

Annual Report 2013-2014

**NAG TALENT VENTURES & INFOTECH
PRIVATE LIMITED**

REGISTERED OFFICE

#201, Huda Techno Enclave,
Opp. Raheja Mind Space,
Hitech City, Madhapur,
Hyderabad - 500082

NOTICE

Notice is hereby given that the **Annual General Meeting** of the members of **NAG TALENT VENTURES AND INFOTECH PRIVATE LIMITED** will be held at its registered office at #201, Huda Techno Enclave, Opp. Raheja Mind Space, Hitech City, Madhapur, Hyderabad - 500082 on Saturday, the 27th day of September 2014 at 3.00 P.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Statement of Profit and Loss for the financial year ended 31st March, 2014 and the Balance Sheet as on that date together with the Report of the Board of Directors and Auditors thereon.
2. To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:
“RESOLVED THAT M/s. Sukumar Babu & Co., Chartered Accountants be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company..

BY ORDER OF THE BOARD

For NAG TALENT VENTURES AND INFOTECH PVT. LTD.

Sd/-
Director

Place: Hyderabad
Date: 25.08.2014

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. The instrument appointing proxy should be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.
2. Members/proxies are requested to bring the attendance slips duly filled in for attending the meeting and to bring their copies of the Annual Report to the meeting as copies will not be distributed at the meeting.
3. Members desiring to seek any information on the annual accounts are requested to write to the company at an early date to enable compilation of information.

DIRECTOR'S REPORT

**To
The Members,**

Your Directors take pleasure in presenting the Audited accounts for the year ended 31st March, 2014.

PUBLIC DEPOSITS

The Company has not accepted any fixed deposits from the public during the year under the provisions of the Section 58A and 58AA of the Act and the rules framed there under, where applicable.

AUDITORS:

The Statutory Auditors of the Company viz., M/s. Sukumar Babu & Co., Chartered Accountants retire at the conclusion of the next Annual General Meeting and being eligible have offered themselves for reappointment to hold office from the conclusion of the this Annual General Meeting till the conclusion of the next Annual General Meeting

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Board of Directors hereby state that

- i) in the preparation of the accounts for the year ended March 31, 2014, the applicable accounting standards have been followed along with proper explanations relating to material departure;
- ii) we have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014;
- iii) we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- iv) the accounts for the year ended March 31, 2014 have been prepared on a going concern basis.

Further your Directors confirm that none of the directors is disqualified under section 274 (1) (g) of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO:

The particulars relating to Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo as required under section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are as follows

- a) Conservation of Energy: Not Applicable
- b) Technology absorption, Adoption and Innovation: Not Applicable
- c) Foreign Exchange earnings and outgo
 - Foreign Exchange Inflow -
 - Foreign Exchange Outflow :
 - Loan Repayment -
 - Payment of interest -
 - Consultancy Fee :

PARTICULARS OF EMPLOYEES:

There are no employees to whom the provisions of section 217 (2A) of the Companies Act, 1956 will apply.

ACKNOWLEDGEMENTS:

Your Directors would like to place on record their appreciation to the Company's Members for the support and co-operation extended to the Company.

On behalf of the Board

Sd/-
Director

Sd/-
Director

Place: Hyderabad
Date: 25.08.2014

Independent Auditor's Report

To the Members of
NAG Talent Ventures & Info Tech Private Limited.,

Report on the Financial Statements

We have audited the accompanying financial statements of **NAG Talent Ventures & Info Tech Private Limited**, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). 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 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 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 entity'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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- c) 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. 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, is not applicable to the company.
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 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Radhika & Associates
Chartered Accountants
Firm Regn. No:13870S

Sd/-
Radhika Rani
Proprietor
M.No:219253

Place: Hyderabad
Date: 21-05-2014

NAG TALENT VENTURES & INFO TECH PRIVATE LIMITED
Hyderabad
BALANCE SHEET AS ON 31ST March 2014

(Amount in Rs.)

