

## INDEPENDENT AUDITOR'S REPORT

To the members of **Rajam Enterprises Private Limited**

**Report on the Audit of the Standalone Financial Statements**

### Opinion

We have audited the standalone financial statements of **Rajam Enterprises Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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 (financial position) of the Company as at March 31, 2019, and its Loss, and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.



### **Responsibility of Management for 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 accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

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 the 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.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide



a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **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.



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 purpose of our audit;
- (b) In our opinion, proper books of accounts 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, 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 written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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" to this report;
- (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 in its financial statements.
  - 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 : Chennai

Date : 29<sup>th</sup> June 2019

**For B. PURUSHOTTAM & CO.**  
Chartered Accountants  
Reg. No. 002808S  
*B. S. Purushottam*  
**B.S. PURUSHOTTAM**  
Partner  
M.No. 26785





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

With reference to the Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's report to the members of **Rajam Enterprises Private Limited** on the Standalone financial statements for the year ended 31<sup>st</sup> March 2019, we report that:

**i. In respect of Fixed Assets**

The company does not have any Fixed Assets during the year and hence reporting under this clause does not arise.

**ii. In respect of Inventories**

The company does not have any inventory during the year and hence reporting under this clause does not arise.

iii. According to the information and explanations given by the management, the company has not granted any loans secured or unsecured during the year under review to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a),(b) and (c) of the order are not applicable to the company.

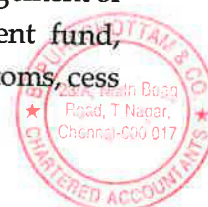
iv. According to the information and explanations given by the management, the Company is registered under Sec 45IA of RBI Act, 1934 as NBFC. Hence the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.

v. The company has not accepted deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits Rules, 2015 with regard to the deposits accepted from the public) are not applicable.

vi. Maintenance of cost records is not prescribed under sub-section (1) of section 148 of the Companies Act, 2013, hence reporting under this clause does not arise.

vii. a. The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and other material statutory dues applicable to it with the appropriate authorities.

b. According to the information and explanations given by the management of the company, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and service tax, duty of customs, cess



and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they become payable.

- c. No dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and on our examination of records, the company has not defaulted in repayment of dues to a financial institution, bank, Government or debenture holders.
- ix. According to the books of the company and based on the information and explanations given by the management, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year under review and hence reporting under this clause does not arise.
- x. According to the information and explanations given to us no fraud by the company or no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. The Company is a Private Limited Company and so the limits for payment of managerial remuneration specified in Section 197 and Schedule V are not applicable. Hence, we have no comments to offer.
- xii. The Company is not a Nidhi Company hence reporting under this clause is not applicable.
- xiii. 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;
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and the provisions of section 42 of companies act 2013 are not applicable.
- xv. According to the information and explanations given to us the company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. The company is registered under section 45-IA of the Reserve Bank of India Act, 1934 as Non-Banking Financial Institution.

Place : Chennai

Date : 29<sup>th</sup> June 2019

For B. PURUSHOTTAM & CO.  
Chartered Accountants  
Reg. No. 002808S

B. S. Muran  
B.S. PURUSHOTTAM  
Partner  
M.No. 26785



**Annexure B to Auditors' Report of even date**

**Report on the Internal Controls on 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 **Rajam Enterprises Private Limited** ("the Company") as of 31st March 2019 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 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 ('ICAI'). 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 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 31 March 2019, 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.

Place : Chennai

Date : 29<sup>th</sup> June 2019

**For B. PURUSHOTTAM & CO.**  
Chartered Accountants  
Reg. No. 002808S

*B.S. Purushottam*  
**B.S. PURUSHOTTAM**  
Partner  
M.No. 26785





**RAJAM ENTERPRISES PRIVATE LIMITED**  
CIN : U67120KA1995PTC033571  
Regd. Office : Skip House, 25/1, Museum Road, Bengaluru - 560 025

