

INDEPENDENT AUDITOR'S REPORT

To The Members of
APPTEx Marketing Services & Solutions Limited

Report on Standalone Financial Statements

We have audited the accompanying standalone financial statements of APPTEx Marketing Services & Solutions Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Standalone Financial Statements

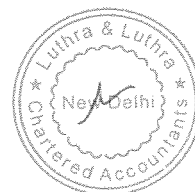
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 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 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, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

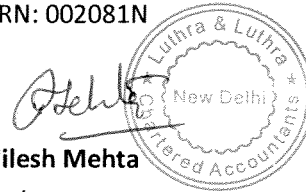
1. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we enclose in the Annexure a statement on the matters specified in the said Order, to the extent applicable to the company.
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 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 accounts
 - 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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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 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.

For Luthra & Luthra
Chartered Accountants

FRN: 002081N



Nilesh Mehta

Partner

M.No: 093847

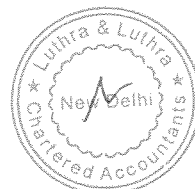
Place: New Delhi

Date: 29/04/15

ANNEXURE TO THE AUDITORS' REPORT

(Statement on the matters specified in Companies' Auditors Report Order, 2015)

- i. The company does not have any fixed asset hence the reporting requirement under this clause of said order is not applicable.
- ii. The company's nature of business does not require having inventory, hence the reporting requirements under this clause is not applicable.
- iii. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013.
- iv. In our opinion and according to the information and explanation given to us, there is a adequate internal control system commensurate with size of the company and nature of its business for providing services. Further, on the basis of our explanation of the books and records of the company, and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
- v. According to information and explanation given to us, the company has not accepted deposits from public.
- vi. According to information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act in respect of activities of the company.
- vii.
 - a. According to information and explanation given to us and records of the company examined by us, in our opinion the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There is no arrears of outstanding statutory dues as at 31st March 2015 for the period of more than six months from the date they became payable.
 - b. According to information and explanation given to us and records of the company examined by us, there are no dues of income tax, sales tax, wealth tax, service tax, excise duty, custom duty and cess as at March 31, 2015 which have not been deposited on account of any dispute six months from the date they became payable.
 - c. According to information and explanation given to us and records of the company examined by us, there is no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.



- viii. The accumulated losses of the company exceed the net worth of the company. Further the company has incurred cash loss during the year and its immediately preceding financial year.
- ix. The company has not defaulted in repayment of any loans from bank hence the clause is not applicable.
- x. In our opinion, and according to the information and explanation given to us, the company has not given any guarantee for loans taken from by others from banks or financial institution during the year.
- xi. Since the company has not taken any term loan this clause is not applicable.
- xii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

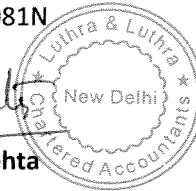
Place: New Delhi
Date: 29/04/15

For Luthra & Luthra
Chartered Accountants
FRN: 002081N


Nilesh Mehta

Partner

M.No: 093847



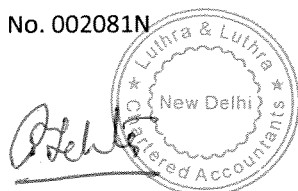
APPTEx Marketing Services & Solutions Limited
Balance Sheet as at March 31, 2015

	Notes	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
<u>EQUITY AND LIABILITIES</u>			
SHAREHOLDERS' FUNDS			
a. Share Capital	3	500,000	500,000
b. Reserves and Surplus	4	(3,382,579)	(2,213,722)
CURRENT LIABILITIES			
a. Trade Payable		633,818	983,221
b. Other Current Liabilities	5	4,270,897	1,996,724
		2,022,136	1,266,223
<u>ASSETS</u>			
CURRENT ASSETS			
a. Trade Receivable	6	1,453,034	1,019,623
b. Cash and Cash Equivalents	7	391,958	166,737
c. Other Current Assets	8	177,144	79,863
		2,022,136	1,266,223

