

INDEPENDENT AUDITORS' REPORT

To
The Members of **One Two Three Greetings (India) Private Limited**

Report on the Financial Statement

We have audited the accompanying financial statement of **ONE TWO THREE GREETINGS (INDIA) PRIVATE LIMITED** ("the Company"), which comprises the Balance sheet as at March 31, 2014 and the Statement of Profit and Loss and 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

Management is responsible for 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 Standards notified under the Companies Act, 1956 ("the Act") read with the general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 judgement, 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014 ;
- (ii) In the case of the Statement of Profit & Loss, of the Profit of the Company for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub- section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



K. N. GUTGUTIA & CO.

CHARTERED ACCOUNTANTS
KOLKATA • NEW DELHI

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2. As required by section 227(3) of the Act, we report that

- a) We have 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 appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- e) On the basis of the written representations received from the Directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2014 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 ;

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



Place: Kolkata
Date: 28th May, 2014


K. C. SHARMA
Partner
Membership No. : 50819

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in point No. 1 of Report on Other Legal and Regulatory Requirements
of our Report of even date)

With reference to the Annexure referred to in point No.1 of Report on Other Legal and Regulatory Requirements of the Auditors' Report to the members of **ONE TWO THREE GREETINGS (INDIA) PRIVATE LIMITED** on the financial statements for the year ended 31st March, 2014 we report that;

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) Fixed Assets have been physically verified by the management during the year. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the company and the nature of its assets and no material discrepancies were noticed on such physical verification.
(c) In our opinion and according to the information and explanations given to us, no fixed assets have been disposed off by the company during the year.
- ii. The Company's nature of operations does not require to hold inventories and as such clause 4(ii) (a) to (c) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- iii. The Company has neither granted nor taken any loans, secured or unsecured to / from Companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956 and hence clause 4(iii) (b) to (g) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of fixed assets, services and sale of services. During the course of our audit, no major weakness has been noticed in internal control procedures.
- v. The Company has not entered into contracts or arrangements, particulars of which need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
- vi. The Company has not accepted any deposits from the public.
- vii. The Company has an internal audit system which, in our opinion, is commensurate with its size and nature of its business.
- viii. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of services carried out by the company.
- ix. (a) The company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other statutory dues with appropriate authorities, wherever applicable. There is no outstanding statutory dues at the end of the financial year for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us no disputed amount is outstanding in respect of income-tax, sales-tax, wealth-tax, service tax customs duty, excise duty and cess at the end of the financial year.
- x. The Company has neither accumulated losses at the end of the financial year nor it has incurred any cash losses during the financial year and in the financial year immediately proceeding such financial year.
- xi. The Company has not taken any loan from Bank/ Financial Institutions /Debenture holders and hence clause 4 (xi) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.



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- xii. Based on our examination and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xiv. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xv. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
- xvi. The Company has not taken any term loans during the year from Bank / Financial Institution.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long term investment.
- xviii. The Company has not made any preferential allotment of shares to and companies/firms/parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix. The Company has not issued any debentures.
- xx. The Company has not raised money by Public Issue during the year under review and as such, disclosure of end use of the money does not arise.
- xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

Place: Kolkata
Date: 28th May, 2014



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

K. C. SHARMA
(Partner)

Membership No: 50819

One Two Three Greetings (India) Private Limited

Balance Sheet as at 31st March 2014

Particulars	Note No.	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2.1	20,000,000	20,000,000
(b) Reserves and Surplus	2.2	1,046,627	1,023,472
(2) Non-current Liabilities			
(a) Deferred Tax Liabilities (Net)	2.3	29,555	49,982
(b) Long-term Provisions	2.4	98,554	51,194
(3) Current Liabilities			
(a) Short-term Borrowings	2.5	12,000,000	13,000,000
(b) Trade Payables	2.6	-	-
(c) Other Current Liabilities	2.7	641,735	612,074
(d) Short-term Provisions	2.8	4,247	3,158
TOTAL		33,820,718	34,739,880
II. ASSETS			
(1) Non-current Assets			
Fixed Assets			
(i) Tangible Assets	2.9	394,208	466,721
(ii) Intangible Assets	2.9	59,766	73,462
		453,974	540,183
(2) Current Assets			
(a) Trade Receivables	2.10	2,097,609	3,014,514
(b) Cash and Bank Balances	2.11	1,684,656	405,753
(c) Short-term Loans and Advances	2.12	29,584,479	30,779,430
TOTAL		33,820,718	34,739,880