**Balance Sheet as at March 31, 2019**

Particulars	Note No.	March 31, 2019		March 31, 2018	
		Rs	Rs	Rs	Rs
<b>I. EQUITY AND LIABILITIES</b>					
(1) Shareholders' Funds					
(a) Share Capital	2	250,000,000		250,000,000	
(b) Reserves and Surplus	3	(535,705,062)	(285,705,062)	(499,494,133)	(249,494,133)
(2) Provision Against Standard Assets (U/s 45JA of RBI Act)	4		560		69,960
(3) Non Current Liabilities					
(a) Long term borrowings	5		16,500,000		11,500,000
(4) Current Liabilities					
(a) Short term borrowings	6	172,575,000		162,475,000	
(b) Other current liabilities	7	228,307,542	400,882,542	203,445,408	365,920,408
<b>TOTAL</b>			<b>131,678,040</b>		<b>127,996,235</b>
<b>II. ASSETS</b>					
(1) Non - current assets					
(a) Non - current investments	8	95,620,264		102,944,940	
(b) Long term loans and advances	9	12,015,000	107,635,264	15,850,000	118,794,940
(2) Current Assets					
(a) Cash and cash equivalents	10	430,947		183,395	
(b) Short term loans and advances	11	140,000		1,640,000	
(c) Trade Receivable	12	15,128,487		-	
(d) Other current assets	13	8,343,342	24,042,776	7,377,900	9,201,295
<b>TOTAL</b>			<b>131,678,040</b>		<b>127,996,235</b>
Summary of significant accounting policies	1				

The accompanying notes are an integral part of the Financial statements

As Per Our Report of even date attached  
For B. Purushottam & Co  
Chartered Accountants  
Firm Registration number: 002808S

For and on behalf of the Board of Directors of  
Rajam Enterprises Private Limited

*B. S. Purushottam*

B.S.Purushottam  
Partner  
M.No.026785



*Sunil Jain*

Sunil Jain  
Director  
DIN. 02075877

*Ch. Srinivasa Rao*

Ch.Srinivasa Rao  
Director  
DIN. 03497034

Date: June 29, 2019  
Place : New Delhi

*Sanjeev Rao Y*  
Sanjeev Rao Y  
Company Secretary  
M.No.A23778



**RAJAM ENTERPRISES PRIVATE LIMITED**  
CIN : U67120KA1995PTC033571  
Regd. Office : Skip House, 25/1, Museum Road, Bengaluru - 560 025

**Profit and loss statement for the year ended March 31, 2019**

	Note No.	March 31, 2019		March 31, 2018	
		Rs	Rs	Rs	Rs
<b>Income</b>					
Revenue from Operations	14		1,774,742		16,535,701
Other Income	15		398,368		14,475,595
<b>Total (A)</b>			<b>2,173,110</b>		<b>31,011,296</b>
<b>Expenses</b>					
Finance costs	16		24,998,868		29,086,132
Other expenses	17		13,324,997		479,546,531
<b>Total (B)</b>			<b>38,323,865</b>		<b>508,632,663</b>
Profit/(Loss) before exceptional and tax (A-B)			(36,150,755)		(477,621,367)
Exceptional Items			-		-
<b>Profit before tax</b>			<b>(36,150,755)</b>		<b>(477,621,367)</b>
<b>Tax expense:</b>					
(1) Current tax		-	-	-	-
(2) Mat Credit Entitlement		-	-	22,129,722	-
(3) Earlier years		60,174	60,174	-	22,129,722
<b>Profit/(Loss) for the period from continuing operations</b>			<b>(36,210,929)</b>		<b>(499,751,089)</b>
Less : Special Reserve u/s 45IC of RBI Act			-		-
			<b>(36,210,929)</b>		<b>(499,751,089)</b>
Profit/(loss) from discontinuing operations			-		-
Tax expense of discontinuing operations			-		-
<b>Profit/(loss) from discontinuing operations (after tax)</b>			<b>-</b>		<b>-</b>
<b>Profit/(Loss) for the period</b>			<b>(36,210,929)</b>		<b>(499,751,089)</b>
<b>Earning per equity share: ( Rs.10/- each)</b>					
(1) Basic and diluted			(1.45)		(19.99)
Summary of significant accounting policies	1				

