

INDEPENDENT AUDITOR'S REPORT

To
THE MEMBERS
FOUNDATION FOR SANDBOXSTARTUP INITIATIVES
CIN: U74999KA2016NPLO92977
HUBBALLI

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of M/s FOUNDATION FOR SANDBOXSTARTUP INITIATIVES, Hubballi ("the Company"), which comprise the Balance Sheet as at 31 March 2017 and the Statement of Profit and Loss for the period then ended, along with a summary of significant accounting policies and other explanatory information for the period then ended.

Management's Responsibility for the Standalone 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 of 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.

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.

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 2017 and its **PROFIT** for the period ended on that date;

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. The provisions of the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, is not applicable to the Company.
2. As required by Section 143 (3) of the Act, we 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 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 it appears from our examination of those books



- c) The Balance Sheet and Statement of Profit and Loss dealt with by this report are in agreement with the books of accounts
- d) 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.
- e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) As per the notification dated 13.06.2017 amending the notification No.G.S.R. 464(E) dated 05.06.2015 issued by MCA, the reporting on adequacy and operating effectiveness of the internal control is not applicable to the company; and
- g) 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:
- i. The Company does not have any pending litigation which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided the required disclosure in the financial statement as regards holding and dealings in Specified Bank Notes during the period from 08.11.2016 to 30.12.2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

for **K S Sathyanarayana And Co.,**

Chartered Accountants

ERN: 0089995

K.S. Sathyanarayana

K.S.Sathyanarayana
Partner

MEM No: 207455




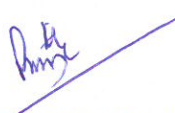
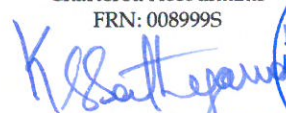
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Date: 06/10/2017

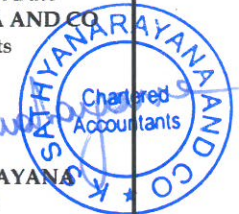
FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

CIN:U74999KA2016NPL092977

Regd. Office: 3rd Floor, Akshay Plaza Building, Akshay Colony, Phase -1, Chetana College Road, Hubballi, Dharwad 580031

Balance Sheet as at March 31, 2017

PARTICULARS	Notes Ref.	As at March 31, 2017 ₹
EQUITY AND LIABILITIES		
1 SHAREHOLDER'S FUNDS		
(a) Share Capital	2.1	1,00,000
(b) Reserves and Surplus	2.2	1,24,55,819
2 NON-CURRENT LIABILITIES		
(a) Long-Term Provisions		-
(b) Deferred Tax Liabilities(Net)		-
(c) Other Non Current Liabilities		-
3 CURRENT-LIABILITIES		
(a) Short-term borrowings		-
(b) Trade Payable		-
(c) Other current liabilities	2.3	27,91,350
(d) Short-term Provisions	2.4	-
TOTAL		1,53,47,169
ASSETS		
4 NON-CURRENT ASSETS		
(a) Fixed assets		
(i) Tangible assets	2.5	45,35,993
(ii) Intangible Assets	2.5	7,81,779
(ii) Capital Work in Progress	2.5	11,41,331
(b) Non-current investments	2.6	9,500
(c) Long-term Loans and Advances		-
(d) Deferred Tax Assets(Net)		-
5 CURRENT ASSETS		
(a) Sundry Debtors	2.7	2,02,148
(b) Cash and Cash equivalents	2.8	85,55,403
(c) Short-term loans and advances	2.9	1,21,015
(d) Other Current Assets		-
TOTAL		1,53,47,169
Significant Accounting Policies	1	
Notes to forming part of Financial Statements	2	
for and on behalf of Board of FOUNDATION FOR SANDBOXSTARTUP INITIATIVES		Refer to our Report of Even Date for K S SATHYANARAYANA AND CO Chartered Accountants FRN: 008999S
 NAVEEN JHA Director DIN:03011933	 N. RAMANATHAN Director DIN:01745689	 K.S.SATHYANARAYANA PARTNER Mem No.: 207455
Place: Hubballi Date: 06/10/2017		Place: Hubballi Date: 06/10/2017



FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

CIN:U74999KA2016NPL092977

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STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON MARCH 31, 2017

