

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ONE TWO THREE GREETINGS (INDIA) PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **ONE TWO THREE GREETINGS (INDIA) PRIVATE LIMITED** ("the Company"), which comprises the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 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 adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' 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. 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: of the state of affairs of the Company as at 31st March, 2016 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, 2016 ("the order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 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 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - 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, 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".



K. N. GUTGUTIA & CO.

CHARTERED ACCOUNTANTS
KOLKATA • NEW DELHI

PHONE : 2287-3735 / 56
FAX : 91-033-22873756
E-mail : kng_kol@vsnl.net
kng_kol@cakng.in
6C, MIDDLETON STREET
FLAT NO. 23 (2ND FLOOR)
KOLKATA - 700071

g) With respect to the other matters to be included in the Auditors' 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 and hence it has no impact on its financial position in its financial statements.

ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

iii. There were no amounts required to be transferred the Investor Education and Protection Fund by the Company.

For K.N. GUTGUTIA & CO.
CHARTERED ACCOUNTANTS
Firm Registration No.304153E



(K.C.SHARMA)

Partner

Membership No. 50819

Date: May 4, 2016

Place : Kolkata

Annexure "A" to the Independent Auditors' Report to the Members of ONE TWO THREE GREETINGS (INDIA) PRIVATE LIMITED as referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements in our Report of even date

- i) (a).The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b).All the fixed assets have been physically verified by the Management at reasonable intervals. No material discrepancies were noticed on such verification.
- (c).No immovable property is held by the Company and hence clause 3(i) (c) of the Companies (Auditors Report) order,2016 is not applicable.
- ii) The Company's nature of operations does not require to hold inventories and as such clause 3(ii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- iii) The Company has not granted any loan, secured or unsecured to Companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 and hence clause 3(iii) (a) to (c) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- iv) According to the information and explanations given to us, the Company has no Investments, Loans and guarantees and hence Clause 3(iv) is not applicable to the Company.
- v) The Company has not accepted any public deposits during the year and as such clause 3(v) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 in respect of services carried out by the Company and as such clause 3(vi) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- vii) (a).According to the information and explanations given to us and records examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess were in arrears as at 31st 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 are no dues of Income Tax or Sales Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax or Cess which have not been deposited on account of any dispute.



K. N. GUTGUTIA & CO.CHARTERED ACCOUNTANTS
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- (c).According to the information and explanations given to us, no amount was 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 thereunder.
- viii) Based on our audit procedures and according to the information and explanations given to us, the company has not defaulted in repayment of dues to bank. There are no outstanding dues to a bank or financial institution or debenture holders and hence Clause 3 (viii) is not applicable to the Company.
- ix) According to the information and explanations given to us, the Company has neither raised money by way of public issue / follow-on offer (including debt instruments) nor term loans and hence Clause 3(ix) is not applicable to the Company.
- x) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of year.
- xi) According to the information and explanations given to us, the Company has not paid any managerial remuneration under section 197 read with Schedule V to the Companies Act 2013 and hence Clause 3(xi) is not applicable to the Company.
- xii) According to the information and explanations given to us, the Company is not a Nidhi Company and hence Clause 3(xii) is not applicable to the Company.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards and Companies Act,2013.
- (xiv) The Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and hence Clause 3(xiv) is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him and hence Clause 3(xv) is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence Clause 3(xvi) is not applicable to the Company.

For K.N. GUTGUTIA & CO.
CHARTERED ACCOUNTANTS
Firm Registration No.304153E**(K.C.SHARMA)**

Partner

Membership No.50819

Place: Kolkata

Date: May 4, 2016

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
FINANCIAL STATEMENTS OF ONE TWO THREE GREETINGS (INDIA) 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 ONE TWO THREE GREETINGS (INDIA) PRIVATE LIMITED ("the Company") as of March 31, 2016 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 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 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

For K.N. GUTGUTIA & CO.
CHARTERED ACCOUNTANTS
Firm Registration No.304153E



(Signature)
(K.C.SHARMA)

