

**RRK Finhold Private Limited**

## Independent Auditor's Report

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### TO THE MEMBERS OF RRK FINHOLD PRIVATE LIMITED

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of RRK Finhold Private Limited, ("the company"), which comprises the Balance Sheet as at 31 March, 2016, the Statement of Profit and Loss, 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 Standalone Financial Statements

Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 the appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 standalone 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.

We conducted our audit in accordance with the Standards on Auditing 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 disclosures in the financial statements. The procedures selected depend on the auditors' 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 and presentation 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 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 aforesaid standalone 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, 2016, and its profit/loss and its cash flows for the year ended on that date.

#### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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.

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- 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone 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 of the Company as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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, refer to our separate Report in "Annexure A".
  - 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 Auditor's) 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 litigations which would impact its financial position.
    - ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Mohan L. Jain & Co**  
Chartered Accountants  
Firm Registration No: 005345N

**Mohan Lal Jain**  
Partner  
Membership No. 084190

Place: New Delhi

Date: 11th April, 2016

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**“ANNEXURE –A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENT OF RRK Finhold Private Limited****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **RRK Finhold Private Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that

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the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Mohan L. Jain & Co**

Chartered Accountants

Firm Registration No: 005345N

**Mohan Lal Jain**

Partner

Membership No. 084190

Place: New Delhi

Date: 11th April, 2016

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**Annexure to the Independent Auditor's Report****To the Members of RRK Finhold Private Limited**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016.

On the basis of such checks as we considered appropriate and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) *Fixed assets:*
  - (a) The Company does not have any fixed assets. Accordingly, the provisions of paragraph 3(i) are not applicable to the Company.
- (ii) *Inventories:*
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (iii) *Granting of loans to certain parties:*
  - (a) According to the information and explanation given to us, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered by Section 2(76) of the Companies Act, 2013; and therefore paragraph 3(iii) of the Order is not applicable.
- (iv) *Loans and investments:*
  - (a) The Company has complied with the provisions of Section 185 and 186 of the Companies Act 2013.
- (v) *Acceptance of Deposits:*
  - (a) In our opinion and according to the information and explanation given to us, the Company has not received any public deposits during the year.
- (vi) *Maintenance of cost records:*
  - (a) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.
- (vii) *Deposit of statutory dues:*
  - (a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, employees state insurance (ESI), Investor Education and Protection Fund, Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Sales Tax, value added tax (VAT), Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities.
  - (b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, sales tax, VAT, Cess and other material statutory dues in arrears / were outstanding as at 31 March, 2016 for a period of more than six months from the date they became payable.
- (viii) *Default in repayment of dues:*
  - (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (ix) *Application of term loans/public issue/follow on offer:*
  - (a) In our opinion and according to the information and explanations given to us, monies raised by way of debt instruments and the term loans have been applied by the Company for the purposes for which they were raised.

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- (x) *Fraud reporting:*
- (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (xi) *Managerial remuneration:*
- (a) The Company is a private limited company. Accordingly, the provisions of clause 3(xi) of the Order are not applicable
- (xii) *Nidhi Company:*
- (a) The Company is not Nidhi Company as per Companies Act 2013. Accordingly, the provision of paragraph 3(xii) of the Order is not applicable.
- (xiii) *Related party transactions:*
- (a) All transactions with the related parties are in compliance with section 177 and 188 of the Companies act 2013 where applicable and details have been disclosed in financial statements etc., as required by the applicable accounting standards.
- (xiv) *Preferential allotment/private placement:*
- (a) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) *Non-cash transactions:*
- (a) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provision of paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

