

Reed Infomedia India Private Limited

Independent Auditor's Report

To,

The Members of Reed Infomedia India Private Limited

1. We have audited the financial statements of Reed Infomedia India Private Limited ("The Company"), which comprise the Balance Sheet as at March 31st, 2016 and the statement of Profit and Loss and Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") for the preparation of these financial statements that give true and fair view of the financial position and financial performance and cash flow of the company in accordance with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing 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 disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. 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.

4. *We draw your attention to Note 13 regarding the Management's decision to discontinue the business of the Company; following which it does not have definite business plans. Accordingly, these financial statements have not been prepared on a going concern basis.*

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (a) In case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2016;
 - (b) In case of the Profit and Loss account of the profit/loss for the year ended on that date; and
 - (c) In case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of subsection (11) of section 143 of 'The Companies Act, 2013' and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we are of the opinion that the said order is not applicable to this company.

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2. As required by the 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 appears from our examination of those books (and proper returns adequate for the purposes of our audit have been received from the branches not visited by us)
 - (c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the 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 written representations received from the Directors as on 31 March, 2016, and taken on record by the Board of Directors of the Company and the information and explanations given to us, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.

For SKPAG & Co. (FRN: 128940W)

Chartered Accountants

CA Nitin Sharma

Partner (Membership No. 159716)

Place: Mumbai

Date: 07/04/2016

Balance Sheet as at 31 March, 2016

Particulars	Note No.	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
A. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	100,000,000	100,000,000
(b) Reserves and surplus	4	(99,890,061)	(99,855,711)
2 Current liabilities			
(a) Trade payables	5	101,767	67,417
TOTAL		211,706	211,706
B. ASSETS			
1 Non Current assets			
(a) Other Non Current Asset	6	210,977	210,977
2 Current assets			
(b) Cash and cash equivalents	7	729	729
TOTAL		211,706	211,706

See accompanying notes forming part of the financial statements

Note 1 to 17 form an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date.

For SKPAG & Co.
FRN: 128940W
Chartered Accountants

CA Nitin Sharma
Partner
Membership No. 159716

Place: Mumbai

Date : 11 April, 2016

For and on behalf of the Board

Sanjiv Kulshreshtha
Director
DIN - 06788866

Yug Samrat
Director
DIN - 03117366

Place: Noida

Date: 11 April, 2016

Statement of Profit & Loss for the year ended 31 March, 2016

Particulars	Note No.	For the year ended 31 March, 2016 Rupees	For the year ended 31 March, 2015 Rupees
1 Other income		-	-
2 Total Revenue		-	-
3 Expenses:			
(a) Finance costs		-	-
(b) Audit Fees	8	34,350	33,708
(c) Bad debts		-	-
Total expenses		34,350	33,708
4 Profit / (Loss) before tax (2 - 3)		(34,350)	(33,708)
5 Loss for the period (5 - 6)		(34,350)	(33,708)
6 Earnings per equity share:			
Basic Earnings per share on face value of Rs.10/- each		(0.00)	(0.00)

See accompanying notes forming part of the financial statements

Note 1 to 17 form an integral part of the financial statements

This is the Statement of Profit and loss referred to in our report of even date.

For SKPAG & Co.
FRN: 128940W
Chartered Accountants

CA Nitin Sharma
Partner
Membership No. 159716

Place: Mumbai

Date : 11 April, 2016

For and on behalf of the Board

Sanjiv Kulshreshtha **Yug Samrat**
Director Director
DIN - 06788866 DIN - 03117366

Place: Noida

Date: 11 April, 2016

Cash Flow Statement for the year ended March 31, 2016

	For the year ended 31 March, 2016 Rupees	For the year ended 31 March, 2015 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:		
(Loss) Before Taxation	(34,350)	(33,708)
Adjustments for:		
Bad Debts	-	-
Creditors Written Back	-	-
Operating (Loss) Before Working Capital Changes	(34,350)	(33,708)
Adjustments For:		
(Increase) In Sundry Debtors and Other Receivables	-	176,502
Increase In Trade and Other Payables - Refer Note 5	34,350	33,708
Cash Generated From/ (Used In) Operations	-	(176,502)
Taxes Paid	-	-
Net Cash Generated From/ (Used In) Operating Activities	-	(176,502)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Net Cash From Investing Activities	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Net Cash From Financing Activities	-	-
Net (Decrease) in cash and cash equivalents (A+B+C)	-	(176,502)
Cash and Cash Equivalents as at the beginning of the year	729	177,231
Cash and Cash Equivalents as at the end of the year	729	729
Balances with Scheduled Banks in:		
- Current Accounts	729	729
	729	729

Notes:

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 (AS-3) on "Cash flow statements" as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
 - Cash and cash equivalents represent cash and bank balances only.
- Note 1 to 17 form an integral part of the financial statements.

