



**P. MURALI & CO.,**  
CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Staytop Systems and Software Private Limited

Report on the Standalone financial statements

We have audited the accompanying Standalone financial statements of Staytop Systems and Software Private Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2016, 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 and presentation 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 Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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.

## 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 further 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 account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with the applicable 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, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in ' Annexure B'; and
  - g) With respect to 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 on its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.




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- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company during the year ended 31<sup>st</sup> March 2016.

For P. Murali & Co.,  
Chartered Accountants  
Firm Registration No: 0072575

  
M.V. Joshi  
Partner  
M.No. 024784



Place: Hyderabad  
Date: 25-05-2016



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**Annexure A to the Auditors Report**

**Annexure referred to in Independent Auditors Report to the Members of Staytop Systems and Software Private Limited on the financial statements for the year ended 31<sup>st</sup> March 2016, we report that:**

- i. The Company does not have fixed assets as at the Balance Sheet date. Hence the Clause 3(i)(a), 3(i)(b), 3(i)(c), of the said order are not applicable.
- ii. The Company does not have Inventory as at the Balance Sheet date. Hence the Clause 3(ii) of the said order is not applicable.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said order are not applicable to the company.
- iv. The Company has not granted any loans or made any Investments, or provided any guarantee or security to the parties covered under section 185 and 186 of the Act. Therefore, the provisions of clause 3(iv) of the said order are not applicable to the company.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.
- vi. The maintenance of cost records has not been specified under the sub-section (1) of section 148 of the Companies Act 2013. Hence the provisions of Clause 3(vi) of the said order are not applicable.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India ;  
  
(b) There were no undisputed amounts payable in respect of Provident Fund, , Employees' State Insurance, Income-tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues in arrears as at 31<sup>st</sup> March 2016 for a period of more than 6 months for the date they became payable.  
  
(c) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.
- viii. The company does not have any dues repayable to financial institution or banks or Government or dues to debenture holders as at the balance sheet date. Hence, the provisions of Clause 3(viii) of the said order are not applicable.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the said order are not applicable.




**P. MURALI & CO.,**

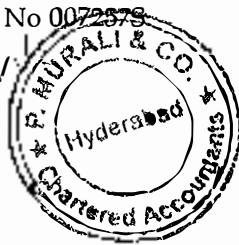
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- x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our Audit.
- xi. The Company has not paid/provided for any managerial remuneration during the year.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the Provisions of clause 3(xii) of the order are not applicable to the company.
- xiii. The Company has not entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act. Hence, the provisions of Clause 3(xiii) of the said order are not applicable to the company.
- xiv. The Company has not made any preferential allotment of private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into non cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are 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. Accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company.

For P. Murali & Co.,  
Chartered Accountants  
Firm Registration No 0072879

  
**M.V. Joshi**  
Partner  
M.No. 024784



Place: Hyderabad  
Date: 25-05-2016



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## **Annexure B to the Independent Auditor's Report**

### **Report on the Internal Financial Controls under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')**

We have audited the internal financial controls over financial reporting of Staytop Systems and Software Private Limited ('the company') as of 31<sup>st</sup> march 2016 in conjunction with our audit of 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 Act.

#### **Auditor's 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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed 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 risk 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 and the company's internal financial control 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 these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect



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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 principles, and that receipts and expenditures of the company are being made only in accordance with authorization 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 Limitation of Internal Financial Controls over Financial Reporting**

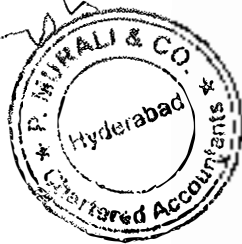
Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, Projections of any evaluation of the internal 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<sup>st</sup>, 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 P. Murali & Co.,  
Chartered Accountants  
FRN: 007257S

**M.V. Joshi**  
Partner  
M.No. 024784



Place: Hyderabad  
Date: 25-05-2016.