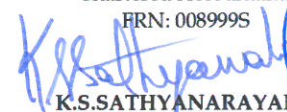
PARTICULARS	Notes Ref.	Period Ended March 31, 2017 ₹
1 INCOME		
a. Revenue From Operations	2.10	76,20,573
b. Other Income	2.11	4,170
c. Transfer From Capital Grant - Depreciation Equalisation	2.2	7,34,698
TOTAL REVENUE		83,59,441
2 EXPENSES		
a. Recurring Expenditure for Grant Activities	2.12	32,48,729
b. Employee Cost & Other Benefits	2.13	20,30,167
c. Managerial Remuneration		-
d. Administrative & Other operational Expenses	2.14	11,55,331
e Incubation Facility Fund	2.15	10,00,000
TOTAL EXPENSES		74,34,227
3 Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA)		9,25,214
4 Finance costs		-
5 Depreciation and amortization expenses	2.5	7,34,698
6 Profit/ (Loss) before exceptional & extraordinary items & tax		1,90,516
7 Tax expenses		
a) Current tax		-
b) Earlier year tax		-
c) Deferred tax (income)/expenses		-
8 Profit after tax Carried to Balance Sheet		1,90,516
Earnings per Equity Share (Face Value of Rs. 10/- per share)		
- Basic/Diluted	2.15	190.52

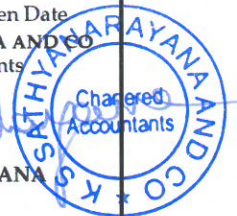
Significant Accounting Policies 1
Notes to forming part of Financial Statements 2

for and on behalf of Board of
FOUNDATION FOR SANDBOXSTARTUP INITIATIVES


NAVEEN JHA
Director
DIN:03011933


N RAMANATHAN
Director
DIN:01745689

Refer to our Report of Even Date
for **K S SATHYANARAYANA AND CO**
Chartered Accountants
FRN: 008999S

K.S.SATHYANARAYANA
PARTNER
Mem No.: 207455



Place: Hubballi
Date: 06/10/2017



Place: Hubballi
Date: 06/10/2017

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

CIN: U74999KA2016NPL092977

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Forming part of Accounts for the period ended 31.03.2017

1. Background:

The Foundation for Sandbox Startups Initiative was incorporated under Section 8 of the Companies Act, 2013 on April 24, 2016. The Company is in the process of obtaining exemption under Section 12A of the Income Tax Act, 1961. The Company was formed with the main objectives of nurturing, promoting, incubating and assist in establishment of startups across various social, for-profit and non-profit sectors either directly or indirectly by establishing a Technology Business Incubator and establishing Testing Laboratories, Plants, co-working spaces in order to achieve its objectives.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with applicable generally accepted accounting practices in India (Indian GAAP) and to comply with Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended and other relevant and application provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under historical cost convention and the mandatory accounting standards prescribed by the Institute of Chartered Accountants of India (ICAI). Revenues are recognised and expenses accounted on the accrual basis.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make certain estimates and assumptions in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of financial statements and reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Difference between actual results and estimates are accounted in the year/period which they materialise.

2.3 Revenue Recognition:

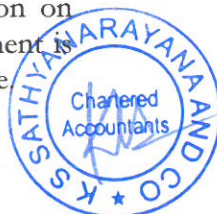
i. Grants, Donations and Program Sponsorships:

General Grants, Donations and Sponsorships are recognized in the year that they are received.

Grants and Donations for specific purposes are recognized in line with the Agreement with the Grantor/Donor and spread over multiple accounting periods in accordance with the requirements of expending such Grants and reported to the Grantor/Donor.

ii. Grants/ Donations in the form of Fixed Assets or Capital Grants/Donations for acquisition of Fixed:

In the event, Fixed Assets or the Cost of the fixed assets are received in the form of Grants/Donations, such Grants are first recognized as Capital Grant and the value of Asset is recognized in full as Capital Assets in the books of the Company. Further the corresponding assets have been depreciated as per the Accounting policy followed by the Company. Accordingly, Company will withdraw amount equivalent to Depreciation on Fixed Assets from the Capital Grant and Credit to the Revenue Account This treatment is accorded to all Grants received in the form of Fixed Assets irrespective of its useful life.



FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

CIN: U74999KA2016NPL092977

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Forming part of Accounts for the period ended 31.03.2017

iii. Other Incoming Funds:

Incoming funds other than Grants and Donations as aforementioned are divided into 2 categories – Capital Funds / Grants and Current /Recurring Funds.

Contributions received specifically towards Corpus or Capital Fund of the Company are directly credited to Capital Fund Account and decisions to utilize the funds credited to Capital Fund are approved by the Board of Directors for allocation to projects that comply with the objectives of the Company.

Separate accounts including separate bank accounts, as may be applicable, based on requirements of the Grants/Donations/Incoming Funds are maintained for use of funds for projects from out of Capital Funds. Balance if any, at the end of the completion of specific projects are transferred back to Capital Fund Account.

Subject to restrictions from the Grantor or Donor or entity providing funds, the Company shall on annual basis transfer such percentage of incoming funds as may be approved by the Board, to a separate Capital Fund that would be maintained for carrying out the activities of the Company.

Current/Recurring Funds are funds which are received for general purposes and applied to all other activities of the Company including specific projects and are recognized as **Voluntary Contributions** Statement of Profit or Loss or Statement of Income or Expenditure as the case may be. Funds received under Current/Recurring Account are to be considered for application to the activities relating to the objects of the Company as required under the provisions of Income Tax Act, 1961 and rules framed there under. Funds may be transferred between Long Term Capital Fund Account to Current/Recurring Fund Account but not vice-versa.

The surplus funds with the Company shall be invested in accordance with the provisions of Section 11(5) of the Income Tax Act, 1961 and rules framed there under in the securities/other modes specified therein.

iv. Basis of Accounting:

All revenues, cost, assets and liabilities are generally recognized on accrual basis. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. In addition, the following criteria shall be applied in recognizing revenues in the books of account:

(a) Voluntary Contribution:

- (i) Contribution received other than for Donation in the nature of Capital Fund as specified in this Section are recognised as income in the year of receipt unless same has to be spent over specified period of time beyond the year of receipt. In such cases, the Fund relating to the period will be recognised as Income of the Company.
- (ii) Contributions received as corpus donation are credited to designated Capital Fund in the Balance sheet. Based on approval by the Board in accordance with Clause 2.3(iii) above, such contributions are transferred to Statement of Income and Expenditure as per the directions of the management for carrying out the activities of the Company.

Income from advisory / consultancy / policy advocacy and capacity building services are recognised on accrual basis based on percentage of completion method / agreement with clients on rendering of services.



FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

CIN: U74999KA2016NPL092977

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Forming part of Accounts for the period ended 31.03.2017

- (c) Interest income on Savings Bank accounts and Fixed Deposits are accounted on accrual basis.
- (d) Dividend is accounted when the right to receive is established.
- (e) Income for services received in the form of shares/debentures or other securities of Incubatees or beneficiaries are recognised as Income on the basis of allotment of shares by such Incubatees / beneficiaries, which shall be valued at lower of at the face value or value derived under Net asset value Method, as certified by a Chartered Accountant, as the case may be.

2.4 Management of Funds

All the funds of the Company held are expendable funds, subject to such restrictions or agreements that may have been entered into by the Company. The Board has complete discretion for the use of these funds in pursuance of the Company's objectives.

2.5 Fixed Assets

Fixed assets are stated at cost of acquisition inclusive of freight, duties, taxes and interest on borrowed money allocated to and utilised for fixed asset directly attributable to bringing the assets to its working condition for its intended use and up to the date of capitalization. Fixed Assets received in the form of Grants are recognised in accordance with Clause 2.3 (ii) hereinabove.

Self-generated assets are capitalized at the actual cost of material, labour & other incidental expenditure incurred to bring such assets into existence. The costs are apportioned to individual assets on the basis of size, dimension, weight etc.

Software Licenses procured by the Company for the purposes of providing services to its incubates and other eligible users are capitalized in the Books of Account and written off over the period of license granted to the Company

2.6 Leasehold Improvements

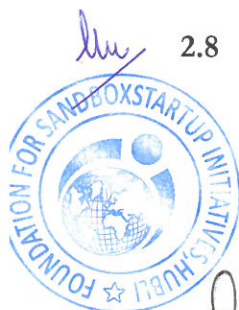
The expenditure incurred on improvements to the leasehold premises including permanent or temporary structures therein are amortized over the period of the primary lease under straight line basis.