The accompanying notes are an integral part of the Financial statements

**As Per Our Report of even date attached**  
**For B. Purushottam & Co**  
**Chartered Accountants**  
Firm Registration number: 002808S

*B. S. Purushottam*  
**B.S.Purushottam**  
**Partner**  
**M.No.026785**



**For and on behalf of the Board of Directors of**  
**Rajam Enterprises Private Limited**

*Sunil Jain*  
**Sunil Jain**  
**Director**  
**DIN. 02075877**

*Ch. Srinivasa Rao*  
**Ch.Srinivasa Rao**  
**Director**  
**DIN. 03497034**

*Sarjeev Rao Y*  
**Sarjeev Rao Y**  
**Company Secretary**  
**M.No.A23778**



**Date: June 29, 2019**  
**Place : New Delhi**

**RAJAM ENTERPRISES PRIVATE LIMITED**  
CIN : U67120KA1995PTC033571  
Regd. Office : Skip House, 25/1, Museum Road, Bengaluru - 560 025

**Cash flow statement for the year ended March 31, 2019**

Particulars	March 31, 2019		March 31, 2018	
	Rs.	Rs.	Rs.	Rs.
<b>Cash flows from operating activities</b>				
Loss before taxation		(36,150,755)		(477,621,367)
Provision for Standard Assets	(69,400)		(1,738,225)	
Provision for Sub Standard Assets	1,335,000	1,265,600	-	(1,738,225)
		(34,885,155)		(479,359,592)
(Increase)/ decrease in trade and other receivables	(12,093,929)		519,891,206	
Increase/ (decrease) in current liabilities	24,862,134	12,768,205	28,601,628	548,492,834
Income taxes		(22,116,950)		69,133,242
Net cash from operating activities		(60,174)		(22,129,722)
		(22,177,124)		47,003,520
<b>Cash flows from investing activities</b>				
(Purchase)/Sale of Investments(Net)	7,324,676		10,950,018	
<b>Net cash from investing activities</b>		7,324,676		10,950,018
<b>Cash flows from financing activities</b>				
Proceeds/(Repayment) from long term borrowings	5,000,000		-	
Proceeds/(Repayment) from short term borrowings	10,100,000		(72,150,000)	
<b>Net cash from financing activities</b>		15,100,000		(72,150,000)
<b>Net increase/(decrease) in cash and cash equivalents</b>		247,552		(14,196,462)
<b>Cash and cash equivalents at beginning of reporting period</b>		183,395		14,379,857
<b>Cash and cash equivalents at end of reporting period</b>		430,947		183,395

As Per Our Report of even date attached

For B. Purushottam & Co  
Chartered Accountants  
Firm Registration number: 002808S

*B. S. Purushottam*  
B.S.Purshotham  
Partner  
M.No.026785



For and on behalf of the Board of Directors of  
Rajam Enterprises Private Limited

*Sunil Jain*  
Sunil Jain  
Director  
DIN. 02075877

*Ch. Srinivasa Rao*  
Ch.Srinivasa Rao  
Director  
DIN. 03497034

*Sanjeev Rao Y*  
Sanjeev Rao Y  
Company Secretary  
M.No.A23778



Date: June 29, 2019  
Place : New Delhi

## CIN : U67120KA1995PTC033571





# RAJAM ENTERPRISES PVT LTD

CIN : U67120KA1995PTC033571

Regd. Office : Skip House, 25/1, Museum Road, Bengaluru - 560 025

## Note. 1 : Statement on Significant Accounting Policies and Notes to the Accounts

### v).Depreciation

Depreciation on fixed assets is calculated on a straight line basis using the rates arrived at based on the useful lives estimated by the management or as per the rates prescribed under Schedule II of Companies Act, 2013 whichever is higher.

Leasehold improvements are amortized over the period of the lease or estimated useful life whichever is shorter

### vi).Investments

Cost of acquisition is inclusive of expenditure incidental to acquisition.

Long term investments are valued at cost and provision for diminution in value is made for any decline, other than temporary, in the value of such investments for each category. The Current investments are valued at cost or market value whichever is lower. In case of Venture Capital Fund valued at book value of fund plus net current assets held by the fund.