| PARTICULARS | NOTE No. | As At 31-03-2014 | As At 31-03-2013 |
|---|----------|---------------------|---------------------|
| I EQUITY AND LIABILITIES | | | |
| 1) SHAREHOLDERS' FUNDS | | | |
| a) Share Capital | 3 | 100,000 | 100,000 |
| b) Reserves and Surplus | 4 | 13,554 | 72,783 |
| 2) SHARE APPLICATION MONEY PENDING ALLOTMENT | | - | - |
| 3) NON - CURRENT LIABILITIES | | | |
| a) Long Term Borrowings | 5 | 3,359,100 | 3,325,200 |
| TOTAL | | 3,472,654 | 3,497,983 |
| II ASSETS | | | |
| 1) NON-CURRENT ASSETS | | | |
| a) Fixed Assets | 6 | | |
| -Tangible Assets | | 3,416,978 | 3,442,307 |
| b) Deferred Tax Assets (Net) | | 16,863 | 18,396 |
| | | 3,433,841 | 3,460,703 |
| 2) CURRENT ASSETS | | | |
| a) Cash and Cash Equivalents | 7 | 25,641 | 24,108 |
| c) Other Current Assets | 8 | 13,172 | 13,172 |
| | | 38,813 | 37,280 |
| TOTAL | | 3,472,654 | 3,497,983 |
| Significant Accounting Policies | 1 & 2 | | |
| Notes referred to above form an integral part of the accounts | | | |

As per our report of even date attached

For Radhika & Associates

Chartered Accountants

(Firm Regn. No: 13870S)

For and on behalf of the Board

Radhika Rani

Proprietor

Membership No: 219253

Place : Hyderabad

Date : 21-05-2014

M.Rajesh Reddy

Director

K. Jalandhar Reddy

Director

| <p align="center">NAG TALENT VENTURES & INFO TECH PRIVATE LIMITED</p> <p align="center">Hyderabad</p> <p align="center">STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014</p> <p align="right">(Amount in Rs.)</p> | | | |
|--|-----------------------|------------------------------------|------------------------------------|
| PARTICULARS | NOTE No. | For The Year ended 31-03-14 | For The Year ended 31-03-13 |
| I Income | | | |
| Software Development | | - | - |
| Training & Consultancy | | - | - |
| Total Revenue | | - | - |
| II Expenses: | | | |
| Finance costs | | - | - |
| Depreciation and amortization expense | 9 | 25,329 | 35,732.00 |
| Other expenses | 10 | 33,900 | 700.00 |
| Total expenses | | 59,229 | 36,432.00 |
| Profit before tax (I- II) | | (59,229) | (36,432.00) |
| Tax expense: | | | |
| 1) Current tax | | - | - |
| 2) Deferred tax | | - | (4,516.00) |
| Profit (Loss) for the period | | (59,229) | (31,916.00) |
| Earnings per equity share: | | | |
| 1) Basic | | (5.92) | (3.19) |
| 2) Diluted | | (5.92) | (3.19) |
| Significant Accounting Policies | 1&2 | | |
| Notes referred to above form an intergral part of the accounts | | | |
| <p>As per our report of even date attached</p> <p>For Radhika & Associates</p> <p>Chartered Accountants</p> <p>(Firm Regn. No: 13870S)</p> <p align="center">For and on behalf of the Board</p> | | | |
| Radhika Rani | M.Rajesh Reddy | K. Jalandhar Reddy | |
| Proprietor | Director | Director | |
| Membership No: 219253 | | | |
| Place : Hyderabad | | | |
| Date : 21-05-2014 | | | |

NAG TALENT VENTURES & INFO TECH PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

3 SHARE CAPITAL

(Amount in Rs.)

| Particulars | As at 'March 31, 2014 | As at 'March 31, 2013 |
|---|--------------------------|--------------------------|
| EQUITY SHARE CAPITAL | | |
| Authorised Share capital | | |
| 10000 Equity Shares of Rs. 10/- each | 100,000 | 100,000 |
| Issued, subscribed & fully paid share capital | | |
| 10,000 Equity Shares of Rs. 10/- each | 100,000 | 100,000 |
| (Wholly Owned subsidiary of KNRC Holdings and Investments Pvt. Ltd) | | |
| | 100,000 | 100,000 |

3.1 The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- . Each holder of equity shares is entitled to one vote per share.