Partner

Membership No.50819

Place :Kolkata
Date: May 4, 2016

One Two Three Greetings (India) Private Limited

Balance Sheet as at 31st March, 2016

Particulars	Note No.	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2.1	20,000,000	20,000,000
(b) Reserves and Surplus	2.2	1,045,452	1,115,933
(2) Non-current Liabilities			
(a) Deferred Tax Liabilities (Net)	2.3	7,529	-
(b) Long-term Provisions	2.4	-	77,648
(3) Current Liabilities			
(a) Short-term Borrowings	2.5	9,000,000	9,500,000
(b) Trade Payables	2.6	-	-
(c) Other Current Liabilities	2.7	622,148	703,702
(d) Short-term Provisions	2.8	-	1,277
TOTAL		30,675,129	31,398,560

II. ASSETS

(1) Non-current Assets

Fixed Assets

(i) Tangible Assets	2.9	150,100	201,897
(ii) Intangible Assets	2.9	33,264	46,533
		183,364	248,430

(2) Current Assets

(a) Trade Receivables	2.10	1,086,206	1,132,738
(b) Cash and Bank Balances	2.11	936,827	1,255,916
(c) Short-term Loans and Advances	2.12	28,468,732	28,739,449
(d) Deferred Tax Asset (Net)	2.3	-	22,027
TOTAL		30,675,129	31,398,560

Accounting Policies & Notes on Accounts
Notes are an integral part of the Balance Sheet

1 & 2

As per our report of even date attached herewith

For K.N.GUTGUTIA & CO.

Chartered Accountants

Firm Registration No. 304153E



K.C. Sharma

(Partner)

Membership No. : 50819



Place : Kolkata

Date : 4th May, 2016

For and on behalf of the board



Mukesh Goel

Director



Anil Agrawal

Director

Place : Mumbai

Date : 4th May, 2016

One Two Three Greetings (India) Private Limited
Statement of Profit and Loss for the year ended 31st March, 2016

Particulars	Note No.	Year Ended 31st March, 2016	Year Ended 31st March, 2015
I. Revenue from operations	2.13	2,099,506	4,219,181
II. Other income	2.14	18,760	12,303
III. Total Revenue (I + II)		<u>2,118,266</u>	<u>4,231,484</u>
IV. Expenses:			
Cost of Goods Sold	2.15	-	600,000
Employee Benefits Expense	2.16	677,604	564,830
Finance costs	2.17	394	-
Sales and Marketing Expenses	2.18	948,216	1,903,494
Depreciation and amortization expense	2.9	65,066	203,700
General & Administrative Expenses	2.19	450,923	883,610
Total expenses		<u>2,142,203</u>	<u>4,155,634</u>
V. Profit before tax (III-IV)		<u>(23,937)</u>	<u>75,850</u>
VI. Tax expense:			
(1) Current tax		-	57,830
(2) Deferred tax		(29,556)	(51,582)
(3) Income tax related to earlier years		(16,988)	(1,548)
		<u>(46,544)</u>	<u>4,700</u>
VII. Profit (Loss) for the year (V-VI)		<u>(70,481)</u>	<u>71,150</u>
VIII. Earnings per equity share:			
Basic & Diluted (Par Value of ₹ 10/- each)	2.22	(0.04)	0.04

Accounting Policies & Notes on Accounts 1 & 2
Notes are an integral part of the Statement of Profit and Loss

As per our report of even date attached herewith

For K.N.GUTGUTIA & CO.
Chartered Accountants
Firm Registration No. 304153E


K.C. Sharma
(Partner)