2.7 Depreciation:

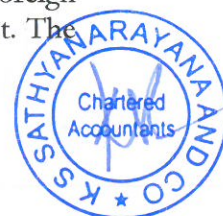
In compliance with the requirement of Schedule II to Companies Act, 2013, the Company has adopted Straight Line Method of depreciation so as to write off 95% of the cost of the assets (Excluding Intangible Assets, which are written off 100% of the Cost) over the life of assets prescribed under Schedule II to the Companies Act, 2013, except for Fixed Assets received in the form of Grants as stated in Clause 2.3 hereinabove.

2.8 Foreign currency transactions

Remittances in foreign currency are accounted at the prevailing exchange rate on the date of the receipt of remittance. Expenditure in foreign currency is accounted at the exchange rate prevalent when such expenditure is incurred. The exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise. Monetary current assets and monetary current liabilities that are denominated in foreign exchange are translated at the exchange rate prevalent at the date of the balance sheet. The resulting difference is also recorded in the profit and loss account.



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FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

CIN: U74999KA2016NPL092977

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Forming part of Accounts for the period ended 31.03.2017

2.9 Investments:

- i. Long term Investments are valued at cost and only permanent reduction in the value of such investments will be recognized in the books. Further, Investments received as consideration for the services rendered by the Company are recognised as Long Term Investments at the values specified in para 2.3(iv)(e) above.
- ii. Short Term Investments are valued at Cost or net realizable value, whichever is lower.

2.10 Income tax

The Company is in the process of obtaining exemption from Income Tax under section 12A read with section 12AA of the Income Tax Act, 1961.

2.11 Cash, Cash equivalents and Cash flow Statement

- i. Cash and Cash equivalents: Cash and cash equivalents comprise cash on hand, cash in bank and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
- ii. Cash flow statement: Cash flows are reported using the indirect method, whereby surplus / (deficit) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.12 Employee Benefits

- a. Defined-contribution plans
The Company's contributions to the Employees' Provident Fund and Employees' Pension Scheme are as per statute, as may be applicable, and are recognized as expenses in the Income and Expenditure account.
- b. Defined – Benefit plans
Liability towards gratuity is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. Actuarial Gains or Losses are recognized immediately in the Income and Expenditure account as income or expense.
- c. Short term employee benefits
Liability towards short term employee benefits like salaries, social security contributions, short term compensated absences (such as paid annual leave), where the absences are expected to occur within twelve months or after the end of the period in which the employees render the related services and bonus /performance incentives etc., are recognized, during the period when the employee renders the services.

d. Leave Encashment

In accordance with the Human Resources Policy adopted by the Company, employees are encouraged to utilize the accrued paid leaves before the end of the financial year. In the event of any unutilized paid leaves, provisions are made in the books of account at actual basis in accordance with policy for leave encashment of the Company.



FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

CIN: U74999KA2016NPL092977

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Forming part of Accounts for the period ended 31.03.2017

The liability towards leave encashment is accrued based on estimated cost of compensated absences determined by actuarial valuation as at the balance sheet date, carried out by an independent actuary.

2.13 Miscellaneous Expenditure:

The preliminary expenses will be written off as expenses in the year, the same is incurred.

