



# BSM Kumar & Associates LLP

Chartered Accountants

"ARYA", 2nd Floor, 105, 3rd Cross,

1st Main, MICO Layout, Arekere,

Bangalore - 560 076

Tel : + 91 80 41499227

info@consultzeus.com

## INDEPENDENT AUDITOR'S REPORT

To the Members of **DEFY EDUCATIONAL ORGANISATION**

### Report on the Financial Statements

1. We have audited the accompanying financial statements of **DEFY EDUCATIONAL ORGANISATION** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Income and Expenditure and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

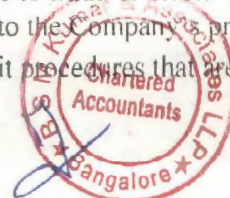
### Management's Responsibility for the Financial Statements

2. The management and Board of Directors of the Company are 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 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 General Circular 15/2013 dated September 13, 2013 and also 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

3. 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 and the Order under Section 143(11) of the Act. 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.

4. 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 management and Board of Directors, as well as evaluating the overall presentation of the financial statement.

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

### Opinion

6. 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 2018, its Income and Expenditure its cash flows for the period ended on that date 31<sup>st</sup> March, 2018.

### Report on Other Legal and Regulatory Requirements

7. 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, Statement of Income and Expenditure and cash flow statement 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.
- e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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, we expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) In our opinion and to the best of our information and according to the explanations given to us, we report as under 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:

- I. The Company does not have any pending litigations which would impact its financial position.
- II. The Company did not have any long-term contracts including derivative contracts; as such





the question of commenting on any material foreseeable losses thereon does not arise.


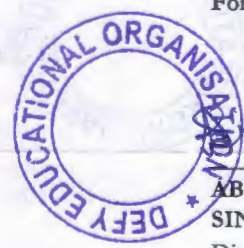
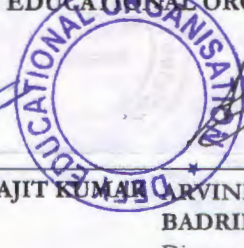
- III. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For **B S M Kumar & Associates LLP**  
Chartered Accountants  
Firm Registration No – 011779S/S200074

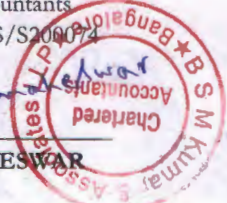

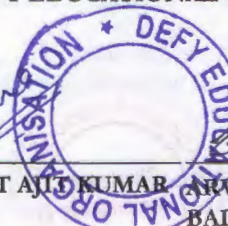
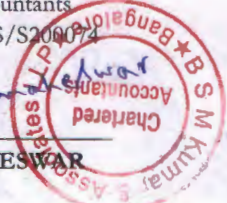

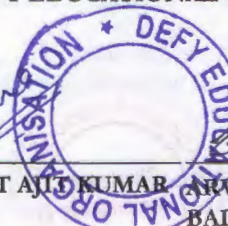
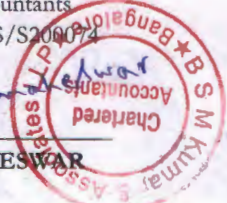

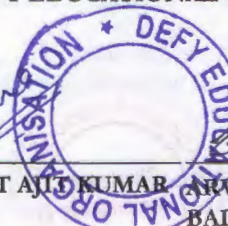
*D. Uma Maheswar*



D Uma Maheswar  
Membership No: 231773  
Place: Bangalore, India  
Date: 21/08/2018