Membership No. : 50819



Place : Kolkata
Date : 4th May, 2016

For and on behalf of the board


Mukesh Goel
Director


Anil Agrawal
Director

Place : Mumbai
Date : 4th May, 2016

One Two Three Greetings (India) Private Limited

Cash Flow Statement for the year ended 31st March, 2016

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
	₹	₹
A) Cash Flow From Operating Activities:		
Net profit before tax	(23,937)	75,850
Adjustments for:		
Depreciation	65,066	203,700
Interest Expense	394	-
Interest Income	(18,760)	(12,303)
Operating profit before working capital changes	22,763	267,247
(Increase) / Decrease in Trade Receivables	46,532	964,871
Increase / (Decrease) in Trade Payables	-	-
Increase / (Decrease) in Other than Trade Payables	(160,478)	38,091
(Increase)/ Decrease in Advance & Deposit	55,394	767,747
Cash generated from operations	(35,789)	2,037,956
Income Tax (Paid) / Refunded	198,334	21,001
Net Cash Flow From Operating Activities:	162,545	2,058,957
B) Cash Flow From Investing Activities:		
Purchase of Fixed Assets	-	-
Interest Received	18,760	12,303
Net Cash From/ (used in) Investing Activities:	18,760	12,303
C) Cash Flow From Financing Activities:		
Refund of Short Term Borrowings	(500,000)	(2,500,000)
Interest Paid	(394)	-
Net Cash From Financing Activities:	(500,394)	(2,500,000)
Net Increase / (Decrease) in Cash and Cash Equivalents(A+B+C)	(319,089)	(428,740)
Cash and Cash Equivalents at the Beginning of the Year	1,255,916	1,684,656
Cash and Cash Equivalents at the End of the Year	936,827	1,255,916

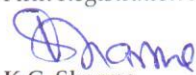
The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard -3 on "Cash Flow Statements" issued under section 211(3C) of The Companies Act, 1956.

This is the Cash Flow Statement referred to in our report of even date.

For K.N.GUTGUTIA & CO.

Chartered Accountants

Firm Registration No. 304153E



K.C. Sharma

(Partner)

Membership No. : 50819



Place : Kolkata

Date : 4th May, 2016

For and on behalf of the board



Mukesh Goel

Director



Anil Agrawal

Director

Place : Mumbai

Date : 4th May, 2016

One Two Three Greetings (India) Private Limited

Accounting Policies & Notes on Accounts

Note: 1

A. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements:

The financial statements are prepared under the historical cost convention, on accrual basis of accounting and in accordance with Generally Accepted Accounting Principles and materially comply with the mandatory accounting standards as specified in the Company (Accounting Standards) Rules, 2006 issued by the Central Government.

1.2 Fixed Assets:

Fixed Assets are stated at their original cost including other expenses related to acquisition and installation.

1.3 Depreciation:

Depreciation on fixed assets is provided on straight-line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II of the Companies Act 2013. The management estimates the useful life for the intangible assets as six (6) years.

1.4 Revenue Recognition:

Items of Income and expenditure are accounted for on accrual basis.

1.5 Foreign Currency Transactions:

- I) Foreign Currency transactions are recorded on the basis of exchange rates prevailing on the date of their occurrence.
- II) Current / Non- current monetary assets and liabilities in foreign currency are restated in the accounts on the basis of exchange rates prevailing at the Balance Sheet date and exchange difference arising there from are charged to the Statement of Profit and Loss.

1.6 Employee Benefits:

- I. Leave pay due to employees in respect of unavailed leave is encashed or provided for at the end of the year on accrual basis.
- II. Gratuity paid during the year is debited to liability account at the time of payment and liability on account of gratuity is provided on the date of Balance Sheet on Actuarial Valuation at the end of the year.

1.7 Taxation:

Provision for Income Tax is made on taxable income for the year at current rates. Current Tax represents the amount of Income Tax payable in respect of taxable income for the year. Deferred Tax represents the effect of timing difference between taxable income and accounting income for the year that originate in one period and are capable of reversal in one or more subsequent years. The deferred tax asset is recognized and carried forward only to the extent if there is a reasonable certainty that the assets will be realized in future. However where there is unabsorbed depreciation or carried forward business loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty with supporting evidences of realization of the assets.

1.8 Use of Estimates:

The preparation of Financial Statements require Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures related to contingent liabilities and assets as at the balance sheet date and the reported amount of income and expenses during the year. Actual results could differ from those estimates.