**For Mohan L. Jain & Co**  
Chartered Accountants  
Firm Registration No: 005345N

**Mohan Lal Jain**  
Partner  
Membership No. 084190

Place: New Delhi

Date: 11th April, 2016

## Balance Sheet as at 31st March, 2016

	Note	As at 31 March 2016	Amount in Rs As at 31 March 2015
<b>EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share capital	3	1,00,000	1,00,000
(b) Reserves and surplus	4	(6,10,49,752)	(6,59,84,855)
<b>2. Non-current liabilities</b>			
(a) Long-term borrowings	5	6,18,75,000	6,58,75,000
<b>3. Current liabilities</b>			
(a) Other current liabilities	6	48,374	1,48,582
<b>Total</b>		<b>9,73,622</b>	<b>1,38,727</b>
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Non-current investments	7	-	-
<b>2. Current assets</b>			
(a) Cash and cash equivalents	8	9,70,116	1,38,665
(b) Other current assets	9	3,506	62
<b>Total</b>		<b>9,73,622</b>	<b>1,38,727</b>
See accompanying notes forming part of the financial statements	1-22		

In terms of our report attached.

**For Mohan L. Jain & Co.**  
Chartered Accountants  
Firm Registration No. 005345N

**Mohan Lal Jain**  
Partner  
Membership No. 084190

Place: New Delhi  
Date : 11th April, 2016

**For and on behalf of the Board**

**Sanjiv Kulshreshtha**  
Director  
DIN06788866

**Karanvir Singh Gill**  
Director  
DIN07283590

## Statement of Profit and Loss for the year ended 31st March, 2016

	Notes	Year ended 31 March 2016	Amount in Rs. Year ended 31 March 2015
<b>I. Revenue</b>			
Revenue from operations	10	25,200	-
Other income	11	50,35,055	-
<b>Total</b>		<b>50,60,255</b>	<b>-</b>
<b>II. Expenses</b>			
Cost of traded goods	12	23,393	-
Finance costs	13	1,628	-
Other expenses	14	1,00,131	1,18,245
<b>Total</b>		<b>1,25,152</b>	<b>1,18,245</b>
<b>Profit before exceptional items and tax</b>		<b>49,35,103</b>	<b>(1,18,245)</b>
Exceptional items		-	4,00,70,000
<b>Profit/(loss) before tax</b>		<b>49,35,103</b>	<b>(4,01,88,245)</b>
<b>Tax expense</b>			
Current tax		-	-
MAT Credit entitainment		-	-
<b>Total Tax expense</b>		<b>-</b>	<b>-</b>
<b>Profit/(loss) for the year</b>		<b>49,35,103</b>	<b>(4,01,88,245)</b>
<b>Earnings per equity share</b>	15		
(a) Basic		493.51	(4,018.82)
(b) Diluted		67.82	(529.66)
See accompanying notes forming part of the financial statements	1-22		

In terms of our report attached.

**For Mohan L. Jain & Co.**  
Chartered Accountants  
Firm Registration No. 005345N

**Mohan Lal Jain**  
Partner  
Membership No. 084190

Place: New Delhi  
Date : 11th April, 2016

**For and on behalf of the Board**

**Sanjiv Kulshreshtha**  
Director  
DIN06788866

**Karanvir Singh Gill**  
Director  
DIN07283590

## Cash Flow Statement for the year ended 31st March, 2016

	<b>Year Ended 31 March 2016</b>	<b>Amount in Rs. Year Ended 31 March 2015</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before tax	49,35,103	(4,01,88,245)
Adjustments for :		
Investment Written Off	(4,00,70,000)	4,00,70,000
Profit/Loss on sale of Investment	3,50,70,000	-
Operating profit before working capital changes	<u>(64,897)</u>	<u>(1,18,245)</u>
Adjustments for :		
Decrease/(Increase) in assets	(3,444)	6,742
Increase/(Decrease) in liabilities	(1,00,208)	1,11,503
Cash generated from/(used in) operations	<u>(1,68,549)</u>	<u>-</u>
Net cash from/(used in) operating activities	<u><b>(1,68,549)</b></u>	<u>-</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale/Disposal of investment in subsidiary	50,00,000	-
Net cash from/(used in) investing activities	<u><b>50,00,000</b></u>	<u>-</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds / (Payment) of loans/ debentures	(40,00,000)	-
Net cash from/(used in) financing activities	<u><b>(40,00,000)</b></u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	8,31,451	-
Cash and cash equivalents as at the beginning of the year	1,38,665	1,38,665
Cash and cash equivalents as at the end of the year	<u><b>9,70,116</b></u>	<u><b>1,38,665</b></u>

- The above cash flow statement has been prepared under the indirect method set out in AS-3.
- Figures in brackets indicate cash outflow.