3.2 The details of shareholder holding more than 5% shares as at March 31, 2014 and March 31, 2013 is set out below:

| Name of the shareholder | As at March 31, 2014 | | As at March 31, 2013 | |
|--|----------------------|--------|----------------------|--------|
| | No. of Shares | % held | No. of Shares | % held |
| KNRC Holdings and Investments Pvt Ltd. | 10000 | 100% | 10000 | 100% |
| | 10000 | 100% | 10000 | 100% |

3.3 The reconciliation of the number of shares outstanding at the beginning and at the end of the year is set out below:

| Particulars | As at March 31, 2014 | | As at March 31, 2013 | |
|--|----------------------|------------------|----------------------|------------------|
| | No. of Shares | Amount in Rupees | No. of Shares | Amount in Rupees |
| Number of Equity Shares at the beginning | 10000 | 100,000 | 10000 | 100,000 |
| Add:- Number of Shares Issued | - | - | - | - |
| Less: Number of Shares Brought Back | - | - | - | - |
| Number of Equity Shares at the end of the year | 10000 | 100,000 | 10000 | 100,000 |

NAG TALENT VENTURES & INFO TECH PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

4 RESERVES AND SURPLUS

(Amount in Rs.)

| Particulars | As at 'March 31, 2014 | As at 'March 31, 2013 |
|--|--------------------------|--------------------------|
| Surplus/(deficit) in the Statement of Profit and Loss | | |
| Opening balance | 72,783 | 104,699 |
| Add: Profit/(Loss) for the year | (59,229) | (31,916) |
| | 13,554 | 72,783 |

5 LONG TERM BORROWINGS

(Amount in Rs.)

| Particulars | As at 'March 31, 2014 | As at 'March 31, 2013 |
|---|--------------------------|--------------------------|
| UNSECURED LOANS | | |
| Loans & Advance from Related Parties | | |
| KNRC Holdings and Investments Pvt Ltd. | 3,359,100 | 3,325,200 |
| | 3,359,100 | 3,325,200 |

NAG TALENT VENTURES & INFO TECH PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

7 CASH AND CASH EQUIVALENTS

| (Amount in Rs.) | | |
|-----------------|--------------------------|--------------------------|
| Particulars | As at 'March 31, 2014 | As at 'March 31, 2013 |
| Cash in Hand | 25,641 | 24,108 |
| | 25,641 | 24,108 |

8 OTHER CURRENT ASSETS

| (Amount in Rs.) | | |
|-----------------|--------------------------|--------------------------|
| Particulars | As at 'March 31, 2014 | As at 'March 31, 2013 |
| TDS Receivable | 13,172 | 13,172 |
| | 13,172 | 13,172 |

NAG TALENT VENTURES & INFO TECH PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

6 FIXED ASSETS

(Amount in Rs.)

| Particulars | Gross Block | | | | Accumulated Depreciation | | | | Net Block | |
|--------------------------|------------------------|-----------|---------------------------|-------------------------|--------------------------|-------------------|---------------------------|-------------------------|-------------------------|-------------------------|
| | As at April 1, 2013 | Additions | Deductions/ Adjustment | As at March 31, 2014 | As at April 1, 2013 | For the Period | Deductions/ Adjustment | As at March 31, 2014 | As at March 31, 2014 | As at March 31, 2013 |
| I Tangible Assets | | | | | | | | | | |
| Furniture & Fixture | 87,135 | - | - | 87,135 | 58,855 | 5,119 | - | 63,974 | 23,161 | 28,280 |
| Office Equipment | 138,205 | - | - | 138,205 | 78,409 | 8,318 | - | 86,727 | 51,478 | 59,796 |
| Computers | 547,562 | - | - | 547,562 | 517,831 | 11,892 | - | 529,723 | 17,839 | 29,731 |
| Land | 3,324,500 | - | - | 3,324,500 | - | - | - | - | 3,324,500 | 3,324,500 |
| TOTAL | 4,097,402 | - | - | 4,097,402 | 655,095 | 25,329 | - | 680,424 | 3,416,978 | 3,442,307 |