Income from investments is recognized in the year in which it is accrued and stated at gross.

### vii).Earnings per Share

The earnings considered in ascertaining the company's earnings per Share (EPS) comprise the net profit after tax less dividend payable on preference shares, if any (including dividend distribution tax). The number of shares used for computing the basic EPS is the weighted average number of shares outstanding during the year.

### viii).Taxes on Income

Current tax is determined based on the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized on timing differences; being the tax on difference between the taxable incomes and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets and liabilities are computed on the timing differences applying the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.



**RAJAM ENTERPRISES PRIVATE LIMITED**  
**CIN : U67120KA1995PTC033571**  
**Regd. Office : Skip House, 25/1, Museum Road, Bengaluru - 560 025**

**Notes to financial statements for the year ended March 31' 2019**

**2 Share Capital:**

Particulars	March 31, 2019		March 31, 2018	
	No. of shares	Rs.	No. of shares	Rs.
<b>Authorized:</b>				
Equity shares of Rs.10/- each	25,000,000	250,000,000	25,000,000	250,000,000
	25,000,000	250,000,000	25,000,000	250,000,000
<i>Issued, subscribed and fully paid up :</i>				
Equity shares of Rs.10/- each				
At the beginning of the reporting period	25,000,000	250,000,000	25,000,000	250,000,000
Add:- Issued during the reporting period	-	-	-	-
Less:- Bought back during the reporting period	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>25,000,000</b>	<b>250,000,000</b>	<b>25,000,000</b>	<b>250,000,000</b>
<b>Details of shareholders holding more than 5% shares in the Company</b>				
Name of the Share Holder	March 31, 2019		March 31, 2018	
	No. of shares	%	No. of shares	%
a. GMR Enterprises Pvt Ltd	25,000,000	100%	25,000,000	100%

**Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs.10 per share. Every member holding equity shares therein shall have voting rights in proportion to the member's share of the paid up equity share capital. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the equity shareholders.



**RAJAM ENTERPRISES PRIVATE LIMITED**  
**CIN : U67120KA1995PTC033571**  
**Regd. Office : Skip House, 25/1, Museum Road, Bengaluru - 560 025**

**Notes to financial statements for the year ended March 31' 2019**

**3 Reserves and Surplus:**

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
<b>Special Reserve U/s 45 IC of RBI Act</b>		
Opening Balance	34,301,025	34,301,025
Received during the year	-	-
Utilised During the Year	-	-
<b>(A)</b>	<b>34,301,025</b>	<b>34,301,025</b>
<b>Surplus i.e. balance in Statement of Profit &amp; Loss</b>		
Opening Balance	(533,795,158)	(34,044,069)
Transferred from/to Profit & Loss Account	(36,210,929)	(499,751,089)
<b>(B)</b>	<b>(570,006,087)</b>	<b>(533,795,158)</b>
<b>Total ( A+B)</b>	<b>(535,705,062)</b>	<b>(499,494,133)</b>

**4 Provision Against Standard Assets (U/s 45JA of RBI Act)**

Particulars	March 31, 2019	March 31, 2018
At the beginning of the reporting period	69,960	1,808,185
Add : During the year	-	-
Less : Reversal during the year	69,400	1,738,225
At the close of the reporting period	560	69,960

**5 Long term Borrowings**

Particulars	March 31, 2019	March 31, 2018
<b>1) Unsecured Loans:</b>		
a) Loans from related parties	16,500,000	11,500,000
<b>Total</b>	<b>16,500,000</b>	<b>11,500,000</b>

**Additional Information:- March'2019**

Unsecured short term availed from Sri Varalakshmi Jute Twine Mills Ltd @ 11.90% rate of interest which is repayable in Rs.1,15,00,000 in April'2021 and Rs.50,00,000/- in June 2021

**March'2018**

Name of the Lender	Loan outstanding	Due Date
Sri Varalakshmi Jute Twine Mills Ltd	11,500,000	April'2019

**6 Short term Borrowings**

Particulars	March 31, 2019	March 31, 2018
<b>1) Unsecured Loans:</b>		
a) Loans from related parties	172,575,000	162,475,000
<b>Total</b>	<b>172,575,000</b>	<b>162,475,000</b>