Defy Educational Organisation CIN: U80902KA2016NPL097014 No. 302, HRC Ananya Apartments, Judicial Layout, Allalasandra, Yelahanka New Town, Bengaluru - 560 064 <b>Balance Sheet as at 31st March, 2018</b>			
Particulars	Notes	FY 2017-18 Rs.	FY 2016-17 Rs.
<b>EQUITY AND LIABILITIES</b>			
Shareholder's funds			
Share capital		-	-
Reserves and surplus	4	7,32,099	(70,332)
Share application money pending allotment			
Non-current liabilities			
Long-term provisions		-	-
Current liabilities			
Trade payables	5	-	-
Other current liabilities	6	82,727	95,332
Short-term provisions		62,871	-
<b>TOTAL</b>		<b>8,77,697</b>	<b>25,000</b>
<b>ASSETS</b>			
Non-current assets			
Fixed assets			
Tangible assets		1,28,148	-
Intangible assets		-	-
Current assets			
Trade receivables		-	-
Cash and cash equivalents	7	7,15,055	25,000
Other current assets	8	34,494	-
<b>TOTAL</b>		<b>8,77,697</b>	<b>25,000</b>
See accompanying notes forming part of the financial statements			
<div> <div>           As per our report of even date attached            For <b>B S M KUMAR &amp; ASSOCIATES LLP</b>            Chartered Accountants            FRN: - 001179S/S200024    <b>D UMA MAHESWAR</b>            Partner            Membership # 231773            Place: Bangalore            Date: 21/08/2018         </div> <div>           For and on behalf of the board of directors            For <b>DEFY EDUCATIONAL ORGANISATION</b>    <b>ABHIJIT AJIT KUMAR</b>            SINHA            Director            DIN : 07362743            Place: Bangalore            Date: 21/08/2018         </div> <div>   <b>ARVIND</b>  <b>BADRINARAYANAN</b>            Director            DIN : 07362759            Place: Bangalore            Date: 21/08/2018         </div> </div>			



<b>Defy Educational Organisation</b> <b>CIN: U80902KA2016NPL097014</b> <b>No. 302, HRC Ananya Apartments, Judicial Layout, Allalasandra, Yelahanka New Town, Bengaluru - 560 064</b>							
Statement of Income & Expenditure for the year ended 31st March, 2018							
Particulars	Notes	FY 2017-18 Rs.	FY 2016-17 Rs.				
<b>REVENUE</b>							
Grants and donations	9	14,61,648	85,000				
Other income		1,87,000	-				
<b>Total Revenue</b>		<b>16,48,648</b>	<b>85,000</b>				
<b>EXPENSES</b>							
Employee benefit expenses	10	3,37,555	62,035				
Depreciation and Amortization		-	-				
Other expenses	11	4,50,878	93,297				
<b>Total Expenses</b>		<b>7,88,433</b>	<b>1,55,332</b>				
<b>Excess of Income Over Expenditure / (Excess of Expenditure Over Income)</b>		<b>8,60,215</b>	<b>(70,332)</b>				
Income Tax AY 2018-19		57,783	-				
<b>Excess of Income Over Expenditure / (Excess of Expenditure Over Income) after tax</b>		<b>8,02,432</b>	<b>(70,332)</b>				
See accompanying notes forming part of the financial statements							
<table border="0"> <tr> <td> As per our report of even date attached  <b>For B S M KUMAR &amp; ASSOCIATES LLP</b>  Chartered Accountants  FRN: - 001179S/S200094    <b>D UMA MAHESWAR</b>  Partner  Membership # 231773  Place: Bangalore  Date: 21/08/2018 </td><td>  </td><td> For and on behalf of the board of directors  <b>For DEFY EDUCATIONAL ORGANISATION</b>    <b>ABHIJIT AJIT KUMAR SINHA</b>  Director  DIN : 07362743  Place: Bangalore  Date : 21/08/2018 </td><td> <b>ARVIND BADRINARAYANAN</b>  Director  DIN : 07362759  Place: Bangalore  Date: 21/08/2018 </td></tr> </table>				As per our report of even date attached <b>For B S M KUMAR &amp; ASSOCIATES LLP</b> Chartered Accountants FRN: - 001179S/S200094  <b>D UMA MAHESWAR</b> Partner Membership # 231773 Place: Bangalore Date: 21/08/2018		For and on behalf of the board of directors <b>For DEFY EDUCATIONAL ORGANISATION</b>  <b>ABHIJIT AJIT KUMAR SINHA</b> Director DIN : 07362743 Place: Bangalore Date : 21/08/2018	<b>ARVIND BADRINARAYANAN</b> Director DIN : 07362759 Place: Bangalore Date: 21/08/2018
As per our report of even date attached <b>For B S M KUMAR &amp; ASSOCIATES LLP</b> Chartered Accountants FRN: - 001179S/S200094  <b>D UMA MAHESWAR</b> Partner Membership # 231773 Place: Bangalore Date: 21/08/2018		For and on behalf of the board of directors <b>For DEFY EDUCATIONAL ORGANISATION</b>  <b>ABHIJIT AJIT KUMAR SINHA</b> Director DIN : 07362743 Place: Bangalore Date : 21/08/2018	<b>ARVIND BADRINARAYANAN</b> Director DIN : 07362759 Place: Bangalore Date: 21/08/2018				