One Two Three Greetings (India) Private Limited

1.9 Impairment of Assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If there any 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 which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount subject to a maximum of depreciable historical cost.

1.10 Contingent Liabilities:

Contingent Liabilities are not provided for and are disclosed by way of notes.

1.11 Earnings Per Share:

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax and include the post tax effect of any extra ordinary items. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

1.12 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated



One Two Three Greetings (India) Private Limited

Note: 2 Notes on Accounts

Particulars	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
2.1 <u>Share Capital</u>		
<u>Authorised Capital</u>		
20,00,000 (20,00,000) Equity Shares of Par Value of ₹ 10/-	20,00,000	20,00,000
<u>Issued, Subscribed and Paid Up</u>		
20,00,000 (20,00,000) Equity Shares of Par Value of ₹ 10/- fully paid up	20,00,000	20,00,000
	<u>20,00,000</u>	<u>20,00,000</u>

Notes to 2.1:

- 1) The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.
- 2) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

3) <u>The reconciliation of the number of shares outstanding are as below:</u>		
Number of shares at the beginning	2,000,000	2,000,000
Number of shares at the closing	<u>2,000,000</u>	<u>2,000,000</u>

4) <u>The details of shareholder holding more than 5% shares are set out below :</u>				
<u>Name of Shareholders</u>	<u>No of Shares</u>	<u>% held</u>	<u>No of Shares</u>	<u>% held</u>
IntraSoft Technologies Limited (Holding Company and its Nominee)	20,00,000	100	20,00,000	100

2.2 **Reserves and Surplus**

Surplus

As per last Balance Sheet	1,115,933	1,046,627
Add : Net profit after tax transferred from Statement of Profit and Loss	(70,481)	71,150
Less : Additional Depreciation as per new Companies Act	-	(1,844)
	<u>1,045,452</u>	<u>1,115,933</u>

2.3 **Deferred Tax (Asset)/Liabilities (Net)**

a) Deferred Tax Liability

Timing difference for depreciation on Fixed Assets	7,529	18,980
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b) Deferred Tax Asset

Expenses allowable under the Income Tax Act on actual payment basis	-	(41,007)
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Deferred Tax (Net)	<u>7,529</u>	<u>(22,027)</u>
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One Two Three Greetings (India) Private Limited

Particulars	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
2.4 Long-term provisions		
Provision for Employee Benefits		
Gratuity	-	51,069
Leave Encashment	-	26,579
	-	<u>77,648</u>
2.5 Short-term borrowings		
Loan from Related Party		
From Holding Company (Non bearing interest) (Unsecured)	9,000,000	9,500,000
	<u>9,000,000</u>	<u>9,500,000</u>
Note to 2.5:		
The company has taken unsecured loan from Holding Company for ₹ 90,00,000 (₹ 95,00,000)		
2.6 Trade payables		
Micro, Small and Medium Enterprises	-	-
Others	-	-
	-	<u>-</u>
Note to 2.6 :		
The Company has not received information from its vendors / service providers regarding their status under Micro, Small & Medium Enterprises Development Act, 2006 and hence disclosures' relating to their outstanding amount and interest has not been made.		
2.7 Other current liabilities		
Other Payables		
Payable to Employees and Sales Agents	418,104	288,114
Advance from Customers	35,105	251,452
TDS & Other Govt dues	25,000	7,600
Liabilities for Expenses	143,939	156,535
	<u>622,148</u>	<u>703,701</u>
2.8 Short-term Provisions		
Provision for Employee Benefits		
Gratuity	-	1,277
Leave Encashment	-	-
	-	<u>1,277</u>



One Two Three Greetings (India) Private Limited

2.9 Fixed Assets

(Amount in ₹)