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 : 28th May 2014

For and on behalf of the board

 
Mukesh Goel **Anil Agrawal**
Director Director

Place : Mumbai

Date : 28th May 2014

One Two Three Greetings (India) Private Limited
Statement of Profit and Loss for the year ended 31st March 2014

Particulars	Note No.	Year Ended 31st March, 2014 ₹	Year Ended 31st March, 2013 ₹
I. Revenue from operations	2.13	8,332,518	9,596,363
II. Other income	2.14	65,004	239,801
III. Total Revenue (I + II)		8,397,522	9,836,164
IV. Expenses:			
Product & Content Development expense	2.15	2,250,000	4,139,900
Employee benefit expense	2.16	537,213	418,471
Finance costs	2.17	-	2,236
Sales and Marketing Expenses	2.18	4,261,190	3,317,240
Depreciation and amortization expenses		86,209	87,282
Other expenses	2.19	1,204,337	1,530,860
Total expenses		8,338,949	9,495,989
V. Profit before tax (III-IV)		58,573	340,175
VI. Tax expense:			
(1) Current tax		38,527	83,757
(2) Deferred tax		(20,427)	19,826
(3) Income tax related to earlier years		17,318	89,470
		35,418	193,053
VII. Profit (Loss) for the year from continuing operations(V-VI)		23,155	147,122
VIII. Earnings per equity share:			
Basic & Diluted (Par Value of ₹ 10/- each)	2.22	0.01	0.07

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

Sharma
K.C. Sharma

(Partner)

Membership No. : 50819



Place : Kolkata

Date : 28th May 2014

For and on behalf of the board

Mukesh Goel
Mukesh Goel
Director

Anil Agrawal
Anil Agrawal
Director

Place : Mumbai

Date : 28th May 2014

One Two Three Greetings (India) Private Limited

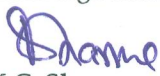
Cash Flow Statement for the year ended 31st March 2014

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
	₹	₹
A) Cash Flow From Operating Activities:		
Net profit before tax	58,573	340,175
Adjustments for:		
Depreciation	86,209	87,282
Miscellaneous Expenditure	-	-
Interest Paid	-	2,236
Dividend Received	-	(7,190)
Interest Received	(65,004)	(232,611)
Operating profit before working capital changes	79,778	189,892
(Increase) / Decrease in Trade Receivables	916,905	1,162,762
Increase / (Decrease) in Trade Payables	-	(3,000)
Increase / (Decrease) in Other than Trade Payables	78,110	(275,887)
(Increase)/ Decrease in Advance & Deposit	568,416	2,753,924
Cash generated from operations	1,643,209	3,827,691
Income Tax (Paid) / Refunded	570,690	2,432,569
Net Cash Flow From Operating Activities:	2,213,899	6,260,260
B) Cash Flow From Investing Activities:		
Purchase of Fixed Assets	-	(84,494)
Dividend Received	-	7,190
Interest Received	65,004	232,611
Net Cash From/ (used in) Investing Activities:	65,004	155,307
C) Cash Flow From Financing Activities:		
Proceeds from Short Term Borrowings	(1,000,000)	(7,000,000)
Interest Paid	-	(2,236)
Net Cash From Financing Activities:	(1,000,000)	(7,002,236)
Net Increase / (Decrease) in Cash and Cash Equivalents(A+B+C)	1,278,903	(586,669)
Cash and Cash Equivalents at the Beginning of the Year	405,753	992,422
Cash and Cash Equivalents at the End of the Year	1,684,656	405,753

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.


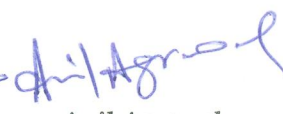
For K.N.GUTGUTIA & CO.
Chartered Accountants
Firm Registration No. 304153E


K.C. Sharma
(Partner)
Membership No. : 50819



Place : Kolkata
Date : 28th May 2014

For and on behalf of the board

 
Mukesh Goel **Anil Agrawal**
Director Director

Place : Mumbai
Date : 28th May 2014

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 applying the rates of schedule XIV (as amended) of the Companies Act, 1956. Depreciation for assets purchased / sold during the year is provided on pro-rata basis. Individual low cost assets (acquired for ₹ 5000/- or less) are fully depreciated in the year of purchase. Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available for its use. The management estimates the useful lives 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, 2014 ₹	As at 31st March, 2013 ₹
2.1 Share Capital		
<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
	20,00,000	20,00,000

Notes to 2.1:

- 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.
- 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.
- The reconciliation of the number of shares outstanding are as below:

Number of shares at the beginning	2,00,000	2,00,000
Number of shares at the closing	2,00,000	2,00,000