## DEFY EDUCATIONAL ORGANISATION

Notes to the financial statements for the year ended March 31, 2018

### 1. Corporate Information

Defy Educational Organisation ( the "Company" ) , a not for profit company in the meaning of section 8 of the companies act, 2013, was incorporated in the state of Karnataka on October 6th, 2016. The registered office of the Company is located at Bangalore. The Company limited by Guarantee and not having Share Capital is engaged in promoting services in the field of education spread of knowledge and awareness including providing educational modules, educational material, educational tools and software, establishing, running and maintaining institutions in required areas, cities, towns and villages at a concessional fees for poor students and strive for women empowerment by conducting training programs in various fields.

### 2. Basis of preparation of Financial Statements

The financial statements have been prepared to comply in all material respects with the notified accounting standards by the Companies Accounting Standards Rules, 2006 (as amended), the relevant provisions of the Companies Act, 1956, read with General Circular 15/2013 dated September 13, 2013 issued by the Ministry of Corporate Affairs, in respect of section 133 of the Companies Act 2013. The financial statements have been prepared under the historical cost convention on an accrual basis in accordance with the accounting principles generally accepted in India. The accounting policies have been consistently applied by the Company.

### 3. Significant Accounting Policies

#### (a) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India ("Indian GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of financial statements. Actual results could differ from those estimates. Any revisions to the accounting estimates is recognised prospectively in current and future periods.

#### (b) Revenue recognition

Grants and donations are recognized in the year in which the same are received. In addition, the following criteria must also be met before revenue is recognised:

Voluntary Contribution:

- (i) Contribution received other than for corpus donation are recognised as income in the year of receipt.
- (ii) Contributions received as corpus donation are credited to 'Fund held in corpus donation' in the Balance sheet. Such contributions are transferred to Statement of Income and Expenditure as per the direction of the management for carrying out the activities of the company.

#### (c) Income taxes

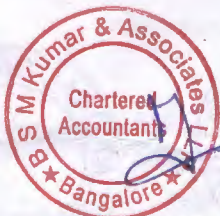
The Company has been granted exemption from Income Tax under section 12A read with section 12AA of the Income Tax Act, 1961. Income tax/Deferred Tax has not been recognized due to the exemptions available under Section 11 and 12 of Income Tax Act 1961.

#### (d) Provisions

The Company recognizes a provision when there is a present obligation as a result of a past (or obligating) event that probably required an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

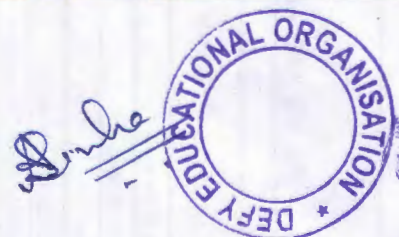


<b>Defy Educational Organisation</b> <b>CIN: U80902KA2016NPL097014</b> No. 302, HRC Ananya Apartments, Judicial Layout, Allalasandra, Yelahanka New Town, Bengaluru - 560 064 <b>Notes to the Financial Statements for the Year ended March 31, 2018</b>			
<b>Note</b>	<b>Particulars</b>	<b>FY 2017-18 Rs.</b>	<b>FY 2016-17 Rs.</b>
<b>4</b>	<b>RESERVES AND SURPLUS</b>		
	<u>General Reserve</u>		
	<u>Surplus / (Deficit) in Statement of Income &amp; Expenditure</u>		
	Opening balance	(70,332)	-
	Add / (less) : Movements during the year:		
	Excess of Income over Expenditure / (Excess of Expenditure over Income) for the year	8,02,432	(70,332)
		<b>7,32,099</b>	<b>(70,332)</b>
<b>5</b>	<b>TRADE PAYABLES</b>		
	Sundry Creditors	-	-
		-	-
<b>6</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Unsecured loan	4,977	66,907
	Statutory Liabilities	4,425	-
	Kushal	-	13,426
	Accrued liabilities	73,325	15,000
		<b>82,727</b>	<b>95,332</b>
<b>7</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Balances with banks		
	In Current Accounts	7,15,055	25,000
	Cash on hand	-	-
		<b>7,15,055</b>	<b>25,000</b>
<b>8</b>	<b>OTHER CURRENT ASSETS</b>		
	Loans and Advances (Asset)	15,794	-
	TDS Receivable	18,700	-
		<b>34,494</b>	<b>-</b>