In terms of our report attached.

**For Mohan L. Jain & Co.**  
Chartered Accountants  
Firm Registration No. 005345N

**Mohan Lal Jain**  
Partner  
Membership No. 084190

Place: New Delhi  
Date : 11th April, 2016

**For and on behalf of the Board**

**Sanjiv Kulshreshtha**  
Director  
DIN06788866

**Karanvir Singh Gill**  
Director  
DIN07283590

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

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### 1 Corporate information

RRK Finhold Private Limited was incorporated on August 30, 2007 to carry on the business of Investment in all its aspects and branches, stock brokers, custodians, trading business and commercial services.

### 2 Significant accounting policies

#### 2.1 Basis of accounting and preparation of financial statements

The financial statements have been prepared under historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India and to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013(the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The accounting policies have been consistently applied by RRK Finhold Private Limited the ('Company').

#### 2.2 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that effect the reported amount of assets and liabilities, disclosure of contingent liabilities and the reported amount of income and expenses during the year. Difference between the actual results and estimates are recognized in the period in which the results are known / materialise.

#### 2.3 Revenue recognition

All revenues are accounted for on accrual basis.

#### 2.4 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

#### 2.5 Investments

Current investments are carried at lower of cost and quoted / fair value. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

#### 2.6 Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences on foreign exchange transaction settled during the year are recognised in the Statement of profit and loss.

Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate prevailing on that date and resulting exchange differences are recognized in the Statement of profit and loss.

#### 2.7 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

#### 2.8 Earnings per share

The Company reports basic and diluted earnings per equity share in accordance with AS-20, the Accounting Standard on Earnings Per Share Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

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## **2.9 Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset, if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

## **2.10 Provisions and contingencies**

A provision is recognised when the company has a present obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. A contingent liability is recognised where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

## Notes to Financial Statements for the year ended 31st March, 2016

	<b>As at 31.03.2016</b>	<b>Amount in Rs. As at 31.03.2015</b>		
<b>3. Share capital</b>				
<b>a. Authorized shares capital</b>				
i. 10,000 (previous year 10,000) Equity Shares of Rs. 10/- each	1,00,000	1,00,000		
ii. 1,990,000 (previous year 1,990,000) Preference Shares of Rs. 10/- each	1,99,00,000	1,99,00,000		
<b>b. Issued, subscribed and paid-up capital</b>				
i. 10,000 (previous year 10,000) equity shares of Rs. 10/- each	1,00,000	1,00,000		
<b>Total issued, subscribed and fully paid-up shares capital</b>	<b>1,00,000</b>	<b>1,00,000</b>		
<b>3.1 Disclosures</b>				
<b>a. Reconciliation of the shares outstanding</b>				
<b>i. Equity shares</b>	<b>31 March 2016 Numbers</b>	<b>31 March 2015 Numbers</b>		
i. At the beginning of the period	10,000	10,000		
ii. Issued during the period	-	-		
iii. Forfeited During the period	-	-		
<b>Outstanding at the end of the period</b>	<b>10,000</b>	<b>10,000</b>		
<b>b. Details of shares held within the Group</b>				
<b>Name of Shareholder</b>	<b>31 March 2016</b>	<b>31 March 2015</b>		
Shares held by the holding company	10,000	10,000		
<b>Total</b>	<b>10,000</b>	<b>10,000</b>		
<b>c. Details of shareholders holding more than 5% shares in the company</b>				
<b>Name of Shareholder</b>	<b>As at 31 March 2016</b>		<b>As at 31 March 2015</b>	
	<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
Capital 18 Fincap Private Limited	10,000	100	10,000	100
Total	10,000	100	10,000	100
<b>d. Description of the rights attached to equity shares</b>				
Each holder of equity share is entitled to one vote per share held. The shares rank <i>pari passu</i> in all respects. In the event of liquidation, the holders are eligible to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.				

