items are recognized on accrual & prudent basis.
- b) **Fixed Assets:** Fixed Assets are stated at their original cost, including freight, duties, taxes and other incidental expenses relating to acquisition & installation. The depreciation has been calculated as required by schedule II of the new Companies Act, 2013. The difference in depreciation for denoting the salvage value of the fixed assets, if any, has been adjusted against General Reserve.
- c) **Depreciation:** Depreciation on fixed assets is provided as per the rates and manner specified in the Companies Act, 2013.
- d) **Basic of Accounting:** The Company is a Small & Medium Sized Company (SMSC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small & Medium Sized Company, except where otherwise disclosed.

### 2. NOTES ON ACCOUNTS

1. Salary & Other amounts to Staff includes Directors' Remuneration of Rs. Nil/- (A Nil - Nil)

### 2. Payment of Auditors

	2014-2015	2013-2014
	(Rs.)	(Rs.)
a) Statutory Audit	25,000	1,000
b) Income Tax & Other Matters	-	-
	<u>25,000</u>	<u>1,000</u>

3. Balance lying to the debit & credit of various parties are pending confirmation & reconciliation.

### 4. Foreign Exchange Earnings/Outflow

	2014-2015	2013-2014
	(Rs.)	(Rs.)
Earnings	Nil	Nil
Outflow	Nil	Nil
Traveling Expenses	Nil	Nil

5. The amount of earnings and number of equity shares used as numerator and denominator respectively for the purpose of calculating earnings per share in accordance with Accounting Standard - 22 on "Earnings per share" issued by the Institute of Chartered Accountants of India, are given below:

	2014-2015	2013-2014
A. Profit or per Profit & Loss A/c	(98,422)	(977)
B. Number of equity shares outstanding	10,000	10,000
C. Earnings per share	(5.85)	(9.04)

6. The Company has defined tax assets or liabilities and has been calculated in accordance with Accounting Standard - 22 on "Accounting for taxes on income" issued by the Institute of Chartered Accountants of India.

7. The policies per figure has been regrouped wherever necessary.

8. Information pursuant Balance Sheet Abstract and Company's General Business Profile is provided in Part IV of DTD Schedule III and removed and same also does not form part of schedule III or VII.

### a) Registration Details: U28180/KA2007PTC172935

Balance Sheet Date	31.03.2015	Score Code	55
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### b) Capital raised during the year (Amount in Rs. Thousands)

Public Issue	Nil	Right Issue	Nil
Debt Issue	Nil	Private Placement	Nil

### c) Position of Mobilization and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	4	Total Assets	4
<b>Sources of Fund</b>			
Paid up Capital	100	Reserves & Surplus	(142)
Secured Loans	0	Unsecured Loans	Nil
<b>Application of Funds</b>			
Net Fixed Assets	0	Investment	Nil
Net Current Assets	42		

### d) Performance of company (Amount in Rs. Thousands)

Turnover		Total Expenditure	16
Profit Before Tax	(35)	Profit after Tax	(35)
Earnings per share in Rs.	(2.45)	Dividend Rate	Nil

### e) General Names of Three Principal Products/Services of Company

NOT APPLICABLE

**Report on other Legal and Regulatory Requirements.**

1. This Report does not include a statement on the matter's specified in 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 Companies Act 2013, since in our opinion and according to the information and explanation given to us, the said Order is not applicable to the company.
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 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 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 written representations received from the directors as on 31 March, 2016, 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) In the respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
    - i. The company does not have any pending litigations which would impact its financial position
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For R R R & CO.**

Chartered Accountants

(Registration No. 19411N)

**SD/-**

**CA. Rajneesh Jain**

Partner

Membership No. 501166

Place: New Delhi

Date: 03-09-2015



## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report & Legal Regulatory Requirements' of our report of even date)

### **Report on the Internal Financial Controls over Financial Reporting 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 **DU DIGITAL TECHNOLOGIES PRIVATE LIMITED** ("the Company") as of March 31, 2015 in conjunction with our audit of the 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. 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 I / 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. My / 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence I/we have obtained is sufficient and appropriate to provide a basis for my /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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of 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, to the best of our information and according to the explanations given to us, 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 March 31, 2015, 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.

