

INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF
Dehradun Rural Development Initiative Limited**

1. Report on the Financial Statements

We have audited the accompanying financial statements of **Dehradun Rural Development Initiative Limited** ("the Company"), which comprise the Balance Sheet as at 31 March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the 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; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the 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.

4. 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 31 March, 2015, and its losses and its cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

A. As required by the Companies (Auditor's Report) Order, 2015 ('Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

B. As required by Section 143 (3) of the Act, we report that:

- (i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (iii) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (iv) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (v) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (vi) 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:
 - a) The Company does not have any pending litigations which would impact its financial position;
 - b) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.; and
 - c) The Company did not have any dues on account of Investor Education and Protection Fund..

For **N M Raiji & Co.**
Chartered Accountants
Firm Registration number: 108296W

CA. S. N. Shivakumar
Partner
Membership No. 088113

Place: New Delhi
Date:



ANNEXURE TO THE INDEPENDENT AUDITORS ' REPORT

(Referred to in Paragraph 5 (A) of our report of even date)

(i) The clause (i) (a) & (b) of paragraph 3 of the Order is not applicable to the company for the current year.

(ii) The nature of business of the Company does not require it to have any inventory. Hence, the requirement of clause (ii) of paragraph 3 of the said Order is not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013.. Consequently, clause iii (a) and iii (b) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets, spares and other assets and sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have not observed any major weakness in the internal control system during the course of the audit.

(v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) to Section 148 of the Companies Act, 2013, in respect of any of the activities of the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, there are no undisputed amounts payable in respect of dues and other material statutory dues , were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues and other material Statutory Dues which have not been deposited with the appropriate authorities on account of any dispute.

(c) The Company did not have any dues on account of Investor Education and Protection Fund. The question of reporting delay in transferring such sum does not arise.

(viii) The Company has incurred losses including cash losses for the period ended 31st March 2015 and also in the immediately preceding financial year.

(ix) According to the records of the company examined by us and as per the information and explanations given to us, the company has not availed of any loans from any financial institution or banks and has not issued debentures.

N. M. RAIJI & CO.

(x) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution during the year.

(xi) In our opinion, and according to the information and explanations given to us, the company has not raised any term loans during the year.

(xii) During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, and to the best of our knowledge and belief, no material fraud on or by the Company was noticed or reported during the year.

For N M Raiji & Co.

Chartered Accountants

Firm Registration number: 108296W

CA. S. N. Shivakumar

Partner

Membership No. 088113

Place: New Delhi

Date:



Dehradun Rural Development Initiative Limited
BALANCE SHEET AS AT MARCH 31, 2015

	Notes Ref.	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
<u>EQUITY AND LIABILITIES</u>			
SHAREHOLDERS' FUNDS			
a. Share capital	3	500,000	500,000
b. Reserves and surplus	4	(118,552)	(86,862)
CURRENT LIABILITIES			
a. Other current liabilities	5	59,333	27,643
		440,781	440,781
<u>ASSETS</u>			
CURRENT ASSETS			
a. Cash and cash equivalents	6	440,781	440,781
		440,781	440,781
		440,781	440,781

In terms of our report attached

For N.M.Raiji & Co.
Chartered Accountants
Reg. No. 108296W

S.N.S Shivakumar

CA S.N.Shivakumar
Partner
M. No. 088113
Place : New Delhi
Date: April 29, 2015



For and on behalf of the Board

Raman

Director

DIN NO :

Shivakumar

Director

DIN NO :

Dehradun Rural Development Initiative Limited
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015

Notes Ref.	For the Year ended March 31, 2015 Rupees	For the Year ended March 31, 2014 Rupees
INCOME	-	-
TOTAL REVENUE	-	-
EXPENSES		
Fees Rates & Taxes	9,218	11,728
Audit Fee	22,472	24,944
	31,690	36,672
Profit before Tax	(31,690)	(36,672)
TAX EXPENSE		
Current Year	-	-
PROFIT AFTER TAX	(31,690)	(36,672)
Earning per share (Face Value of Rs 10 each)		
a. Basic/diluted	7 (0.63)	(0.73)

In terms of our report attached

For N.M.Raiji & Co.
Chartered Accountants
Reg. No. 108296W

For and on behalf of the Board

CA S.N. Shivakumar
Partner
M. No. 088113



R.Ram
Director
DIN No :