## Notes to Financial Statements for the year ended 31st March, 2016

	As at 31 March 2016	Amount in Rs. As at 31 March 2015
<b>NOTE - 4</b>		
<b>RESERVE AND SURPLUS</b>		
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance as per the last financial statements	(6,59,84,855)	(2,57,96,610)
Profit/ (loss) for the year	49,35,103	(4,01,88,245)
<b>Total</b>	<b>(6,10,49,752)</b>	<b>(6,59,84,855)</b>
<b>NOTE - 5</b>		
<b>LONG TERM BORROWINGS</b>		
<b>a. Long-term borrowings -Unsecured</b>		
i. 61,875 (Previous Year 65,875) Zero Coupan Optionally Fully Convertible Debenture of Rs.1,000/- each *	6,18,75,000	6,58,75,000
	<b>6,18,75,000</b>	<b>6,58,75,000</b>
*Terms of redemption		
Zero Coupon Optionally Fully Convertible Debenture (ZOFCD) has tenure of 10 years from allotment date, are unsecured and do not carry interest right. The debentures are convertible into paid up equity share of Rs. 10/- of the Company in 1:1 ratio, at option of the issuer. The conversion option is exercisable any time after two years of allotment date. The debentures are held by Capital18 Fincap Private Limited.		
<b>NOTE - 6</b>		
<b>OTHER CURRENT LIABILITIES</b>		
<b>Other current liabilities</b>		
i. Expenses payable	44,939	1,44,579
ii. Statutory dues payable		
- TDS payable	3,435	4,003
<b>Total</b>	<b>48,374</b>	<b>1,48,582</b>
<b>NOTE - 7</b>		
<b>NON CURRENT INVESTEMENTS</b>		
<b>Non current investments- unquoted</b>		
Investment in associate		
Nil (Previous Year 8,014) Equity shares of Rs.10/- each fully paid up in Wespro Digital Private Limited*	-	4,00,70,000
Less :- Provision for diminution in value of Investment	-	4,00,70,000
<b>Total</b>	<b>-</b>	<b>-</b>

\* Sold off during the year (Refer note 19)

## Notes to Financial Statements for the year ended 31st March, 2016

	As at 31 March 2016	Amount in Rs. As at 31 March 2015
<b>NOTE - 8</b>		
<b>Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash in hand	2,326	2,366
<b>Bank balance</b>		
- in current accounts	9,67,790	1,36,299
<b>Total</b>	<b>9,70,116</b>	<b>1,38,665</b>
<b>NOTE - 9</b>		
<b>OTHER CURRENT ASSETS</b>		
<b>Other current assets</b>		
Due from Subsidiaries	-	62
TDS Deposited	3,506	-
<b>Total</b>	<b>3,506</b>	<b>62</b>
<b>NOTE - 10</b>		
<b>REVENUE FROM OPERATIONS</b>		
Income from traded goods	25,200	-
<b>Total</b>	<b>25,200</b>	<b>-</b>
<b>NOTE - 11</b>		
<b>OTHER INCOME</b>		
Interest income	35,055	-
Provison for Impairment W/Back *	4,00,70,000	-
Loss on sale of Investment *	(3,50,70,000)	-
<b>Total</b>	<b>50,35,055</b>	<b>-</b>