NAG TALENT VENTURES & INFO TECH PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

9 DEPRECIATION EXPENSE

| (Amount in Rs.) | | |
|-----------------|---------------------|---------------------|
| PARTICULARS | As At 31-03-2014 | As At 31-03-2013 |
| Depreciation | 25,329 | 35,732 |
| TOTAL | 25,329 | 35,732 |

10 OTHER EXPENSES

| (Amount in Rs.) | | |
|--|---------------------|---------------------|
| PARTICULARS | As At 31-03-2014 | As At 31-03-2013 |
| Administration And Other Expenses | | |
| Office Maintenance | 8,000 | 700 |
| Filling charges | 10,900 | - |
| Legal charges | 15,000 | - |
| TOTAL | 33,900 | 700 |

NAG TALENT VENTURES & INFOTECH PRIVATE LIMITED.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1. Company Overview

The Company is engaged in the business of Software development services.

2. Significant Accounting Policies

2.1 General:

Financial statements are prepared under historical cost convention and in accordance with generally accepted accounting practices.

2.2 Fixed Assets:

Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of freight, duties, taxes, cost of installation etc.

2.3 Depreciation:

Depreciation is written off under Written Down Value Method in accordance with Schedule XIV of the Companies Act, 1956 on pro-rata basis from the date of acquisition or commencement of commercial production/utilization whichever is earlier.

2.4 Retirement Benefits:

The provisions of Provident Fund Act and The Payment of Gratuity Act are not applicable to the company.

2.5 Revenue Recognition:

Revenue is recognized on accrual basis.

NAG TALENT VENTURES & INFOTECH PRIVATE LIMITED.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

11. Debit and Credit balances in respect of parties are subject to confirmation and reconciliation.
12. Current Assets and Loans and Advances are the values stated as if realized in the ordinary course of business.
13. Administrative expenses include auditor's remuneration of Rs. Nil - towards Statutory Audit fee, Rs. Nil towards Tax Audit expenses, Rs. Nil/- towards Income Tax Representation Fee.
14. No Remuneration has been provided to Directors.
15. Provision for Income Tax has been provided at Rs. Nil.
16. No employee of the company is in receipt of remuneration in excess of the amount specified under section 217(2A) of the companies Act, 1956.
17. Accounting for Taxes on Income (AS-22):
 - i) The deferred tax asset for the year 2013-2014 due to timing differences between financial statements and taxation statements as per applicable rate of taxation, estimated as Rs. Nil as per the procedure prescribed in Accounting Standard – 22 "Accounting for Taxes on Income" issued by the ICAI and the same has been credited to Profit & Loss Account.
 - ii) The movement of provision for Deferred Taxes for the year ended 31.03.2014 is as given below :-

| Particulars | (Liability)/Asset as on 01/04/2013 | (Charges)/Credit during the Year | (Liability)/Asset as on 31/03/2014 |
|-------------------------------------|---------------------------------------|-------------------------------------|---------------------------------------|
| Timing differences on account of | | | |
| a) Depreciation on Assets | (18396.00) | (1533.00) | (16863.00) |

NAG TALENT VENTURES & INFOTECH PRIVATE LIMITED.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

18. Previous year's figures have been regrouped, reclassified or rearranged wherever necessary.

19. There are no claims against the company contingent in nature.

As per our report of even date
For Radhika & Associates.
Chartered Accountants
(Firm Regn. No:13870S)

For and on behalf of the Board

Sd/-
Radhika Rani
Proprietor
Membership No: 219253
Place: Hyderabad
Date :21-05-2014

Sd/-
K. Jalandhar Reddy
Director

Sd/-
M. Rajesh Reddy
Director