<b>Defy Educational Organisation</b> <b>CIN: U80902KA2016NPL097014</b> No. 302, HRC Ananya Apartments, Judicial Layout, Allalasandra, Yelahanka New Town, Bengaluru - 560 064 <b>Notes to accounts forming part of Statement of Profit &amp; Loss as at 31st March, 2018</b>			
Note	Particulars	FY 2017-18 Rs.	FY 2016-17 Rs.
9	<b>DIRECT INCOME</b>		
	Donation	13,66,113	85,000
	Finland Travel Donation	80,535	-
	Tailoring Machine Donation	15,000	-
		<b>14,61,648</b>	<b>85,000</b>
10	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	Salaries & Allowances	3,27,000	60,000
	Staff Welfare Expenses	10,555	2,035
		<b>3,37,555</b>	<b>62,035</b>
11	<b>OTHER EXPENSES</b>		
	Bank Charges	133	115
	Domain charges	19,647	-
	Electricity charges	15,095	10,634
	Legal & Professional Fee	71,300	15,000
	Meals and entertainment	4,523	-
	Office Expenses	21,403	28
	Rates & Taxes	2,400	-
	Rent Expenses	85,050	38,000
	Telephone & Internet charges	53,416	20,013
	Training Expenses	16,454	-
	Travelling Expenses	39,927	210
	Travelling Expenses-Foreign	80,585	-
	Repair & Maintenance	20,617	9,297
	Miscellaneous Expenses	15,240	-
	Other Expenses	5,088	-
		<b>4,50,878</b>	<b>93,297</b>
	<b>Payment to Auditor</b>		
	Statutory Audit fee	15,000	15,000
		<b>15,000</b>	<b>15,000</b>





**DEFY EDUCATIONAL ORGANISATION****Notes to the financial statements for the year ended March 31, 2018****12 Name and Address of the person(s) who were Directors during the Financial year**

1. Megha Bhagat C-4, Vaishnavi Shloka Apartments, NR Colony, A Cross, Murugeshpalya, Bangalore 560 017
2. Abhijit Ajit Kumar Sinha C-4, Vaishnavi Shloka Apartments, NR Colony, A Cross, Murugeshpalya, Bangalore 560 017
3. Arvind Badrinarayanan 1st Floor, No 33, HIS GRACE, 3rd Cross Road, Venkat Reddy Layout, Koramangala 6th Block Bangalore 560 095

**12.1 Transactions with related parties**

Particulars	March 31,2018 Rs.	March 31,2017 Rs.
Reimbursement of expenses - Abhijit	-	66,907

**12.2 Outstanding Balances**

Particulars	March 31,2018 Rs.	March 31,2017 Rs.
Reimbursement of expenses - Abhijit	4,977	66,907

As per our report of even date attached  
For **B S M KUMAR & ASSOCIATES LLP**  
Chartered Accountants  
FRN: - 001179S/S200074

*D. Uma Maheswar*  
**D UMA MAHESWAR**  
Partner  
Membership # 231773

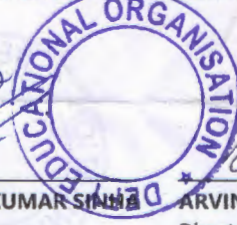


Place : Bangalore  
Date : 21/08/2018

For and on behalf of the board of directors  
For **DEFY EDUCATIONAL ORGANISATION**