\* Refer note no. 19

## Notes to Financial Statements for the year ended 31st March, 2016

	Year ended 31 March 2016	Amount in Rs. Year ended 31 March 2015
<b>NOTE - 12</b>		
<b>PURCHASE OF TRADED GOODS</b>		
Cost of goods sold	23,393	-
<b>Total</b>	<b>23,393</b>	<b>-</b>
<b>NOTE - 13</b>		
<b>FINANCIAL COST</b>		
Other financial charges	1,628	-
<b>Total</b>	<b>1,628</b>	<b>-</b>
<b>NOTE - 14</b>		
<b>OTHER EXPENSES</b>		
a. Legal and professional expenses	40,093	78,216
b. Payment to auditor (Refer details below)	60,038	40,029
<b>Total</b>	<b>1,00,131</b>	<b>1,18,245</b>
<b>Payment to auditor</b>		
<b>As auditor:</b>		
Statutory audit fee	60,038	40,029
<b>15. Earnings per share (EPS)</b>		
Basic earnings per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding at the year end. Diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. The details are:		
<b>Total operations for the year</b>		
Profit/(loss) after tax attributable to equity shareholders	49,35,103	(4,01,88,245)
<b>Net profit/(loss) for calculation of basic EPS</b>	<b>49,35,103</b>	<b>(4,01,88,245)</b>
Net profit as above	49,35,103	(4,01,88,245)
Add : interest on Zero Coupan Optionally Fully Convertible Debenture into equity shares (net of tax)	-	-
<b>Net profit/(loss) for diluted EPS</b>	<b>49,35,103</b>	<b>(4,01,88,245)</b>
Weighted average number of equity shares in calculating basic EPS	10,000	10,000
<b>Effect of dilution:</b>		
Convertible Zero Coupan Optionally Fully Convertible Debenture	62,771	65,875
<b>Weighted average number of equity shares in calculating diluted EPS</b>	<b>72,771</b>	<b>75,875</b>
Nominal value of equity share	10	10
<b>Earning per share</b>		
Basic	493.51	(4,018.82)
Diluted	67.82	(529.66)

## Notes to Financial Statements for the year ended 31st March, 2016

### Note 16 Related Party Disclosures

#### 16.a List of related parties with whom transactions have taken place and relationships:

Description of relationship	Names of related parties
Enterprises exercising control	Independent Media Trust (w.e.f. 07.07.2014) Adventure Marketing Private Limited (w.e.f. 07.07.2014)# Watermark Infratech Private Limited (w.e.f. 07.07.2014)# Colorful Media Private Limited (w.e.f. 07.07.2014)# RB Media Holdings Private Limited (w.e.f. 07.07.2014)# RB Mediasoft Private Limited (w.e.f. 07.07.2014)# RRB Mediasoft Private Limited (w.e.f. 07.07.2014)# RB Holdings Private Limited (w.e.f. 07.07.2014)# Network18 Media & Investments Limited Capital 18 Fincap Private Limited
Beneficiary/Protector of Independent Media Trust	Reliance Industries Limited (RIL) (w.e.f. 07.07.2014) Reliance Industrial Investments and Holdings Limited (w.e.f. 07.07.2014)
Fellow Subsidiaries	AETN18 Media Private Limited Big Tree Entertainment Private Limited Big Tree Entertainment Singapore Pte. Ltd. BK Holdings Limited (Amalgamated with Network18 Holdings Ltd w.e.f. 03 June 2014) Capital18 Limited, Mauritius (Amalgamated with Network18 Holdings Ltd w.e.f. 03 June 2014) Colosseum Media Private Limited Digital 18 Media Limited e - Eighteen.com Limited E-18 Limited, Cyprus Equator Trading Enterprise Limited Fantain Sports Private Limited ( Wef February 2016) Greycells 18 Media Limited ibn18 (Mauritius) Limited Infomedia Press Limited Moneycontrol Dot Com India Limited Network18 Holdings Limited NW 18 HSN Holdings Plc (formerly TV18 HSN Holdings Limited) Cyprus Panorama Entertainment Private Limited Prism TV Private Limited ( up to 31st July 2015 by virtue of board control) Reed Infomedia India Private Limited Reliance Retail Limited (w.e.f. 07 July 2014)* RRB Investments Private Limited RVT Finhold Private Limited RVT Media Private Limited Setpro18 Distribution Limited Space Bound Web Labs Private Limited Stargaze Entertainment Private Limited ( up to 23rd April 2015) Television Eighteen Mauritius Limited Television Eighteen Media and Investments Limited TV18 Broadcast Limited TV18 Home Shopping Network Limited Web 18 Holdings Limited, Cyprus Web 18 Software Services Limited