**Additional Information:- March'2019**

Unsecured short term availed from GMR Enterprises Pvt Ltd @ 14.50% rate of interest which is repayable in February' 2020

**March'2018**

Name of the Lender	Loan outstanding	Due Date
GMR Enterprises Pvt Ltd	162,475,000	February'2019



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Notes to financial statements for the year ended March 31' 2019

Particulars	March 31, 2019	March 31, 2018
	Rs.	Rs.
<b>7 Other current liabilities:</b>		
a) Interest accrued but not due on borrowings	227,908,721	203,187,742
b) Other payables		
TDS Payable	291,194	187,376
Others	53,627	25,290
c) Audit Fees Payable	54,000	45,000
	<b>228,307,542</b>	<b>203,445,408</b>

**8 Non - current investments**

Details of Investments	No of Shares	March 31, 2019	No of Shares	March 31, 2018
		Rs.		Rs.
<b>a) Quoted Fully paid equity shares of Rs 10/- each</b>				
Indian Overseas Bank	1,000	24,000	1,000	24,000
The Karnataka Bank Limited	34,800	2,784,000	34,800	2,784,000
<b>b) Un-Quoted Fully paid equity shares of Rs 10/- each</b>				
VIL International Pvt. Ltd.	60,000	600,000	60,000	600,000
GMR Energy Trading	1	10	1	10
Sai Rayalaseema Paper Mills Limited	323,210	3,937,001	323,210	3,937,001
<b>c) Un-Quoted 0.001% Compulsory Convertible Debenture Rs.10,000/- each</b>				
Basanth Investments Private Limited	-	-	1,500	15,000,000
<b>d) Investment in Venture Capital</b>				
Faering Capital Evolving Fund I	60,943	50,281,339	63,729	60,718,716
Faering Capital Evolving Fund II	45,380 (Units)	37,993,914	25,000 (Units)	19,881,213
<b>Total</b>		<b>95,620,264</b>		<b>102,944,940</b>
<b>Less:</b>				
Provision for diminution in value of investments		-		-
<b>Total</b>		<b>95,620,264</b>		<b>102,944,940</b>

**Additional Information:**

**Terms/ Rights attached to Compulsory Convertible Debentures (CCD's)**

During the year 2015, the Company subscribed Basanth Investments Private Limited 1,500 (One Thousand Five Hundred Only) 0.001% Compulsorily Convertible Debentures (Non-Marketable Unsecured Debentures with an compulsorily to convert into Equity Shares) of face value of Rs. 10,000 (Rupees Ten Thousand Only) each amounting to Rs. 1,50,00,000 for a tenure of 5 years .

The Compulsorily Convertible Debentures scheduled to be converted on January, 2020. However, the same can be prematurely converted at any time upon the discretion of the Company and allottee as mutually agreed in accordance with the applicable law. However, they are sold during the year.

<b>1) Aggregate value of quoted investments:</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Cost	2,808,000	2,808,000
Market Value	4,665,470	3,602,470
Provision for diminution in value of investments	-	-
<b>2) Aggregate value of unquoted investments:</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Cost	92,812,264	100,136,940





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**Notes to financial statements for the year ended March 31' 2019**