**STAYTOP SYSTEMS AND SOFTWARE PVT LTD**

(Reg. Office : 9-1-83&amp;84, Amarchand Sharma Complex, S.D.Road, Secunderabad, Telangana, India - 500003)

Telephone No.91-40-27807640, CiN No: U72200TG2008PTC060684, E-Mail ID: staytopindia@rediffmail.com

**Balance Sheet as on 31st March, 2016**

(Amount in Rupees)

Particulars	Sch.	As at March 31, 2016	As at March 31, 2015
<b>I. Sources of Funds</b>			
Shareholders' Funds			
a. Share Capital	1	100,000	100,000
<b>Total</b>			
<b>II. Application of Funds</b>			
Current assets, Loans & Advances			
a. Cash and Bank Balances	2	300,000	300,000
		<b>300,000</b>	<b>300,000</b>
<b>Less: Current Liabilities &amp; Provisions</b>			
a. Current Liabilities	3	266,600	255,150
b. Provisions		-	-
<b>Net Current Assets</b>		33,400	44,850
<b>Miscellaneous Expenses</b>		66,600	55,150
<b>Total</b>		<b>100,000</b>	<b>100,000</b>
<b>Significant Accounting Policies and Notes to Accounts</b>	4		

As per our report attached

For and on behalf of the Board

For P.MURALI & CO.  
Chartered Accountants  
FRN No.:007257S

M.V.Joshi  
Partner  
Membership No. 024784  
Place : Hyderabad  
Date: 25-05-2016



  
L.P.Sashikumar  
Director

  
S.V.L.Vardan  
Director



**STAYTOP SYSTEMS AND SOFTWARE PVT LTD**

(Reg. Office : 9-1-83&84, Amarchand Sharma Complex, S.D.Road, Secunderabad, Telangana, India - 500003)  
Telephone No.91-40-27807640, CIN No: U72200TG2008PTC060684, E-Mail ID: staytopindia@rediffmail.com

**Schedules forming part of Balance Sheet as on 31st March, 2016**

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>1.SHARE CAPITAL</b>		
<b>Authorised:</b>	100,000	100,000
10,000 Equity Shares of Rs.10/- each (previous year 10,000 Equity Shares of Rs.10/- each)		
<b>Issued, Subscribed and paid up:</b>	100,000	100,000
10,000 Equity Shares of Rs.10/- each (previous year 10,000 Equity Shares of Rs.10/- each)		
<b>Total</b>	<b>100,000</b>	<b>100,000</b>
<b>2.CASH &amp; BANK BALANCES</b>		
Bank balances with Scheduled Banks	300,000	300,000
-In Current Accounts		
<b>Total</b>	<b>300,000</b>	<b>300,000</b>
<b>3.CURRENT LIABILITIES</b>		
Other Liabilities	266,600	255,150
<b>Total</b>	<b>266,600</b>	<b>255,150</b>

**SCHEDULE-4:****NOTES FORMING PART OF THE ACCOUNTS****A.Significant Accounting Policies General:**

- These accounts are prepared on the historical cost basis and on the accounting principles of a going concern.
- Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

Revenue Recognition: The Company follows the mercantile systems of Accounting and recognizes income and expenditure on accrual basis

Gratuity: No provision for gratuity has been made as no employee has put in qualifying period of service for entitlement of this benefit.

**B. Notes to Accounts**

- Auditors Remuneration to Rs.11,450/-
- There is no dues to SSI Units outstanding for more than 30 days.
- Previous years figures have been regrouped wherever necessary.

Signatures to Schedule -1 to 4 as per report attached:

For P.MURALI & CO.  
Chartered Accountants  
FRN No.:007257S



M.V.Joshi

Partner

Membership No. 024784

Place : Hyderabad

Date: 25-05-2016

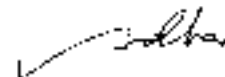


For and on behalf of the Board



L.P. Seshikumar

Director



S.V.L. Vardan

Director