Summary of Significant Accounting Policies 2
 Accompanying notes are an integral part of the financial statement

As per our separate report of even date attached

For Luthra & Luthra
 Chartered Accountants
 Reg. No. 002081N



Nilesh Mehta
 Partner
 M. No. 093847

For and on behalf of the Board

[Signature]
 Director

[Signature]
 Director

Place : New Delhi
 Date: 29 April, 2015

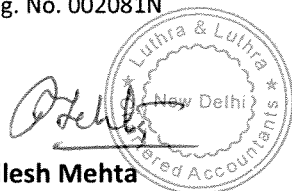
APPTEx Marketing Services & Solutions Limited
Statement of Profit and Loss for the year ended March 31, 2015

	Notes	Year ended March 31, 2015 Rupees	Year ended March 31, 2014 Rupees
Revenue from Operation	9	7,072,524	7,180,295
Other Income	10	22,496	35,661
		7,095,020	7,215,956
Expenses			
Operating Expenses	11	7,247,115	7,701,987
Other Expenses	12	1,016,761	584,197
		8,263,876	8,286,184
OPERATING PROFIT/ (LOSS) FOR THE YEAR		(1,168,856)	(1,070,228)
		-	-
PROFIT/(LOSS) BEFORE TAX		(1,168,856)	(1,070,228)
Tax Expenses		-	-
Profit / (Loss) after tax		(1,168,856)	(1,070,228)
Earning per share (Face Value of share: Rs 10 each)			
Basic/diluted	13	(23.38)	(21.40)

Summary of Significant Accounting Policies 2
 Accompanying notes are an integral part of the financial statement

As per our separate report of even date attached

For Luthra & Luthra
 Chartered Accountants
 Reg. No. 002081N



Nilesh Mehta
 Partner
 M. No. 093847

For and on behalf of the Board

[Handwritten Signature]
 Director

[Handwritten Signature]
 Director

Place : New Delhi
 Date: 29 April, 2015

APPTEx Marketing Services & Solutions Limited
Cash Flow Statement for the year ended March 31, 2015

	Year ended March 31, 2015 Rupees	Year ended March 31, 2014 Rupees
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit/(loss) before tax	(1,168,856)	(1,070,228)
Operating Profit before working capital changes	(1,168,856)	(1,070,228)
Adjustments for:		
Increase/(decrease) in current liabilities	1,924,770	1,313,245
(Increase)/decrease in current assets	(427,172)	(132,033)
Cash Flow from Operating Activities	328,742	110,984
Tax paid	(103,520)	49,859
Net cash generated/ (used) in operating activities	225,221	160,843
B CASH FLOW FROM INVESTING ACTIVITIES:	-	-
Net cash generated/ (used) in investing activities	-	-
C CASH FLOW FROM FINANCING ACTIVITIES:	-	-
Net cash generated/ (used) in financing activities	-	-
D Net Increase/(decrease) in cash and cash equivalents	225,221	160,843
E Cash and cash equivalents as at beginning of the period	166,737	5,894
F Cash and cash equivalents as at end of the period	391,958	166,737
	391,958	166,737

For Luthra & Luthra

Chartered Accountants
Reg. No. 002081N

New Delhi

Nilesh Mehta

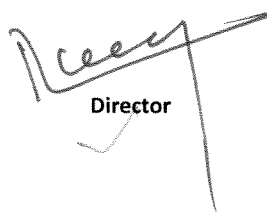
Partner

M. No. 093847

Place : New Delhi

Date: 29 April, 2015

For and on behalf of the Board


Director


Director

APPTEx Marketing Services & Solutions Limited
Notes forming part of Financial Statement for the year ended March 31, 2015