[Signature]
Director
DIN No :

Place : New Delhi
Date: April 29, 2015

Dehradun Rural Development Initiative Limited
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	For the Year ended March 31, 2015 Rupees	For the Year ended March 31, 2014 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit/(loss) before tax	(31,690)	(36,672)
Adjustment for:	-	-
Operating Profit before working capital changes	(31,690)	(36,672)
Adjustments for:		
Increase/(decrease) in current liabilities	31,690	(22,547)
(Increase)/decrease in current assets	-	-
Taxes paid	-	-
Net cash generated/ (used) in operating activities	<u>-</u>	<u>(59,219)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Net cash generated/ (used) in investing activities	<u>-</u>	<u>-</u>
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Equity Share Capital	-	-
Net cash generated/ (used) in financing activities	<u>-</u>	<u>-</u>
D. Net Increase/(Decrease) in cash and cash equivalents	-	(59,219)
E. Cash and cash equivalents as at the beginning of the year	440,781	500,000
F. Cash and cash equivalents as at the end of the period	<u>440,781</u>	<u>440,781</u>

For N.M.Raiji & Co.
Chartered Accountants

Reg. No. 108296W

S.N. Shivakumar

S.N. Shivakumar

Partner

M. No. 088113



For and on behalf of the Board

R. Kumar

Director

DIN No:

Shivakumar

Director

DIN No:

New Delhi

Date: April 29, 2015

Dehradun Rural Development Initiative Limited
Notes forming part of Financial Statement

1. BACKGROUND:

Dehradun Rural Development Initiative Limited (the Company) has been incorporated on March 02, 2012 vide Registration No. U45400DL2012PLC232310 as a limited liability public Company under the provisions of the Companies Act, 1956. The Company is a subsidiary of IL&FS Cluster Development Initiative Limited. The Company has been incorporated with the primary objective to act as special purpose vehicle for implementing different scheme of the Central/State Governments, including but not limited to Provision of Urban amenities in Rural Area (PURA) in the area of Dehradun.

2. SIGNIFICANT ACCOUNTING POLICIES:

(1) Basis of Preparation

The financial statements have been prepared to comply in all material aspects with the Notified Accounting Standard issued by Central Government as per the Companies (Accounting Standards) Rules, 2006 Act and the relevant provisions of the Companies Act, 2013. All income and expenditure having a material bearing on the Financial Statements are recognised on an accrual basis. The financial statements have been prepared under the historical cost convention, on the basis of going concern and on an accrual basis except as stated elsewhere.

(2) Method of Accounting and Revenue Recognition:

Accounts are maintained on an accrual basis and historical cost.

Income has been recognised on an accrual basis.

(3) Use of Estimates

The preparation of the Financial Statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses for the year presented. Actual results could differ from these estimates. Differences between the actual results and estimates are recognised in periods in which the results are known / materialised.

(4) Expenditure

Expenditure has been accounted for on the accrual basis and provisions have been made for all known losses and liabilities.



Dehradun Rural Development Initiative Limited
Notes forming part of Financial Statement

(5) Tangible Assets, Intangible assets, Capital work-in-progress and Depreciation:

(a) Leased Assets :

Type of Lease	Capitalisation	Depreciation Policy
Capital Expenditure on renovation / Improvements to Lease-hold Premises	At Cost	Amortised over the primary period of the lease

(b) Other Tangible Assets:

- (i) The Group has adopted the Straight Line Method of depreciation so as to write off 100% of the cost of the following type of assets at rates higher than those prescribed under Schedule II to the Companies Act, 2013, based on the Management's estimate of useful life of such assets:

Asset Type	Useful Life
Computers	4 years
Assets Provided to Employees	3 Years
Mobile Phones, Soft Furnishing and assets costing less than Rs 5,000	In the year of capitalization

- (ii) Depreciation on fixed assets, other than on assets specified in Notes 1.5 (b) (i) above, has been provided for on the Straight Line Method at the rates provided in Schedule II of the Companies Act, 2013.