This is the Cash Flow Statement referred to in our report of even date.

For SKPAG & Co.
FRN: 128940W
Chartered Accountants

CA Nitin Sharma
Partner
Membership No. 159716

Place: Mumbai
Date : 11 April, 2016

For and on behalf of the Board

Sanjiv Kulshreshtha **Yug Samrat**
Director Director
DIN - 06788866 DIN - 03117366

Place: Noida
Date: 11 April, 2016

Notes to Audited Financial Statements

Note 1: Corporate Information

REED INFOMEDIA India Pvt. Ltd. ("the Company") was a 49:51 joint venture between Infomedia Press Limited (formerly known as Infomedia India Limited) and Reed Overseas B.V., a company incorporated in the Netherlands; a multinational with presence in several Countries, respectively.

Pursuant to a scheme of Demerger which was approved by the Delhi High Court vide its order dated May 22, 2012, read with its order dated May 3, 2012, February 14, 2012 and November 22, 2011 and made effective on June 1, 2012, entire holding of Infomedia Press was transferred to Network 18, Media & Investments Limited.

During FY 2013-14, 100% equity of the Company has been transferred to Capital 18 Fincap Limited from its existing shareholders i.e., Reed Elsevier Overseas B.V. and Network 18 Media & Investment Limited. Consequently, the Company has become a wholly owned subsidiary of Capital 18 Fincap Private limited.

Note 2: Significant Accounting Policies

a) Basis of Accounting

These financial statements have been prepared in accordance with the applicable accounting standards notified under section 133 of the Companies Act, 2013, of India (the "Act") and the relevant provisions of the Act. These financial statements have not been prepared on a going concern basis (Refer Note -9).

b) Taxation

Current Tax: No provision for Income Tax has been made in these financial statements as there is no taxable income as per the provisions of the Income Tax Act, 1961.

Deferred Tax: The Company has not recognised deferred tax assets.

c) Provisions for Contingent Liabilities

Company recognises a provision when there is a present obligation as a result of a past event that probably requires 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.

Note 3 : Share Capital

3a Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number	Amount ₹	Number	Amount ₹
Authorised				
Equity Shares of ₹ 10 each	20,000,000	200,000,000	20,000,000	200,000,000
Issued				
Equity Shares of ₹ 10 each	10,000,000	100,000,000	10,000,000	100,000,000
Subscribed & Paid up				
Equity Shares of ₹ 10 each fully paid up	10,000,000	100,000,000	10,000,000	100,000,000
Total	10,000,000	100,000,000	10,000,000	100,000,000

Notes to Audited Financial Statements

3b Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number	Equity Shares Amount ₹	Number	Equity Shares Amount ₹
Shares outstanding at the beginning of the year	10,000,000	100,000,000	10,000,000	100,000,000
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	10,000,000	100,000,000	10,000,000	100,000,000

3c Name of Shareholder

Equity Shares:	As at 31 March, 2016		As at 31 March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Capital 18 Fincap Private Limited	9,999,994	100%	9,999,994	100%
Hariharan Mahadevan*	1	Negligible	1	Negligible
Saurabh Awasthi*	1	Negligible	1	Negligible
Kshipra Jatana*	1	Negligible	1	Negligible
Sachin Gupta*	1	Negligible	1	Negligible
Sanjeev Kulshreshtha*	1	Negligible	1	Negligible
Yug Samrat*	1	Negligible	1	Negligible

*as a nominee of Capital18 Fincap Private Limited

Note 4 : Reserves & Surplus

Particulars	As at 31 March, 2016 Amount ₹	As at 31 March, 2015 Amount ₹
Surplus		
Opening balance	(99,855,711)	(99,822,003)
(-) Net Loss for the current period	(34,350)	(33,708)
Closing Balance	(99,890,061)	(99,855,711)
Total	(99,890,061)	(99,855,711)