for and on behalf of Board of
FOUNDATION FOR SANDBOXSTARTUP
INITIATIVES



NAVEEN JHA

Director

DIN:03011933

Place: Hubballi

Date: 06/10/2017



N RAMANATHAN

Director

DIN:01745689



Refer to our Report of Even Date
for K S SATHYANARAYANA AND CO

Chartered Accountants

FRN: 008999S



K. S. SATHYANARAYANA

PARTNER

Mem No.: 207455

Place: Hubballi

Date: 06/10/2017

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

CIN:U74999KA2016NPL092977

2 NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE PERIOD ENDED MARCH 31, 2017

PARTICULARS	As at 31, 2017 Rupees
2.1 SHARE CAPITAL	
<u>AUTHORISED</u>	
1000 Equity Shares of Rs.100/- Each	<u>1,00,000</u>
<u>ISSUED, SUBSCRIBED, CALLED UP AND PAID UP</u>	
1000 Equity Shares of Rs.100/- Each	<u>1,00,000</u>
a. Terms/Rights attached to Equity Shares	
The Company has only one class of share i.e, Equity Shares having a face value of Rs.100/- per share. Each Equity shareholder is entitled to one vote per share. Since, the Company is a Section 8 Company, the Company is not permitted to distribute Profit or Benefit to members. Hence the Company has not declared any Dividend during the Current Period.	
b. Movement of Shares during the year	Nos.
Equity Shares at the beginning of the Year	-
Add: Issued during the Year	<u>1,000</u>
	1,000
Less: Buy back of shares/Forfieted Shares	-
Balance at the end of the Year	<u><u>1,000</u></u>

c. Details of shareholders holding more than 5% in the paid up share capital of the Company

Name of the Share Holder	No. of Shares	%	of Holding
Shri Naveen Jha	31.03.2017	700	70%
Shri N. Ramanathan	31.03.2017	300	30%

2.2 RESERVES AND SURPLUS

a General Reserve

Opening Balance	-
Addition during the year	-
Closing Balance	<u>-</u>

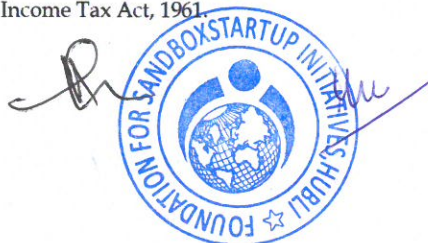
b Profit and Loss Account

Opening Balance	-
Add: Profit for the Year	<u>1,90,516</u>
	1,90,516
Less: Loss for the Year	-
Less: Transfer to Reserve	-
Closing Balance	<u><u>1,90,516</u></u>

c. Earmarked Reserves

Incubation Facility Fund	
Opening Balance	-
Addition during the year	<u>10,00,000</u>
Closing Balance	<u><u>10,00,000</u></u>

The Company is a Section 8 Company and applied for reigstration U/s.12AA of the Income Tax Act, the Board has decided to Earmark 85% of the Revenue from Incubation & other related activities for Setting up Advanced Incubation Facility at Hubballi over a period of next 5 years, by availing the benefit U/s.11(2) of the Income Tax Act, 1961.



FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

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d. Capital Grant - DST GoI

Opening Balance	-
Add: Grants Received during the Period	<u>1,20,00,000</u>
	1,20,00,000
Add: Withdrawn for Depreciation Equalisation	7,34,698
Closing Balance	<u><u>1,12,65,302</u></u>

In terms of Department of Sciece and Technology (DST), Government of India (GoI) vide their letter Letter No: 22/06/2015-NEB(C) dated 30.06.16 has released Capital Grant of Rs.1.20 Crores to be utilised for **ESTABLISHMENT OF TECHNOLOGY BUSINESS INCUBATOR** at Hubballi. As per the accounting policy followed by the Company, the said Grant has been treated as Reseve & Surplus and corresponding assets have been Capitalised.

In continuation of the Company's accounting policy of Capitalising and Depreciating the Fixed Assets aquired out of Capital Grants, Company has further to adopted the polciy to withdraw amount equivalent to Depreciation on Fixed Assets from the Capital Grant and Credit to the Revenue Account.

TOTAL OF RESERVES AND SURPLUS	<u><u>1,24,55,819</u></u>
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2.3 OTHER CURRENT LIABILITIES

a. Creditors for Services & Capital Goods	8,40,570
b. Other Liabilities (Statutory Dues)	2,06,758
c. Other Liabilities (Creditors for expenses)	2,03,825
d. Unutilised Grants	15,40,197
TOTAL	<u><u>27,91,350</u></u>

2.4 SHORT TERM PROVISIONS

a. Provision for Current Taxes	-
TOTAL	<u><u>-</u></u>

2.5 FIXED ASSETS (Related details are enclosed seperately)

64,59,103

2.6 NON CURRENT INVESTMENTS

Invesments in Incubatee Companies	9,500
Invesments in Other Companies	-
TOTAL	<u><u>9,500</u></u>

The above investment represent the cosideration for various support services provided to Incubatee Entitites, in terms of the Incubation Arrangement with respective incubatees