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As on 1.4.2015	Additions	Disposals	As on 31.03.2016	As on 1.4.2015	From 1.4.2015 31.03.2016	Amount adjusted through reserves [As per New Companies Act]	Deduction Sale/ Disposal /Adjustment	As on 31.03.2016	As on 31.03.2016	As on 31.03.2015
<u>Tangible Assets</u>											
Computers & Accessories	364,628	-	-	364,628	346,398	-	-	-	346,398	18,230	18,230
Furniture & Fixtures	213,038	-	-	213,038	68,692	23,997	-	-	92,689	120,349	144,346
Office Equipments	77,000	-	-	77,000	37,679	27,800	-	-	65,479	11,521	39,321
Total	654,666	-	-	654,666	452,769	51,797	-	-	504,566	150,100	201,897
Previous Year	654,666	-	-	654,666	260,458	190,467	1,844	-	452,769	201,897	394,208
<u>Intangible Assets</u>											
Software	84,494	-	-	84,494	37,961	13,269	-	-	51,230	33,264	46,533
Total	84,494	-	-	84,494	37,961	13,269	-	-	51,230	33,264	46,533
Previous Year	84,494	-	-	84,494	24,728	13,233	-	-	37,961	46,533	59,766
Grand Total	739,160	-	-	739,160	490,730	65,066	-	-	555,796	183,364	248,430
Previous Year	739,160	-	-	739,160	285,186	203,700	1,844	-	490,730	248,430	453,974



One Two Three Greetings (India) Private Limited

Particulars	As at	As at
	31st March, 2016	31st March, 2015
	₹	₹
2.10 Trade Receivables		
Unsecured, Considered good		
More than six months from the due date	473,691	329,647
Others	612,515	803,091
	1,086,206	1,132,738
2.11 Cash and Bank Balances		
Cash and Cash Equivalents		
Balances with banks		
In Current Account	930,357	1,249,112
Cash on hand	6,470	6,804
	936,827	1,255,916
2.12 Short term loans and advances		
Advance to Related Party	27,781,597	27,781,597
Service Tax Receivable (Net)	234,282	289,676
Advance Income Tax & TDS (Net of Provisions)	452,853	668,176
	28,468,732	28,739,449

Notes to 2.12

- 1) Advance Income Tax & TDS is net of Provisions of "0" (Previous Year Rs 96,357/-)



One Two Three Greetings (India) Private Limited

Particulars	Year Ended 31st March, 2016 ₹	Year Ended 31st March, 2015 ₹
2.13 Revenue From Operations		
Net Sales	2,099,506	4,219,181
	2,099,506	4,219,181
2.14 Other Income		
a Interest on Income Tax	18,760	12,303
	18,760	12,303
2.15 Cost of Goods Sold		
a Content Purchases	-	600,000
	-	600,000
2.16 Employee Benefits Expense		
Salaries, Allowances & Other Benefits	677,604	564,830
	677,604	564,830
Note to 2.16		
Salaries, Allowances & Other Benefits includes Gratuity ₹ 22,656 (₹ (-) 46,583)		
2.17 Finance Costs		
Interest Expenses		
Others	394	-
	394	-
2.18 Sales and Marketing Expenses		
a EBE Sales	914,969	1,414,857
b Travelling-Sales	8,139	217,783
c Commission on sale	-	218,059
d Delivery Discount	983	3,408
e Other SME Expenses	24,125	49,387
	948,216	1,903,494
2.19 General & Administrative Expenses		
a Power and Fuel	40,910	7,148
b Rent	348,000	768,912
c Rates and Taxes excluding taxes on Income	3,100	7,420
d Travelling & Conveyance	8,714	7,710
e Legal and Professional Charges	23,000	33,533
f Auditors Remuneration		
Statutory Audit Fee	12,500	12,500
Tax Audit Fee	-	-
Other Services	1,250	1,124
g Miscellaneous Expenses	13,449	21,464
h Sundry balances written off	-	27,799
i Prior Period expenses	-	(4,000)
	450,923	883,610



One Two Three Greetings (India) Private Limited

2.20 Disclosure of Related Party Transactions

- a) Names of related parties and nature of relationship where control exists:

Category of related parties

Holding Company

Names

IntraSoft Technologies Limited

- b) Transactions and balances with related parties:

Nature of Transaction	As at	As at
	31st March, 2016	31st March, 2015
	₹	₹
Purchases of Services from Holding Company (inclusive of Service Tax & Net of TDS)	-	600,000
Amounts paid to Holding Company	-	-
Current Account (Sundry Creditors)	-	-
Advance to Holding Company	27,781,596	27,781,596
Unsecured Loan (Taken)	9,000,000	9,500,000

2.21 Disclosure as per AS-15" Employees Benefits"

The followings tables set out the funded status and amount recognised in the companies' financial statement as at March 31, 2016 for the defined benefit plans:

GRATUITY	As at	As at
	31st March, 2016	31st March, 2015
	₹	₹
I. Change of Benefit Organization		
Liability at the beginning of the year	52,346	98,929
Interest cost	-	8,904
Current Service Cost	-	17,083
Past Service Cost (Non Vested Funds)	-	-
Past Service Cost (Vested Funds)	-	-
Benefit Paid	52,346	-
Actuarial (Gain)/Loss on obligation	-	(72,570)
Curtailments and Settlements	-	-
Liability at the end of the year	-	52,346
II. Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Contributions	-	-
Benefit Paid	-	-
Actuarial (Gain)/Loss on Plan Assets	-	-
Fair Value of Plan Assets at the end of the year	-	-
Total Actuarial Gain / (Loss) to be Recognised	-	-
III. Actual Return on Plan Assets		
Expected Return on Plan Assets	-	-
Actuarial (Gain)/Loss on Plan Assets	-	-
Actual Return on Plan Assets	-	-
IV. Amount Recognised in the Balance Sheet		
Liability at the end of the year	-	52,346
Fair Value of Plan Assets at the end of the year	-	-
Difference	-	(52,346)
Unrecognized Past Service Cost	-	-
Amount Recognised in the Balance Sheet	-	(52,346)



One Two Three Greetings (India) Private Limited

GRATUITY	Year ended 31st March, 2016 ₹	Year ended 31st March, 2015 ₹
V. Expenses Recognised in the Statement of Profit and Loss		
Current Service Cost	-	17,083
Interest cost	-	8,904
Expected Return on Plan assets	-	-
Net Actuarial (Gain) / Loss to be Recognised	-	(72,570)
Past Service Cost (Non Vested Benefit) Recognised	-	-
Past Service Cost (Vested Benefit) Recognised	-	-
Effect of Curtailment or settlement	-	-
Expenses Recognised in the Statement of Profit and Loss	-	(46,583)
VI. Balance Sheet Reconciliation		
Opening Net Liability	-	(98,929)
Expense as above	-	46,583
Employers Contribution	-	-
Effect of Curtailment or settlement	-	-
Current Defined Benefit Obligation at the end of the period	-	(1,277)
NON- Current Defined Benefit Obligation at the end of the period	-	(51,069)
Amount Recognised in the Balance Sheet	-	(52,346)
VII. Actuarial Assumption		
Discount Rate Current	0.00%	7.85%
Rate of Return on Plan Assets Current	-	-
Salary Escalation Current	0.00%	5.00%

2.22 Earning Per Equity Share

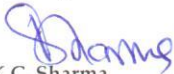
(a) Net Income available to Equity Shareholders (₹) (Numerator)	(70,481)	71,150
(b) Weighted average no. of Equity Shares outstanding (Denominator)	2,000,000	2,000,000
(c) Earning per Share (₹) Basic & Diluted	(0.04)	0.04

Signature to Note 1 & 2

For K.N.GUTGUTIA & CO.

Chartered Accountants

Firm Registration No. 304153E


K.C. Sharma

(Partner)

Membership No. : 50819



Place : Kolkata

Date : 4th May, 2016

For and on behalf of the board


Mukesh Goel
Director


Anil Agrawal
Director

Place : Mumbai

Date : 4th May, 2016