Particulars	March 31, 2019	March 31, 2018
	Rs.	Rs.
<b>9 Long term loans and advances:</b>		
i) Others	12,015,000	15,850,000
	<b>12,015,000</b>	<b>15,850,000</b>
Additional information:		
1) Breakup of above:		
i) Secured, considered good	-	-
ii) Unsecured, considered good	13,350,000	15,850,000
iii) Doubtful	-	-
Total	<b>13,350,000</b>	<b>15,850,000</b>
Less: Provision for doubtful amounts	<b>1,335,000</b>	-
	<b>12,015,000</b>	<b>15,850,000</b>
<b>Additional Information:- March'2019</b>		
Unsecured long term loan given to B V Nageswarao @ 11.90% rate of interest which is receivable in January 2022		
<b>10 Cash and cash equivalents:</b>		
i) Balances with banks		
- in Current Accounts	430,947	183,395
- in Cash	-	-
	<b>430,947</b>	<b>183,395</b>
<b>11 Short term loans and advances:</b>		
i) Others	140,000	1,640,000
	<b>140,000</b>	<b>1,640,000</b>
Additional information:		
1) Breakup of above:		
i) Secured, considered good	-	-
ii) Unsecured, considered good	140,000	1,640,000
iii) Doubtful	15,000,000	15,000,000
Total	<b>15,140,000</b>	<b>16,640,000</b>
Less: Provision for doubtful amounts	<b>15,000,000</b>	15,000,000
	<b>140,000</b>	<b>1,640,000</b>
<b>12 Trade Receivable</b>		
i) Others	15,128,487	-
	<b>15,128,487</b>	-
<b>13 Other Current Assets</b>		
i) Advance payment of Income Tax (Net of Provisions)	211,213	460,222
ii) Interest receivable	8,132,129	6,917,678
	<b>8,343,342</b>	<b>7,377,900</b>



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Notes to financial statements for the year ended March 31' 2019

Particulars	March 31, 2019	March 31, 2018
	Rs.	Rs.
<b>14 Revenue from Operations :</b>		
i) Interest income - Loans and Advances	1,527,465	1,626,569
ii) Interest on Debenture	113	485
iii) Dividend and other income from venture investment	142,764	-
iv) Profit from redemption of venture capital units	-	14,022,260
v) Profit from redemption of mutual funds	-	56,797
vi) Dividend Income - from long term investments	104,400	829,590
	<b>1,774,742</b>	<b>16,535,701</b>
<b>15 Other income:</b>		
i) Reversal of provision for Doubtful Loans and Advances	200,000	12,737,370
ii) Reversal of provision for Standard Assets (U/s 45JA of RBI Act 1934)	69,400	1,738,225
iii) Interest Received-IT Refund	128,968	-
	<b>398,368</b>	<b>14,475,595</b>
<b>16 Finance Costs:</b>		
i) Interest - Others	24,997,323	29,084,108
ii) Bank Charges	1,545	2,024
	<b>24,998,868</b>	<b>29,086,132</b>
<b>17 Other expenses:</b>		
i) Advertisement Expenses	24,310	-
ii) Consultancy Charges	365,100	2,130,680
iii) Rates and taxes	23,980	84,120
vi) Payment to Auditors (Refer note no.23)	60,000	85,000
v) Loss from redemption of Venture Capital units	1,594,344	-
vi) Provision for Substandard Assets 10% of loan	1,335,000	-
vii) Bad Debts Written Off	-	477,234,341
viii) Interest on Income Tax	42	-
ix) Fund Management fee	9,918,631	-
x) Mis.expenses	3,590	12,390
	<b>13,324,997</b>	<b>479,546,531</b>



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## Notes to the Financial Statements for the year ended March 31, 2019

18. Contingent Liabilities: Nil (2018 : Nil)
19. The Company operates in single segment i.e. Non-banking financial activity and hence there are no reportable segments as per the requirements of Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.
20. Additional Information pursuant to Paragraph 13 of Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank ) Directions, 2007 is enclosed

## 21. Related Party Transactions

### a) Name of Related Parties and description of relationship:

(i)	Holding Company	GMR Enterprises Private Ltd.
(ii)	Key Management Personnel	Mr. Adishavaram Cherukupalli – Director Mr. Sunil Jain – Director Mr. T. Govindarajulu-Director Mr. Chakka Srinivasa Rao-Director
(iii)	Enterprises under common control (Where transactions have taken place)	Sri Varalakshmi Jute Twine Mills Pvt. Ltd

### b) Summary of transactions with the above related parties is as follows:

(Amount in Rupees)	
Nature of Transaction	Amount
<b><u>Interest Paid to :</u></b>	
GMR Enterprises Pvt Ltd	<b>2,35,27,755</b> (2,77,15,608)
Sri Varalakshmi Jute Twine Mills Ltd	<b>14,69,568</b> (13,68,500)
<b><u>Loan Taken From</u></b>	
GMR Enterprises Pvt Ltd	<b>2,15,90,186</b> (6,00,000)
Sri Varalakshmi Jute Twine Mills Pvt. Ltd	<b>50,00,000</b> (Nil)
<b><u>Loan Repaid to :</u></b>	
GMR Enterprises Pvt Ltd	<b>1,14,90,186</b> (7,27,50,000)