Note 5 : Trade payables

Particulars	As at 31 March, 2016 Amount ₹	As at 31 March, 2015 Amount ₹
Trade Payables :		
Other than Acceptances	101,767	67,417
Total	101,767	67,417

Notes to Audited Financial Statements

Note 6 : Other Non Current Assets

Particulars	As at 31 March, 2016 Amount ₹	As at 31 March, 2015 Amount ₹
Balances with Government Authorities		
Tax deducted at source	34,474	34,474
Balance with Income Tax Authorities	176,503	176,503
	210,977	210,977

Note 6.1: Recovery of Tax by Income Tax Department Rs. 176,503/- is against demand order no. OE/II/27/18/12-13 issued u/s 156 dated 23/03/2013. Against this order the company has filed appeal to CIT (A) through Appeal No. CIT (A) -14/ IT-79/13-14 dated 19/02/2015.

Note 7 : Cash and cash equivalents

Particulars	As at 31 March, 2016 Amount ₹	As at 31 March, 2015 Amount ₹
Balances with banks in current Accounts	729	729
	729	729

Note 8 : Payment to auditor

	Year ended 31 March 2016 Amount ₹	Year ended 31 March 2015 Amount ₹
Audit fee	30,000	30,000
Service tax on audit fee	4,350	3,708
Total	34,350	33,708

Note 9:

- (a) As at March 31, 2016 the net-worth of the Company has been completely eroded. Reed Elsevier Overseas B.V and Infomedia Press Limited have entered into an agreement on 20th July 2009 relating to the termination of the Joint Venture and also the liquidation and winding up of the Company. Accordingly, the financial statements have been prepared assuming the Company will not continue as a going concern, accordingly current assets and liabilities are stated at the values at which they are realizable and payable.
- (b) Scheme of Arrangement

The Boards 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 RRB Investment Private Limited, RVT Finhold Private Limited, RRB Finhold Private Limited, Setpro 18 Distribution and the company with Capital18 Fincap Private Limited. The Scheme was approved by Hon’able high Court of Delhi and Hon’able Court of Bombay on 23rd May 2014 and 30th January 2015 respectively. The Scheme was to become effective on filing of certified copies of the Hon’able 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.

Notes to Audited Financial Statements

Note 10: Contingent liability not provided for:

The Company has received as income tax demand of Rs. 29,732,360/- for AY 2010-11, which has been disputed by the Company. The Company has filed an appeal before higher authority and is of the opinion that the demand is not likely. Accordingly, no provision has been made in books of accounts.

Note 11: Sundry Creditors

As per the information received by the Company from the “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, there are no delays in payments, interest on delayed payments, interest payable on principal accounts, interest accrued but not due and total interest due but not paid to Micro and Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006.

Note 12: Earnings in Foreign Currency

The Company has neither incurred any expenses nor earned any income in foreign currency during the financial year.

Note 13: Related party disclosures

There are no related party balances and no transactions during the financial year.

Note 14: Segment Reporting

The Company is not a going concern and there has been no transactions hence, segment reporting is not applicable.

Note 15:

The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 2013 (‘the Act’). Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

Note 16: Computation of Basic Earning Per Share

	For the year ended March 31, 2016	For the year ended March 31, 2015
Net Loss/Profit attributable (Rs.)	(34,350)	(33,708)
Weighted No. of equity shares	10,000,000	10,000,000
Net Loss/Profit Attributable per share (Rs.)	(0.0034)	(0.0034)
Nominal value of the equity share is Rs. 10		

Note:

The Earning Per Share for the year ended March 31, 2016 has been computed after considering the shares issued during the previous year, as required by Accounting Standard 20, “Earnings Per Share” issued by the Institute of Chartered Accountants of India.

Note 17:

Previous year figure has been regrouped / rearranged wherever necessary.

For SKPAG & Co.
FRN: 128940W
Chartered Accountants

CA Nitin Sharma
Partner
Membership No. 159716

Place: Mumbai

Date : 11 April, 2016

For and on behalf of the Board

Sanjiv Kulshreshtha **Yug Samrat**
Director Director
DIN - 06788866 DIN - 03117366

Place: Noida

Date: 11 April, 2016