**R R R & Co**  
**Chartered Accountants**  
Firm Registration No: 019411N

Place: **New Delhi**  
Date: **03-09-2015**

**SD/-**  
**RAJNEESH JAIN**  
**PARTNER**  
Membership No: 501166



**DU DIGITAL TECHNOLOGIES PRIVATE LIMITED**  
**SCHEDULES TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2015**

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
	1	2	3
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' funds			
(a) Share capital	A	100,000	100,000
(b) Reserves and surplus	B	(141,904)	(105,451)
(c) Money received against share warrants		(41,904)	(5,451)
(2) Share application money pending allotment	C	-	2,000,000
(3) Non-current liabilities			
(a) Long-term borrowings	D	-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	-
		-	2,000,000
(4) Current liabilities			
(a) Short-term borrowings			
(b) Trade payables	E	25,000	2,124
(c) Other current liabilities	F	21,225	23,350
(d) Short-term provisions	G	-	-
		46,226	25,474
<b>TOTAL</b>		<b>4,322</b>	<b>2,020,023</b>
<b>II. ASSETS</b>			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	H	-	-
(ii) Intangible assets	I	-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	J	-	-
(c) Deferred tax assets (net)	K	-	-
(d) Long-term loans and advances	L	-	1,951,500
(e) Other non-current assets	M	-	-
		-	1,951,500
(2) Current assets			
(a) Current investments	N	-	-
(b) Inventories	O	-	-
(c) Trade receivables	P	-	-
(d) Cash and cash equivalents	Q	4,322	68,523
(e) Short-term loans and advances	R	-	-
(f) Other current assets	S	-	-
		4,322	68,523
<b>TOTAL</b>		<b>4,322</b>	<b>2,020,023</b>
See accompanying notes to the financial statements			

Read together with Significant Accounting Policies & Notes to Accounts as per Schedule.

Schedules referred above forms an integral part of the Balance Sheet.

As per our Report of even date attached.

For Rajneesh B Jain & Co.

Chartered Accountants

E. No. 19411N

For and on behalf of the Board

**SD/-**

Rajneesh Jain

Partner

M. No. 501166

Place: New Delhi

Date: 03/09/2015

**SD/-**

Director

RAJINDER RAI

(DIN: 00024523)

**SD/-**

Director

MADHURIMA RAI

(DIN: 00239410)

**DU DIGITAL TECHNOLOGIES PRIVATE LIMITED**  
**Profit and loss statement for the year ended 31st March 2015**

Particulars	Note No.	Figures for the current reporting period	Figures for the previous reporting period
I. Revenue from operations	1	-	5,247
II. Other income	2	-	-
III. Total Revenue (I + II)		-	5,247
IV. Expenses:			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		-	-
Employee benefits expense	3	-	-
Finance costs	4	-	-
Depreciation and amortization expense	5	-	-
Other expenses	6	36,453	5,624
Total expenses		36,453	5,624
V. Profit before exceptional and extraordinary items and tax (III-IV)		(36,453)	(377)
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(36,453)	(377)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		(36,453)	(377)
X. Tax expense:		-	-
(1) Current tax		-	-
(2) Deferred tax		-	-
XI. Profit (Loss) for the period from continuing operations (IX-X)		(36,453)	(377)
XII. Profit/(loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		(36,453)	(377)
XV. Profit (Loss) for the period (XI + XIV)		-	-
XVI. Earnings per equity share:		-3.65	(0.04)
(1) Basic		-	-
(2) Diluted		-	-
See accompanying notes to the financial statements			

Read together with Significant Accounting Policies & Notes to Accounts as per Schedule.  
Schedules referred above forms an integral part of the Balance Sheet.  
As per our Report of even date attached.

For Rajneesh B Jain & Co.  
Chartered Accountants  
F. No. 19411N

For and on behalf of the Board

**SD/-**

Rajneesh Jain  
Partner  
M. No. 501166

**SD/-**  
Director

RAJINDER RAI  
(DIN: 00024523)

**SD/-**  
Director

MADHURIMA RAI  
(DIN: 00239410)

Place: New Delhi  
Date: 03/09/2015



**DU DIGITAL TECHNOLOGIES PRIVATE LIMITED**  
**SCHEDULES TO AND FORMING PART OF PROFIT & LOSS A/C FOR THE YEAR ENDED 31ST**  
**MARCH 2015**

<u>Revenue From Operations</u>	<u>2014-15</u>	<u>2013-14</u>
<b>SCHEDULE 1:</b>	<b>INR</b>	<b>INR</b>
Revenue	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

