



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF eRM SOLUTIONS PRIVATE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of eRM SOLUTIONS PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and the Cash Flow Statement for the period 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, 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and the 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 controls 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. An audit also includes evaluating the appropriateness of 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 31st March, 2016, and its loss and its cash flows for the period 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 exercise of powers conferred by section 143(11) of the Act, we enclose in 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, 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 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 31st March, 2016 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2016 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) 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 derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place : Bangalore
Date : May 11, 2016

For L S Balaji & Co.
Chartered Accountants
FRN:013810S

L S Balaji
(Proprietor)

Membership No. : 229669





Annexure A referred to in our Independent Auditor's Report to the members of eRM SOLUTIONS PRIVATE LIMITED on the standalone financial statements for the year ended 31st March, 2016. We report that:

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

(c) As explained to us, there are no immovable properties held in the name of the company.
- (ii) As the nature of business of the company is service oriented this clause is not applicable.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act. Consequently, the provisions of clauses iii (a), iii (b) and iii (c) of the order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not granted any loans, made any investments and not given any guarantees or securities.
- (v) The Company has not accepted any deposits from the public.
- (vi) As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Act and hence the same is not applicable.
- (vii) (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-tax, Service Tax and any other statutory dues to the extent applicable have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2016 for a period of more than six months from the date they became payable.



- (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise or value added tax or cess which have not been deposited on account of any disputes.
- (viii) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not borrowed any loans from financial institutions, banks or by way of issue of debentures, and hence the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (ix) Based on our audit procedures and on the information given by the management, we report that the company has not raised any money by way of initial public offer or further public offer and term loans during the year.
- (x) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.
- (xi) Based on the audit procedures performed and the information and explanations given to us, we report that the Company has not paid any managerial remuneration during the year.
- (xii) The company is not a Nidhi company consequently; the provision of clauses of the order is not applicable to the Company.
- (xiii) Based on the audit procedures performed and the information and explanations given to us, all the transactions with the related parties are in compliance with sections 177 and 188 of companies Act, 2013 and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standard.
- (xiv) Based on the audit procedures performed and the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) Based on the audit procedures performed and the information and explanations given to us, the company has not entered into non cash transactions with directors or persons connected with him and the provisions of section 192 of companies Act, 2013 have been complied.



(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : Bangalore
Date : May 11, 2016

For L S Balaji & Co.
Chartered Accountants
FRN:013810S

L S Balaji
(Proprietor)

Membership No. : 229669





ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ERM SOLUTIONS PRIVATE LIMITED

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 ERM Solutions Private Limited ("the Company") as of March 31, 2016 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 controls over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note of 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 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 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, 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, 2016, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Bangalore
Date : May 11, 2016

For L S Balaji & Co.
Chartered Accountants
FRN:013810S

L S Balaji
(Proprietor)

Membership No. : 229669



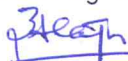
ERM Solutions Private Limited
Balance Sheet as at March 31, 2016

In Rs.

Particulars		Note No.	As at March 31, 2016
I	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
a)	Share Capital	2.1	81,00,000
b)	Reserves & Surplus	2.2	(31,65,794)
			49,34,206
2	Non current Liabilites		
a)	Long Term Provisions	2.3	65,721
			65,721
3	Current Liabilites		
a)	Short Term Borrowings	2.4	42,92,670
b)	Other Current Liabilities	2.5	11,64,625
c)	Short Term Provisions	2.6	4,156
			54,61,451
	TOTAL		104,61,378
II	ASSETS		
1	Non current Assets		
a)	Fixed Assets	2.16	
i)	Tangible assets		10,27,371
ii)	Intangible assets		57,05,744
b)	Deferred tax assets (Net)	2.7	14,15,674
c)	Long term Loans and Advances	2.8	1,50,000
			82,98,789
2	Current Assets		
a)	Trade Receivables	2.9	8,03,339
b)	Cash and cash equivalents	2.10	10,25,247
c)	Short term loans and advances	2.11	3,34,003
			21,62,589
	Significant Accounting Policies Note No. 2.1 to 2.16 form an integral part of these Financial Statements	1	
	TOTAL		104,61,378

For and on behalf of the Board of Directors

As per our report attached
For LS Balaji & Co.,
Chartered Accountants
Firm Reg. No. : 013810S


LS Balaji
Proprietor
Membership No. : 229669




Sanjeev Arora
Director
07230655




Sandeep Goyal
Director
03023842

Place: Bangalore
Date: May 11, 2016

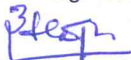
eRM Solutions Private Limited
Statement of Profit and Loss for the year ended March 31, 2016

In Rs.