- The details of shareholder holding more than 5% shares are set out below :

Name of Shareholders	No of Shares	% held	No of Shares	% held
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	1,023,472	876,350
Add : Net profit after tax transferred from Statement of Profit and Loss	23,155	147,122
	1,046,627	1,023,472

2.3 Deferred Tax Liabilities (Net)

a) Deferred Tax Liability

Timing difference for depreciation on Fixed Assets	68,997	71,101
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b) Deferred Tax Asset

Expenses allowable under the Income Tax Act on actual payment basis	(39,442)	(21,119)
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Provision for Deferred Tax (Net)	29,555	49,982
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One Two Three Greetings (India) Private Limited

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
2.4 Long-term provisions		
Provision for Employee Benefits		
Gratuity	98,554	51,194
	<u>98,554</u>	<u>51,194</u>

2.5 Short-term borrowings

Loan from Related Party		
From Holding Company (Non bearing interest) (Unsecured)	12,000,000	13,000,000
	<u>12,000,000</u>	<u>13,000,000</u>

Note to 2.5:

The company has taken unsecured loan from Holding Company for ₹ 1,20,00,000 (₹ 1,30,00,000)

2.6 Trade payables

Micro, Small and Medium Enterprises	-	-
Others	-	-
	<u>-</u>	<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	293,173	458,321
Advance from Customers	22,933	22,560
TDS & Other Govt dues	120,577	30,350
Liabilities for Expenses	205,052	100,843
	<u>641,735</u>	<u>612,074</u>

2.8 Short-term Provisions

Provision for Employee Benefits		
Gratuity	375	196
Leave Encashment	3,872	2,962
	<u>4,247</u>	<u>3,158</u>



One Two Three Greetings (India) Private Limited

2.9 Fixed Assets

(Amount in ₹)

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 1.4.2013	Additions	Disposals	As on 31.03.2014	As on 1.4.2013	From 1.4.2013 31.03.2014	Deduction Sale/ Disposal /Adjustment	As on 31.03.2014	As on 31.03.2014	As on 31.3.2013
<u>Tangible Assets</u>										
Computers & Accessories	364,628	-	-	364,628	150,370	55,370	-	205,740	158,888	214,258
Furniture & Fixtures	213,038	-	-	213,038	31,277	13,485	-	44,762	168,276	181,761
Office Equipments	77,000	-	-	77,000	6,298	3,658	-	9,956	67,044	70,702
Total	654,666	-	-	654,666	187,945	72,513	-	260,458	394,208	466,721
Previous Year	654,666			654,666	111,695	76,250		187,945	466,721	
<u>Intangible Assets</u>										
Software	84,494	-	-	84,494	11,032	13,696	-	24,728	59,766	73,462
Total	84,494	-	-	84,494	11,032	13,696	-	24,728	59,766	73,462
Previous Year	-	84,494	-	84,494	-	11,032	-	11,032	73,462	-
Grand Total	739,160	-	-	739,160	198,977	86,209	-	285,186	453,974	540,183
Previous Year	654,666	84,494	-	739,160	111,695	87,282	-	198,977	540,183	-



One Two Three Greetings (India) Private Limited

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
2.10 Trade Receivables		
Unsecured, Considered good		
More than six months from the due date	440,159	685,073
Others	1,657,450	2,329,441
	<u>2,097,609</u>	<u>3,014,514</u>
2.11 Cash and Bank Balances		
Cash and Cash Equivalents		
Balances with banks		
In Current Account	1,677,505	403,913
Cash on hand	7,151	1,840
	<u>1,684,656</u>	<u>405,753</u>
2.12 Short term loans and advances		
Advance to Related Party	28,381,597	29,241,600
Service Tax Receivable (Net)	457,423	165,566
Prepaid Expenses	-	270
Advance Income Tax & TDS (Net of Provisions)	745,459	1,371,994
	<u>29,584,479</u>	<u>30,779,430</u>

Notes to 2.12

- 1) Advance Income Tax & TDS is net of Provisions of ₹ 1,22,284 (₹ 1,41,330)