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**Notes to the Financial Statements for the year ended March 31, 2019**

<b><u>Period end balances</u></b>	
<b>Loans Payable to</b> GMR Enterprises Pvt Ltd	<b>17,25,75,000</b> (16,24,75,000)
Sri Varalakshmi Jute Twine Mills Pvt. Ltd	<b>1,65,00,000</b> (1,15,00,000)
<b>Accrued Interest Payable to</b> GMR Enterprises Pvt Ltd	<b>21,77,20,053</b> (19,43,21,685)
Sri Varalakshmi Jute Twine Mills Pvt.Ltd	<b>1,01,88,668</b> (88,66,057)

Previous year figures are mentioned in brackets.

**22. Earnings Per Share (EPS) (Basic and Diluted)**

<b>Particulars</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Nominal Value of Equity Shares (Rs. per Share)	10	10
Total number of Equity Shares outstanding at the beginning of the year	2,50,00,000	2,50,00,000
Add: Equity Shares issued during the year		
Total number of Equity Shares outstanding at the end of the year	2,50,00,000	2,50,00,000
<b>Weighted average number of Equity Shares outstanding at the end of the year</b>	2,50,00,000	2,50,00,000
<b>Net Profit after tax for the purpose of EPS</b>	<b>(3,62,10,929)</b>	<b>(49,97,51,089)</b>
<b>EPS –Basic and Diluted</b>	<b>(1.45)</b>	<b>(19.99)</b>

**23. Remuneration to Auditors**

(Amount in Rupees)

<b>Particulars</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Audit fees (excluding Service Tax)	60,000	50,000
Certification fees	-	35,000
<b>Total</b>	<b>60,000</b>	<b>85,000</b>





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## Notes to the Financial Statements for the year ended March 31, 2019

### 24. Additional disclosure

#### A) Asset Classification and Provisioning:

Classification of Loans and provision made for standard/substandard/doubtful/loss assets are as given below:

Classification of Assets	March 31, 2019	March 31, 2018
Standard assets	1,40,000	1,74,90,000
Sub-standard assets	1,33,50,000	-
Doubtful assets	1,50,00,000	1,50,00,000
<b>Total</b>	<b>2,84,90,000</b>	<b>3,24,90,000</b>

Note 9 & 11: Long and Short term loans and advances

Provision	March 31, 2019	March 31, 2018
Standard assets	560	69,960
Sub-standard assets	13,35,000	-
Doubtful assets	1,50,00,000	1,50,00,000
<b>Total</b>	<b>1,63,35,560</b>	<b>1,50,69,960</b>

Note 4 Provision against standard assets & Note 9 Substandard assets provision

#### B) Disclosure pursuant to Reserve Bank of India Notification DNBS.200/CGM (PK)- 2008 dated 01<sup>st</sup> August, 2008

##### i. Capital to Risk asset ratio

Particular	March 31, 2019	March 31, 2018
Tier I Capital	(28,57,05,062)	(24,94,94,133)
Tier II Capital	560	69,960
<b>Total</b>	<b>(28,57,05,062)</b>	<b>(24,94,24,173)</b>
Total Risk Weighted Assets	13,10,35,880	12,73,52,618
Tier I Capital as a percentage of Total Risk weighted Assets (%)	(218.04%)	(195.91%)
Tier II Capital as a percentage of Total Risk weighted Assets (%)	0.00%	0.05%
Total Capital (%)	(218.04%)	(195.86%)

#### C) Exposure to Real Estate Sector, Both Direct & Indirect

The Company does not have any direct or indirect exposure to the Real Estate Sector as at March 31, 2019



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**Notes to the Financial Statements for the year ended March 31, 2019****D) Maturity Pattern of Assets and Liabilities**