(c) Intangible Assets:

- (i) Intangible Assets are reported at acquisition value with deductions for accumulated amortisation and impairment losses, if any. Amortisation policy for various intangible assets is given below:

Asset Type	Useful Life
Intellectual Property Rights	5 Years
Software	4 years or the useful life of the software, whichever is shorter

(6) Taxation

Income Tax comprises current tax and net changes in deferred tax assets or liability during the period. Current tax is determined at the amount of tax payable in respect of taxable income for the period as per the Income Tax Act, 1961.



Dehradun Rural Development Initiative Limited
Notes forming part of Financial Statement

Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences between the book and tax profit. Deferred tax assets, other than on carry forward losses and unabsorbed depreciation, are recognized when it is reasonably certain that there will be future taxable income. Deferred tax assets on carry forward losses and unabsorbed depreciation are recognized only when it is virtually certain based, on convincing evidence, that there will be future taxable profit. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to be set off against the deferred tax assets.

(7) Earnings per share

The Company reports basic and diluted earnings per equity share in accordance with Accounting Standard 20, 'Earnings Per Share'. Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period except where the result would be anti-dilutive.

(8) Provisions and Contingent Liabilities

A provision is recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to the financial statements. A contingent asset is neither recognised nor disclosed.

(9) Impairment of Assets

An assets is treated as impaired when the carrying amount of assets exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired.

(10) Preliminary Expenses

All the preliminary expenses have been written off and charged to P&L Account of the accounting period.



Dehradun Rural Development Initiative Limited
Notes forming part of the Financial Statement

3. SHARE CAPITAL	As at 31.03.2015 Rupees	As at 31.03.2014 Rupees
AUTHORISED		
50,000 Equity Shares of Rs. 10 each	500,000	500,000
	500,000	500,000
ISSUED SUBSCRIBED AND PAID UP CAPITAL		
Equity Share of Rs. 10/- each		
At the beginning of the period	50,000	
At the end of reporting period	50,000	500,000
	500,000	500,000

(i) CY 50,000 (PY 50,000) equity share are held by Holding Company i.e. IL&FS Cluster Development Initiative Limited

(ii) **Number of shares held by each shareholder holding more than 5% shares**

	As at 31.03.2015		As at 31.03.2014	
	No. of share	Percentage	No. of share	Percentage
IL&FS Cluster Development Initiative Limited	50,000	100	50,000	100.00

(iii) The company has only one class of ordinary equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. Each holder of these ordinary shares are entitled to receive dividends as and when declared by the company.

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

4. RESERVES AND SURPLUS

	As at 31.03.2015 Rupees	As at 31.03.2014 Rupees
Profit and Loss Account		
Opening Balance	(86,862)	(50,190)
Add: Profit/ (Loss) for the period	(31,690)	(36,672)
	(118,552)	(86,862)

5. OTHER CURRENT LIABILITIES

	As at 31.03.2015 Rupees	As at 31.03.2014 Rupees
Expenses Payable	59,333	27,643
	59,333	27,643

6. CASH AND CASH EQUIVALENTS

	As at 31.03.2015 Rupees	As at 31.03.2014 Rupees
Balance with Bank		
- in Current Account	440,181	440,181
Cash in Hand	600	600
	440,781	440,781



7. Earning per share:

Particulars	Year ended	Year ended
	March 31, 2015	March 31, 2014
Profit for the Period (Rs.) (A)	(31,690)	(36,672)
Number of Equity shares of Rs. 10 each fully paid up at the beginning of the year	50,000	50,000
Number of Equity shares of Rs. 10 each fully paid up at the end of the year	50,000	50,000
Weighted average number of equity shares for the year (B)	50,000	50,000
Basic/Diluted Earning per share (Rs.) (A/B)	(0.63)	(0.73)
Face value per share (Rs.)	10	10

8. Contingent Liabilities

There is no Contingent Liability as on March 31, 2015

9. List of Related parties and Transactions / Outstanding Balances:

(i) Holding Company

IL&FS Cluster Development Initiative Limited

Equity as at the period end	As at 31.03.2015	As at 31.03.2014
	Rupees	Rupees
	500,000	500,000

10. There are no Micro and small Enterprise, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company

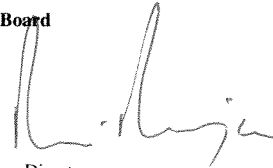
11. Previous Year figures have been regrouped /reclassified wherever necessary

For and on behalf of the Board



Director

DIN NO:



Director

DIN NO:

Place : New Delhi
Date : April 29, 2015