Particulars		Note No.	For the period May 28, 2015 to March 31, 2016
I	REVENUE Revenue from Operations	2.12	59,02,168
Total Revenue			59,02,168
II	EXPENDITURE		
a)	Employee Benefits expense	2.13	32,01,008
b)	Other expenses	2.15	52,03,052
Total Expenses			84,04,060
III	Profit Before Depreciation, Interest, Exceptional Item and Tax		(25,01,892)
c)	Depreciation and amortization expense	2.16	18,93,131
IV	Profit Before Interest, Exceptional Item and Tax		(43,95,023)
d)	Finance costs	2.14	1,86,446
V	Profit Before Tax		(45,81,469)
VI	Tax expense		
a)	Current Tax		-
b)	Deferred Tax		(14,15,674)
VII	Profit/(Loss) for the year/period		(31,65,795)
Earnings Per Share (Equity Shares par value Rs 10/- each)			
- Basic			(3.91)
- Diluted			(3.91)
Number of shares used in computing earnings per share			
- Basic			8,10,000
- Diluted			8,10,000
Significant Accounting Policies Note No. 2.1 to 2.16 form an integral part of these Financial Statements		1	

For and on behalf of the Board of Directors

As per our report attached
For LS Balaji & Co.,
Chartered Accountants
Firm Reg. No. : 013810S


LS Balaji
Proprietor
Membership No. : 229669




Sanjeev Arora
Director
07230655

Place: Bangalore
Date: May 11, 2016


Sandeep Goyal
Director
03023842

eRM Solutions Private Limited
Cash Flow Statement for the year ended March 31, 2016

Particulars		31-March-16	
A	Cash Flow From Operating Activities		
	Profit/(Loss) before tax		(45,81,469)
	Adjustment for:		
	Depreciation & Amortisation	18,93,131	
	Interest Expense	1,86,446	20,79,577
	Operating profit before working capital changes		(25,01,892)
	Working Capital Changes		
	(Increase)/Decrease in Trade Receivables	(8,03,339)	
	(Increase)/Decrease in Other Current Assets	(500)	
	(Increase)/Decrease in Non Current Assets	(1,50,000)	
	Increase/(Decrease) in Other Current Liabilities	12,34,502	2,80,663
	Cash Generated from Operations		(22,21,228)
	Direct taxes paid		(3,33,503)
	Net Cash From Operating Activities		(25,54,731)
B	Cash Flow From Investing Activities		
	Purchase of Fixed Assets	(6,26,246)	(6,26,246)
	Net Cash Used In Investing Activities		(6,26,246)
C	Cash Flow From Financing Activities		
	Proceeds from Issue of Equity Shares	1,00,000	
	Interest paid	(1,86,446)	
	Proceeds / (Repayment) of Borrowings	42,92,670	42,06,224
	Net Cash From / (Used for) Financing Activities		42,06,224
	Net Increase / (Decrease) In Cash And Cash Equivalents - (A + B + C)		10,25,247
	Cash And Cash Equivalents At The Beginning Of The Period		-
	Cash And Cash Equivalents At The End Of The Year		10,25,247

For and on behalf of the Board of Directors

As per our report attached

For LS Balaji & Co.,

Chartered Accountants

Firm Reg. No. : 013810S

Handwritten signature

LS Balaji
Proprietor

Membership No. : 229669



Place: Bangalore

Date: May 11, 2016

Handwritten signature
Sanjeev Arora
Director
07230655



Handwritten signature
Sandeep Goyal
Director
03023842