## Notes to Financial Statements for the year ended 31st March, 2016

### Note 16 Related Party Disclosures

#### 16.a List of related parties with whom transactions have taken place and relationships:

Description of relationship	Names of related parties
Joint ventures	IBN Lokmat News Private Limited Indiacast Media Distribution Pvt. Limited Indiacast UK Limited Indiacast US Limited Indiacast UTV Media Distribution Private Limited Prism TV Private Limited ( wef 1 st August 2015) Roptonal Limited, Cyprus The Indian Film Company Limited [merged with Roptonal Limited w.e.f. 19th January, 2015] Ubona Technologies Private Limited Viacom 18 Media Private Limited Viacom18 Media UK Limited Viacom18 US Inc.
Associates	24X7 Learnings Private Limited Aeon Learnings Private Limited Eenadu Television Private Limited Wespro Digital Private Limited (up to 8th April 2015)

# Control by Independent Media Trust of which RIL is the sole beneficiary.

\* Subsidiary of RIL, the sole beneficiary of Independent Media Trust.

#### 16.b Details of balances and transactions during the year with related parties

Transactions	Amount In Rs.			
	Enterprises exercising	Fellow Subsidiaries	Joint ventures	Associates Company
<b>Transactions during the year</b>				
<b>Provision of Diminution in Investments</b>				
Wespro Digital Private Limited				-
				(4,00,70,000)
<b>Sale of Equity Shares</b>				
Wespro Digital Private Limited				4,00,70,000
				(-)
<b>Redemption of Optional Convertible Debenture</b>				
Capital 18 Fincap Private Limited	40,00,000			
	(-)			
<b>Amount repaid during the year</b>				
Capital 18 Fincap Private Limited	2,507			
	(3,371)			
Network18 Media & Investments Limited	64,525			
	(-)			
<b>Reimbursement of expenses paid</b>				
Network18 Media & Investments Limited	5,230			
	(59,295)			
Capital 18 Fincap Private Limited	2,569			
	(-)			
<b>Balances at the year end</b>				
<b>Balance Receivable</b>				
Capital 18 Fincap Private Limited	-			
	(62)			
<b>Amount payable</b>				
Network18 Media & Investments Limited	-			
	(59,295)			
<b>Optionally Convertible Debenture</b>				
Capital 18 Fincap Private Limited	6,18,75,000			
	(6,58,75,000)			

## Notes to Financial Statements for the year ended 31st March, 2016

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### Note-17

#### i Segment Reporting

- (i) The Company has only one business segment "Investments" as its primary segment and hence disclosure of segment-wise information is not required under Accounting Standard 17.
- (ii) The Company has only one Geographical Segment. The Company invests mainly in the Indian markets.

ii There are no contingent liabilities as on 31.03.2016.

#### iii Previous year's figures

The previous year's figures are regrouped, rearranged, or recast wherever necessary to conform to this year's classification.

### Note-18

The Board of Directors of the company, in its meeting held on 7th January, 2014 considered and approved a scheme of Arrangement ("the scheme") which inter alia envisaged merger of RVT Finhold Private Limited, RRB Investment Private Limited, Setpro18 Distribution Limited, Reeds Infomedia Private Limited and the company with Capital18 Fincap Private Limited. The scheme was approved by the Hon'ble High Court of Delhi and Hon'ble High Court of Bombay on May 23, 2014 and January 30, 2015 respectively. The Scheme was to become effective on filing of certified copies of the Hon'ble High Court's orders with the respective jurisdictional Registrar of Companies. During the year, the plan for the proposed merger was shelved by complying with the required legal process.

### Note-19

The company made an investment of Rs 40,070,000/- in equity shares of Wespro Digital Private Limited against which a provision for impairment was made in FY 2014-15. During the year, impairment provision made in the previous year has been written back and the investments are sold off.

### Note-20

#### Going Concern

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued support of the shareholder. The directors are of the opinion that this support will be forthcoming over the next twelve months.

### Note-21

#### Provision for taxation

Provision for income tax/MAT has not been made in absence of profit liable to tax.

### Note-22

#### Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is Rs. Nil (Previous year Rs. Nil) and no interest has been paid or is payable under the terms of the MSMED Act, 2006.

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#### For and on behalf of the Board

**Sanjiv Kulshreshtha**  
Director  
DIN06788866

**Karanvir Singh Gill**  
Director  
DIN07283590