2.7 SUNDRY DEBTORS

a. Debts outstanding for a period exceeding six months	
b. Other debts (Unsecured and considered good)	2,02,148
TOTAL	<u><u>2,02,148</u></u>

1. Above debtors refers to Rent Dues from Incubatees and expected to realise by 12months from the date of Balance Sheet.

2.8 CASH AND CASH EQUIVALENTS

a. Cash in Hand	-
b. Balances with banks:	
State Bank of India C.A/c.No.35823266728	14,253
State Bank of India SB A/c. No.35834648411	81,81,618
Yes Bank SB A/c No 024994600000240	3,59,533
TOTAL	<u><u>85,55,403</u></u>

NOTE:

[Handwritten Signature]




FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

CIN:U74999KA2016NPL092977

Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016

PARTICULARS	SBNS	OTHER DENOMINATION NOTES	TOTAL
	Rs.	Rs.	Rs.
Closing Cash in hand as on 08.11.2016	-	-	-
(+) Permitted Receipts	-	-	-
(-) Permitted Payments	-	-	-
(-) Amounts Deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

2.9 SHORT-TERM LOANS AND ADVANCES

a. Advance to Staffs & Employees	50,000
b. Advance Tax & TDS	71,015
TOTAL	1,21,015

Period Ended
31.03.2017
Rupees

2.10 INCOME FROM OPERATIONS

Company is a Section 8 Company, formed for mainly to set up and undertaking running & maintenance of Incubation Centers, Provide Support Services and undertaking Entrepreneurship development programs. Further, being a Section 8 Company, Company will also receive Grants/Donations/Contributions etc., from various Government & non Government agencies to support all the activities of the Company. The details of Income derived from these operations are as follows:

a. Revenue From Incubation & Entrepreneurship Development activities	15,05,540
b. Grant from Supporting Agencies	61,15,033
	<hr/>
	76,20,573
Less: Service Tax & Other Taxes Paid	-
TOTAL	76,20,573

2.11 OTHER INCOME

a. Interest on SB Accounts- Non Grant	1,873
b. Other Income	2,297
TOTAL	4,170

2.12 RECURRING EXPENDITURE FOR GRANT ACTIVITIES

a. Networking & Training Program	26,97,830
b. Administration Overhead	1,46,455
c. Marketing & Publicity Expenses	83,751
d. Misc. & Contingencies	3,20,693
TOTAL	32,48,729



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2.13 EMPLOYEE COST AND OTHER BENEFITS		
a.	Salaries to Staff - Including remuneration to CEO	19,17,804
b.	Incentives to Staff	1,12,363
	TOTAL	20,30,167

2.14 ADMINISTRATIVE AND OTHER EXPENSES		
a.	Electricity Charges	3,01,286
b.	Security & Housekeeping Charges	1,23,817
c.	Printing & Stationery	42,716
d.	Rent	2,80,000
e.	Travelling Expenses	1,74,965
f.	Other Utility Expenses	1,29,812
g.	Interest on Late payment of TDS	1,333
k.	Postage & Courier	1,123
l.	Rates & Taxes	2,500
m.	Audit Fees	60,000
n.	Bank Charges	4,982
o.	Preliminary Expenses	32,797
	TOTAL	11,55,331

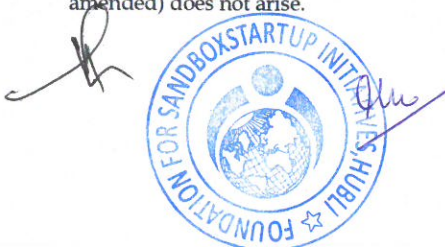
2.15 INCUBATION FACILITY FUND		
a.	Transfer to Incubation Facility Fund (Refer to Note No.2.2(c))	10,00,000
	TOTAL	10,00,000

2.16 EARNINGS PER SHARE		
(a)	Profit After Tax attributable to Equity Shareholders	1,90,516
(b)	Weighted Average Number of Equity Shares in calculating Basic/Diluted	1,000
(i)	Nominal Value per share (Rs)	100
(ii)	Basic/Diluted Earnings per share (Rs)	190.52