One Two Three Greetings (India) Private Limited

Particulars	Year Ended 31st March, 2014 ₹	Year Ended 31st March, 2013 ₹
2.13 Revenue From Operations		
IT enabled services	8,332,518	9,596,363
	8,332,518	9,596,363
2.14 Other Income		
a Interest from Income Tax Department	65,004	232,611
b Other Income	-	-
c Dividend Income	-	7,190
	65,004	239,801
2.15 Product & Content Development Expense		
a Content Purchases	2,250,000	4,138,400
b Designing & Development	-	1,500
	2,250,000	4,139,900
2.16 Employees Benefit Expense		
Salaries and Wages	537,213	418,471
	537,213	418,471
Note to 2.16		
Salaries and Wages includes Gratuity ₹ 47,539 (₹ 18,942)		
2.17 Finance Costs		
Interest Expenses		
Others	-	2,236
	-	2,236
2.18 Sales and Marketing Expenses		
a EBE Sales	3,152,714	2,831,895
b Travelling-Sales	353,111	373,315
c Commission on sale	703,265	-
d Advertising	5,000	-
e Delivery Discount	6,915	40,411
f Sales Return	304	-
g Other SME Expenses	39,881	71,619
	4,261,190	3,317,240
2.19 Other Expenses		
a Power and Fuel	133,935	86,412
b Rent	840,000	840,000
c Rates and Taxes excluding taxes on Income	7,210	2,860
d Travelling & Conveyance	13,100	386,591
e Legal and Professional Charges	108,500	56,000
f Auditors Remuneration		
Statutory Audit Fee	10,000	10,000
Tax Audit Fee	4,000	4,000
Other Services	1,000	6,000
g Brokerage & Commission	-	-
h Miscellaneous Expenses	11,222	138,997
i Sundry balances written off	54,888	-
j Prior Period expenses	20,482	-
	1,204,337	1,530,860



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

Names

Holding Company

IntraSoft Technologies Limited

b) Transactions and balances with related parties:

Nature of Transaction	As at	As at
	31st March, 2014	31st March, 2013
	₹	₹
Purchases of Services from Holding Company (inclusive of Service Tax & Net of TDS)	2,250,000	4,138,400
Amounts paid to Holding Company	1,389,996	1,400,000
Current Account (Sundry Creditors)	-	-
Advance to Holding Company	28,381,596	29,241,600
Unsecured Loan (Taken)	12,000,000	13,000,000

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, 2014 for the defined benefit plans:

GRATUITY	As at	As at
	31st March, 2014	31st March, 2013
	₹	₹
I. Change of Benefit Organization		
Liability at the beginning of the year	51,390	32,448
Interest cost	4,625	2,677
Current Service Cost	34,675	30,581
Past Service Cost (Non Vested Funds)	-	-
Past Service Cost (Vested Funds)	-	-
Benefit Paid	-	-
Actuarial (Gain)/Loss on obligation	8,239	(14,316)
Curtailments and Settlements	-	-
Liability at the end of the year	98,929	51,390
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	98,929	51,390
Fair Value of Plan Assets at the end of the year	-	-
Difference	(98,929)	(51,390)
Unrecognized Past Service Cost	-	-
Amount Recognised in the Balance Sheet	(98,929)	(51,390)



One Two Three Greetings (India) Private Limited

GRATUITY	Year ended 31st March, 2014	Year ended 31st March, 2013
	₹	₹
V. Expenses Recognised in the Statement of Profit and Loss		
Current Service Cost	34,675	30,581
Interest cost	4,625	2,677
Expected Return on Plan assets	-	-
Net Actuarial (Gain) / Loss to be Recognised	8,239	(14,316)
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	47,539	18,942
VI. Balance Sheet Reconciliation		
Opening Net Liability	(51,390)	(32,448)
Expense as above	(47,539)	(18,942)
Employers Contribution	-	-
Effect of Curtailment or settlement	-	-
Current Defined Benefit Obligation at the end of the period	(375)	(196)
NON- Current Defined Benefit Obligation at the end of the period	(98,554)	(51,194)
Amount Recognised in the Balance Sheet	(98,929)	(51,390)
VII. Actuarial Assumption		
Discount Rate Current	8.25%	8.50%
Rate of Return on Plan Assets Current	-	-
Salary Escalation Current	5.00%	5.00%


2.22 Earning Per Equity Share

(a) Net Income available to Equity Shareholders (₹)	23,155	147,122
(b) Weighted average no. of Equity Shares outstanding	2,000,000	2,000,000
(c) Earning per Share (₹)		
Basic & Diluted	0.01	0.07

2.23 The Company has transactions with related parties. For the financial year ended March 31, 2013 the Company has obtained the Accountant's Report from a Chartered Accountant as required by the relevant provisions of the Income-tax Act, 1961 and has filed the same with the tax authorities. For the year ended March 31, 2014, Management confirms that it maintains documents as prescribed by the Income Tax Act, 1961 to prove that these transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

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 : 28th May 2014

For and on behalf of the board

 
Mukesh Goel **Anil Agrawal**
Director Director

Place : Mumbai
Date : 28th May 2014