1 BACKGROUND:

APPTEx Marketing Services & Solutions Limited (the Company) has been incorporated on January 21, 2008 vide Registration No. U51909DL2008PLC172927 as a Public Limited Company under the provisions of the Companies Act, 1956. The Company is a wholly owned subsidiary of IL&FS Cluster Development Initiative Limited. The Company has been incorporated with the primary objective to facilitate and advise business of sourcing, purchase, distribution, sale and marketing of all categories of textile products

2 SIGNIFICANT ACCOUNTING POLICIES:

(1) Basis of Accounting

The financial statements are prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India including the applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 2013. All income and expenditure having a material bearing on the Financial Statements are recognised on an accrual basis

(2) Use of estimates

The preparation of the Financial Statements requires the Management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period

(3) Revenue Recognition

Income has been recognised on an accrual basis.

Revenue from Interest is recognized on time proportion basis taking into account the amount outstanding and the rate applicable

(4) Expenditure

Expenditure has been accounted for on the accrual basis and provisions have been made for all known losses and liabilities

(5) Taxation

Provision for tax comprises of current income tax and deferred income tax. The current charge for the income tax has been calculated in accordance with the relevant tax regulations applicable to the Company



APPTEX Marketing Services & Solutions Limited
Notes forming part of Financial Statement for the year ended March 31, 2015

The difference between taxable income and the net profit or loss before tax for the period as per the financial statements are identified and the tax effect of the deferred tax asset or deferred tax liability is recorded for timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods

Deferred tax is recognized and carried forward on the basis of prudence to the extent there is a reasonable certainty except arising from unabsorbed depreciation and carry forward losses which are recognized to the extent that there is virtual certainty that sufficient future taxable income will be available against such deferred tax assets

(6) Earnings per share

Basic earnings per share is calculated by dividing net profit/(loss) of the year (attributable to ordinary equity holders) by the weighted average number of ordinary shares outstanding during the year.

Diluted earning per share is calculated by dividing the net profit by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

(7) Provisions, Contingent Liabilities and Contingent Assets

- (a) A provision is made based on reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation
- (b) Contingent liabilities, if material, are disclosed by way of Notes to Accounts



APPTX Marketing Services & Solutions Limited
Notes forming part of Financial Statement for the year ended March 31, 2015

3. SHARE CAPITAL

AUTHORISED

50,000 (PY 50,000) Equity Shares of Rs. 10 each

As at March 31,2015	As at March 31,2014
Rupees	Rupees
500,000	500,000
500,000	500,000

ISSUED SUBSCRIBED AND PAID UP CAPITAL

Equity Share of Rs. 10/- each

50,000 (PY 50,000) Equity Shares of Rs. 10 each

500,000	500,000
500,000	500,000

a) 50,000 equity share are held by Holding Company i.e. IL&FS Cluster Development Initiative Limitec

b) Number of shares held by each shareholder holding more than 5% shares

	As at March 31,2015		As at March 31,2014	
	No.	Percentage	No.	Percentage
IL&FS Cluster Development Initiative Limited	50,000	100%	50,000	100%

c)

Particulars	As at March 31,2015		As at March 31,2014	
	No. of Shares	Rupees	No. of Shares	Rupees
Shares outstanding at the beginning of the year	50,000	500,000	50,000	500,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	50,000	500,000	50,000	500,000

d) The company has only one class of ordinary equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. Each holder of these ordinary shares are entitled to receive dividends as and when declared by the company. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportionate to the number of equity shares held by the shareholders.

4. RESERVES AND SURPLUS

Statement of Profit and Loss

As at the beginning of the year

Add: Profit/(Loss) for the year

As at March 31,2015	As at March 31,2014
Rupees	Rupees
(2,213,723)	(1,143,494)
(1,168,856)	(1,070,229)
(3,382,579)	(2,213,723)

5. OTHER CURRENT LIABILITIES

Expenses Payable
 Service Tax Payable
 Advance from customer
 TDS Payable
 Other Payable- Related parties

As at March 31,2015	As at March 31,2014
Rupees	Rupees
101,027	110,727
7,365	-
76,958	-
30,143	30,435
4,055,404	1,855,562
4,270,897	1,996,724