OTHER NOTES TO AND FORMING

2.17 <u>CONTINGENT LIABILITIES</u>		<div style="border: 1px solid black; padding: 2px;"> As at 31.03.2017 Rupees'000 </div>
a	Claims against the Company not acknowledged as debt	-
		<div style="border: 1px solid black; padding: 2px;"> Period Ended 31.03.2017 Rupees </div>
2.18 Earnings and Expenditure in Foreign Currency		Nil
2.19 Managerial Remuneration:		
	- C. M Patil - CEO of the Company	11,26,000
	TOTAL	11,26,000

2.20 Employee benefits
 Since, this is the First Year of operation of the company and Number of Employees are below the Statutory Limit during the year hence disclosure of policies relating to employee benefits in accordance with the revised Accounting Standard 15 notified under Companies (Accounting Standards) Rules 2006 (as amended) does not arise.



FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

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2.21 The Statutory Auditors' remuneration includes the following:		
(i) For Audit Fees		25,000
(ii) For Certification & Other Services		10,000
(iii) Income Tax Representation & Other Services		25,000
(iv) Services tax on the above fees		-
	TOTAL	60,000

2.22 Related Party Disclosures

A) List of related parties:

- i Enterprise having significant influence /control over the Company:- NIL
- ii Subsidiaries NIL
- iii Fellow Subsidiaries (with whom the Company had transactions): - NIL
- iv Affiliate of related parties (With whom the Company had transactions): NIL
- v Key Management Personnel : Shri Naveen Jha - Director
Shri N. Ramanathan - Director
Shri Aravind Chinchure - Director
Shri Rajiv Prakash - Director
Shri C. M. Patil - CEO

B) Statement of material transactions during the year

**Period Ended
31.03.2017
Rupees**

- i Enterprise having significant influence /control over the Company Nil
 - ii Subsidiaries Nil
 - iii Fellow Subsidiaries (with whom the Company had transactions): - Nil
 - iv Affiliate of related parties (With whom the Company had transactions):
Remuneration To Whole Time Directors/Chief Executive Officer
- | | | | |
|--------------------|---|-----------|----|
| Shri Naveen Jha | Subscription to Paid Up Capital | 70,000 | Cr |
| Shri N. Ramanathan | Subscription to Paid Up Capital | 30,000 | Cr |
| Shri C. M. Patil | Remuneration | 11,26,000 | |
| | Advances for Expenses | 35,000 | |
| | O/s. at the end of the Yr. - Remuneration | 72,825 | Cr |
| | O/s. at the end of the Yr. - Advance for Expenses | 25,000 | Dr |

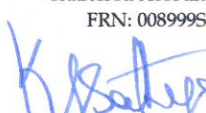
2.23 This being the first balance Sheet of the Company, previous year's figures are not available

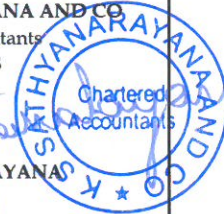
for and on behalf of Board of
FOUNDATION FOR SANDBOXSTARTUP INITIATIVES


NAVEEN JHA
Director
DIN:03011933


N RAMANATHAN
Director
DIN:01745689

Refer to our Report of Even Date
for **K S SATHYANARAYANA AND CO**
Chartered Accountants
FRN: 008999S


K.S.SATHYANARAYANA
PARTNER
Mem No.: 207455



Place: Hubballi
Date: 06/10/2017

Place: Hubballi
Date: 06/10/2017



FOUNDATION FOR SANDBOXSTARTUP INITIATIVES
CIN: U74999KA2016NPL092977

NOTE : 2.5 FIXED ASSETS :

Sr.No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As At 04-2016	Additions during the Period	Deductions/Adjustments during the Period	As At 31-03-2017	As At 01-04-2016	Provided for the Period	Impact on P&L Statement due to Change in Method	As At 31-03-2017
A	Tangible								
1	COMPUTERS, SERVERS & ACCESSORIES	-	18,07,855	-	18,07,855	-	-	1,46,612	16,61,243
2	OFFICE EQUIPMENT	-	9,50,641	-	9,50,641	-	-	38,531	9,12,110
3	PLANT AND MACHINERY	-	24,44,599	-	24,44,599	-	-	4,81,959	19,62,640
	Total (A)	-	52,03,095	-	52,03,095	-	-	6,67,102	45,35,993
B	Intangible								
1	SOFTWARE & INTANGIBLE ASSETS	-	8,49,375	-	8,49,375	-	-	67,596	7,81,779
	Total (B)	-	8,49,375	-	8,49,375	-	-	67,596	7,81,779
C	Capital Work in Progress (Advance for Equipment Out of DST Grant)	-	11,41,331	-	11,41,331	-	-	-	11,41,331
D	Intangible Assets under Development	-	-	-	-	-	-	-	-
	Grand Total	-	71,93,800	-	71,93,800	-	-	7,34,698	64,59,103



FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

CIN:U74999KA2016NPL092977

Grouping Schedule for Financial Statements as at 31.03.2017

PARTICULARS	AS AT 31.03.2017 Rs.	AS AT 31.03.2017 Rs.
<u>Current Liabilities</u>		
<u>Creditors for Services & Capital Goods</u>		
Account Pro Solutions		3,600.00
Avi's Cafe (Food)		2,000.00
Deshpande Foundation		5,88,643.00
K S Sathyanarayana And Co.		54,000.00
Safe Hands 24 x 7		24,638.00
S C Sharada & Associates		1,66,876.00
Vodafone Mobile Services Ltd		813.00
TOTAL		8,40,570.00
<u>Statutory Dues</u>		
Employee PT Payable		9,863.00
TDS on Contract		5,395.00
TDS on Professional Fees		37,500.00
TDS on Rent		28,000.00
TDS on Salaries		1,26,000.00
TOTAL		2,06,758.00
<u>Creditors for Expenses</u>		
Salary Payable		1,98,825.00
Professional Fees Payable		5,000.00
TOTAL		2,03,825.00
<u>Advance to suppliers</u>		
(Considered Good and Outsatanding for less than 6 months)		
Ace Designers Limited		3,48,644.00
Ace Manufacturing Systems Limited		3,82,767.00
Consul Noewatt Power Solutions Pvt Ltd		20,011.00
Element 14		3,24,697.00
Jkay Enterprises		3,69,730.00
Marcellus Infotech Private Limited		2,54,250.00
Touchous Communication Pvt Ltd		144.00
Vishal Electronics		7,515.00
Daksha Online Services Pvt Ltd		(5,30,427.50)
Account Pro Solutions		(36,000.00)
TOTAL		11,41,330.50



Revenue From Incubation & Entrepreneurship		
<u>Development activities</u>		
Event Sponsorships		3,95,000.00
Program Registration Fees		1,94,693.13
Rent Receipts from Incubation Centre		9,06,347.00
Engagement Fees		9,500.00
TOTAL		15,05,540.13
<u>RECURRING EXPENDITURE FOR GRANT ACTIVITIES</u>		
<u>Networking & Training Program</u>		
Startup Dialogue Event Expenses	17,07,540.00	
Events & Ceremonies	14,969.00	
License Renewal Charges	3,600.00	
Professional Fees	7,54,304.00	
Stipend to Event Support Staff	57,417.00	
Event Tech Developer	1,60,000.00	26,97,830.00
<u>Administration Overhead</u>		
Cell Phone Charges	3,455.00	
Printing & Stationary - Office	1,25,000.00	
License Renewal Charges	18,000.00	1,46,455.00
<u>Marketing & Publicity Expenses</u>		
Flex Posters	64,991.00	
Event Momentos	18,760.00	83,751.00
<u>Misc. & Contingencies</u>		
Devices & Accesseries	2,01,682.98	
Electrical Accessories	72,200.00	
Food & Beverages Exp	46,810.00	3,20,692.98
GRAND TOTAL		32,48,728.98
<u>Travelling & Conveyance</u>		
Accommodation Charges		46,849.00
Auto Bus Local Convenience		62,868.25
Event Travel & Transport		54,448.00
Other Travelling Expenses		10,800.00
TOTAL		1,74,965.25
<u>Utility & Maintenance</u>		
Cleaning and Maintenance		4,418.00
Computer & Maintenance		2,466.00
General Repair and Maintainance		35,964.00
Internet Charges		3,434.00
Kitchen & Canteen Supplies		44,323.00
Labour Charges		4,200.00
Supplies - Others		35,007.00
TOTAL		1,29,812.00