Maturity pattern of certain items of Assets and Liabilities as on March 31, 2019

SL No.	Particulars	Liabilities		Assets	
		Borrowings from Banks and others	Market Borrowings	Advances	Investments
1	Upto one month	-	-	-	-
2	Over one month to 2 months	-	-	-	-
3	Over 2 months upto 3 months	-	-	-	-
4	Over 3 months upto 6 months	-	-	-	-
5	Over 6 months upto 1 year	17,25,75,000	-	1,40,000	-
6	Over 1 years upto 3 years	1,65,00,000	-	1,20,15,000	9,10,83,253
7	Over 3 years upto 5 years	-	-	-	45,37,011
8	Over 5 years	-	-	-	-
	<b>Total</b>	<b>18,90,75,000</b>	<b>-</b>	<b>1,21,55,000</b>	<b>9,56,20,264</b>

**Notes :**

1. The above borrowing exclude interest accrued but not due.
2. The borrowings of Rs.17,25,75,000 is from the Holding Company M/s GMR Enterprises Pvt. Ltd (GEPL) and in view of the financial constraints of the company, GEPL has agreed to extend the validity of the loan beyond the current maturity date. Thus the above mismatch may not impact the company.
3. The above information has been considered as per the Assets Liability Management (ALM) Report compiled by the Management reviewed by the ALM committee.

**Notes to the Financial Statements for the year ended March 31, 2019****E) Provisions and Contingencies ( Balances)**

(Amount in Rupees)

Provisions and Contingencies	March 31, 2019	March 31, 2018
Provisions for depreciation on Investment	-	-
Provision towards NPA	-	-
Provision made towards Income tax	1,18,339	1,18,339
Other Provision and Contingencies	1,63,35,000	1,50,00,000
Provision for Standard Assets	560	69,960



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Notes to the Financial Statements for the year ended March 31, 2019

## F) Disclosure of frauds reported during the year ( Pursuant to Circular: DNBS PD.CCNO.256/03.10.042 2012-13 dated March 02, 2012)

March, 2019 (Rupees in Lakhs)

Particulars	Less than Rs.1 lakh		Rs.1 to Rs.5 lakh		Rs.5 to Rs.25 lakh		Total	
	No. of Accounts	Value	No. of Accounts	Value	No. of Accounts	Value	No. of Accounts	Value
A) Person involved								
Staff	-	-	-	-	-	-	-	-
Customer	-	-	-	-	-	-	-	-
Staff and customer	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-
B) Type of fraud								
Misappropriation and criminal breach of trust								
Fraudulent encashment/ Manipulation of books of accounts	-	-	-	-	-	-	-	-
unauthorized credit facility extended								
Cheating and forgery								
<b>Total</b>	-	-	-	-	-	-	-	-
C) Person involved								
Staff	-	-	-	-	-	-	-	-
Customer	-	-	-	-	-	-	-	-
Staff and customer	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-
D) Type of fraud								
Misappropriation and criminal breach of trust								
Fraudulent encashment/ Manipulation of books of accounts	-	-	-	-	-	-	-	-
unauthorized credit facility extended								
Cheating and forgery								
<b>Total</b>	-	-	-	-	-	-	-	-



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## Notes to the Financial Statements for the year ended March 31, 2019

25. The company does not have any Lease transaction.
26. The company does not have any employees on its rolls.
27. The Directors are not paid any remuneration/fees.
28. There are no dues to creditors covered under Micro Small Medium Enterprises Development (MSMED) Act 2006
29. Previous year figures have been regrouped and reclassified, wherever necessary, to conform to those of the Current year.

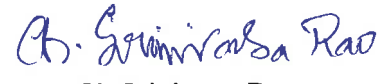
As per our report of even date  
For B. Purushottam & Co  
Chartered Accountants  
Firm Registration No : 002808S


For and on behalf of the Board of Directors of  
Rajam Enterprises Private Limited

  
B.S.Purshotham  
Partner  
M.No. 026785



  
Sunil Jain  
Director  
DIN .02075877

  
Ch.Srinivasa Rao  
Director  
DIN .03497034

  
Sanjeev Rao Y  
Company Secretary  
M.No.A23778



Date : June 29, 2019  
Place : New Delhi