6. TRADE RECEIVABLE

Unsecured, considered goods

Over Six Months
 Others
 Less :- Provision for doubtful debts

As at March 31,2015	As at March 31,2014
Rupees	Rupees
170,520	76,140
1,453,034	943,483
(170,520)	-
1,453,034	1,019,623



7. CASH AND CASH EQUIVALENTS

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
Balance with Bank - in current account	391,957	166,737
	391,957	166,737

8. OTHER CURRENT ASSETS

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
Imprest Advance	-	6,239
Advance Tax (net of provision for tax)	177,144	73,624
	177,144	79,863

9. REVENUE FROM OPERATIONS

	Year ended March 31, 2015 Rupees	Year ended March 31, 2014 Rupees
Stitching charges	6,072,524	7,180,295
Consultancy Charges	1,000,000	-
	7,072,524	7,180,295

10. Other Income

	Year ended March 31, 2015 Rupees	Year ended March 31, 2014 Rupees
Miscellaneous Income	15,740	31,250
Interest on Income Tax Refund	6,756	4,411
	22,496	35,661

11. OPERATING EXPENSES

	Year ended March 31, 2015 Rupees	Year ended March 31, 2014 Rupees
Cost of Stitching	7,247,115	7,701,987
	7,247,115	7,701,987

12. Other Expenses

	Year ended March 31, 2015 Rupees	Year ended March 31, 2014 Rupees
Consultancy Charges	610,371	378,548
Conveyance Expenses	17,271	17,347
Legal and Professional Expenses	110,833	43,820
Communication Expenses	6,980	16,826
Power & Fuel Expenses	46,000	56,950
Sundry Balance Written off	-	21,612
Misc Expenses	54,786	49,094
Provision for Doubtful Debts	170,520	-
	1,016,761	584,197

Legal and Professional Expenses includes payment to auditors
As auditors

39,326	39,326
39,326	39,326



APPTX Marketing Services & Solutions Limited

Notes forming part of Financial Statement for the year ended March 31, 2015

13. Earning per share:

	Year ended March 31, 2015 Rupees	Year ended March 31, 2014 Rupees
Profit (Loss) for the Period (Rs.) (A)	(1,168,856)	(1,070,228)
Number of Equity shares of Rs. 10 each fully paid up at the beginning of the period	50,000	50,000
Number of Equity shares of Rs. 10 each fully paid up at the end of the period	50,000	50,000
Weighted average number of equity shares for the period (B)	50,000	50,000
Basic/Diluted Earning per share (Rs.) (A/B)	(23.38)	(21.40)
Face value per share (Rs.)	10	10

14. Accumulated losses of the Company have exceeded its net worth. The Company is economically dependent on its parent company for necessary financial and other assistance. The promoter of the Company has assured to provide necessary financial and other assistance to help running its operations smoothly in the ensuing years. Therefore the accounts of the Company have been prepared under going concern assumptions.

15. **Contingent Liabilities:** There is no Contingent Liability as on March 31, 2015

16. List of Related parties and Transactions / Outstanding Balances:**Holding Company**

- IL&FS Cluster Development Initiative Limited

Transactions / Outstanding Balances

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
Consultancy Fee	1,000,000	
Equity as at the period end	500,000	500,000
Current account payable	4,055,404	1,855,562

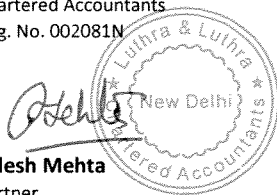
17. There are no Micro and small Enterprise, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

18. Previous period's figures have been regrouped/ rearranged wherever necessary in order to make it comparable with the current period figures.

For Luthra & Luthra

Chartered Accountants

Reg. No. 002081N

**Nilesh Mehta**

Partner

M. No. 093847

For and on behalf of the Board

(Signature)
Director

(Signature)
Director

Place : New Delhi

Date: 29 April, 2015