*Abhijit*  
**ABHIJIT AJIT KUMAR SINHA**  
Director  
DIN : 07362743

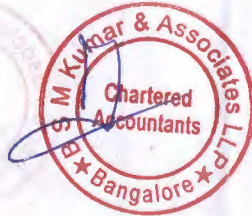
*Arvind*  
**ARVIND BADRINARAYANAN**  
Director  
DIN : 07362759



Place : Bangalore  
Date : 21/08/2018

Place : Bangalore  
Date : 21/08/2018

Defy Educational Organisation CIN: U80902KA2016NPL097014 No. 302, HRC Ananya Apartments, Judicial Layout, Allalasandra, Yelahanka New Town, Bengaluru - 560 064			
Receipts & Payments Account for the year ended 31st March 2018			
Receipts	Amount Rs.	Payments	Amount Rs.
Opening Balance	25,000	Reimbursement Of Expenses	61,930
Sundry Creditors	30,000	Provisions	2,94,500
Donation	15,34,413	Sundry creditors	86,739
Finland Travel Donation	80,535	Advance for Expenses	3,03,735
Tailoring Machine Donation	15,000	Bank Charges	133
		Domain Charges	6,358
		Foreign Travel Expenses	80,585
		Laptop	1,02,556
		Travelling Expenses	29,357
		Workshop fees	4,000
		Closing Balance	7,15,055
	16,84,948		16,84,948

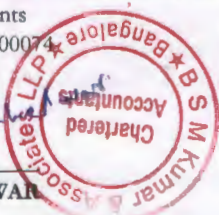






**Fixed Assets as on 31/03/2018**

Particulars	Gross block				Depreciation And Amortization				Net Book value	
	As at 01.4.2017 Rs.	Addition during the period Rs.	Deletion during the year Rs.	As at 31.3.2018 Rs.	As at 01.4.2017 Rs.	For the year Rs.	Deduction during the year Rs.	As at 31.3.2018 Rs.	As at 31.3.17 Rs.	As at 31.3.18 Rs.
<b>Tangible Asset</b>										
Computer Equipment	-	1,02,556	-	1,02,556	-	-	-	-	-	1,02,556
Plant and Machinery	-	25,592	-	25,592	-	-	-	-	-	25,592
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	1,28,148	-	1,28,148	-	-	-	-	-	1,28,148



Defy Educational Organisation Cash Flow Statement for the period ended March 31, 2018			
	Particulars	March 31, 2018 Rs.	March 31, 2017 Rs.
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before taxation and extraordinary items	8,60,215	(70,332)
	Adjustments (Non cash and Non operating items)		
	Depreciation & Amortization expenses	-	-
	Interst On Income Tax	5,088	
	Operating profit before working capital changes	8,65,303	(70,332)
	(Increase)/Decrease in Current Assets		
	Current Assets	(34,494)	-
	Short Term Loans and Advances	-	-
	Increase/(Decrease) in Current Liability & Provisions		
	Trade Payables	-	-
	Current Liability	(12,606)	95,332
	Cash generated from operations	8,18,203	25,000
	Income taxes paid	-	-
	Net cash from operating activities	8,18,203	25,000
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of fixed assets	(1,28,148)	-
	Proceeds from sale of assets	-	-
	Net cash from investing activities	(1,28,148)	-
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Issue of Shares (or) Debentures	-	-
	Dividend received	-	-
	Net cash from financing activities	-	-
	Net Increase/(Decrease) in cash & cash equivalents	6,90,055	25,000
	Cash and cash equivalents at beginning of the period	25,000	-
	Cash and cash equivalents at end of the period	7,15,055	25,000
<p>As per our report of even date attached  <b>For B S M KUMAR &amp; ASSOCIATES LLP</b>  Chartered Accountants  FRN: - 001179S/S200074</p> <p>For and on behalf of the board of directors  <b>For DEFY EDUCATIONAL ORGANISATION</b></p>			
 <b>D UMA MAHESWAR</b> Partner Membership # 231773 Place : Bangalore Date : 21/08/2018		 <b>ABHIJIT AJIT KUMAR</b> SINHA Director DIN : 07362743 Place : Bangalore Date : 21/08/2018	
		 <b>ARVIND</b> BADRINARAYANAN Director DIN : 07362759 Place : Bangalore Date : 21/08/2018	