<u>Other Income</u>	<u>2014-15</u>	<u>2013-14</u>
<b>SCHEDULE 2:</b>	<b>INR</b>	<b>INR</b>
Liabilities written back	-	5,247
<b>TOTAL</b>	<b>-</b>	<b>5,247</b>

<u>Employee benefits expense</u>	<u>2014-15</u>	<u>2013-14</u>
<b>SCHEDULE-3</b>	<b>INR</b>	<b>INR</b>
	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

<u>Finance Cost</u>	<u>2014-15</u>	<u>2013-14</u>
<b>SCHEDULE-4</b>	<b>INR</b>	<b>INR</b>
	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

<b>SCHEDULE-6</b>	<b>2014-15</b>	<b>2013-14</b>
<u>Other expenses</u>	<u>INR</u>	<u>INR</u>
Audit Fee	25,000	1,124
Professional Charges	-	1,000
Legal & ROC Fees	-	3,500
Short & Excess	11,453	-
<b>TOTAL</b>	<b>36,453</b>	<b>5,624</b>

**DU DIGITAL TECHNOLOGIES PRIVATE LIMITED**

**SCHEDULES TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2015**

<b>SCHEDULE A : Share Capital</b>	<b>As at 31-3-2015 INR</b>	<b>As at 31-3-2014 INR</b>
<b>Authorised capital</b>		
1,00,000 Equity Shares of INR 10/- each	1,000,000	1,000,000
<b>Issued, subscribed and paid up</b>		
10,000 Equity shares of INR 10/- each Fully Paid-up	100,000	100,000
<b>TOTAL</b>	<b>100,000</b>	<b>100,000</b>
<b>Share Holdings Details</b>		<b>%age of Holding</b>
Rajinder Rai	5000	50
Madhurima Rai	3000	30
Srishti Rai	2000	20

<b>SCHEDULE - B</b>	<b>As at 31.03.2015 INR</b>	<b>As at 31.03.2014 INR</b>
<b>Reserves and surplus</b>		
Profit after Tax	(36,453)	(377)
Profit brought forward	(105,451)	(105,074)
Less : Dr. Balance (Old) W/Off		
<b>Balance carried to Balance Sheet</b>	<b>(141,904)</b>	<b>(105,451)</b>

<b>SCHEDULE - C</b>	<b>As at 31.03.2015 INR</b>	<b>As at 31.03.2014 INR</b>
<b>Money Received against Share Capital</b>		
Share Application Money (Pending Allotment)	-	2,000,000
<b>TOTAL</b>	<b>-</b>	<b>2,000,000</b>

<b>SCHEDULE - D</b>	<b>As at 31.03.2015 INR</b>	<b>As at 31.03.2014 INR</b>
<b>Long-Term Borrowings</b>		
<b>UNSECURED LOAN</b>		
<b>TOTAL</b>	<b>-</b>	<b>-</b>



**DU DIGITAL TECHNOLOGIES PRIVATE LIMITED**

*Schedule annexed to and forming part of the Balance Sheet as at 31st March 2015*

<b><u>SCHEDULE - E</u></b>	<b>As at 31.03.2015</b>	<b>As at 31.03.2014</b>
<b>Trade Payables</b>	<b>INR</b>	<b>INR</b>
Har Krishan Lal	-	1,000
J.K. Monga Associates	-	1,124
R R R & Co	25,000	-
<b>Total</b>	<b>25,000</b>	<b>2,124</b>

<b><u>SCHEDULE - F</u></b>	<b>As at 31.03.2015</b>	<b>As at 31.03.2014</b>
<b>Other Liabilities</b>	<b>INR</b>	<b>INR</b>
Expenses Payable	-	1,124
Audit Fees Payable	-	1,000
Mobilisation Advance - Digital Utilities	21,226	21,226
<b>Total</b>	<b>21,226</b>	<b>23,350</b>

<b><u>SCHEDULE - G</u></b>	<b>As at 31.03.2015</b>	<b>As at 31.03.2014</b>
<b>Provisions</b>	<b>INR</b>	<b>INR</b>
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

<b><u>SCHEDULE - L</u></b>	<b>As at 31.03.2015</b>	<b>As at 31.03.2014</b>
<b>Long-term loans and advances</b>	<b>INR</b>	<b>INR</b>
Loans and advances to related parties	-	1,951,500
<b>Total</b>	<b>-</b>	<b>1,951,500</b>