

MONEYCONTROL.DOT.COMINDIALIMITED

**MoneyControl Dot Com India Limited**

# Independent Auditor's Report

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## To the Members of Moneycontrol Dot Com India Limited

### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Moneycontrol Dot Com India Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

2. 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 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 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. 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.
5. 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 standalone financial statements are free from material misstatement.
6. 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 controls 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.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

8. 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 31 March 2015 and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

9. 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 purpose of our audit;

- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. the standalone financial statements 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 (as amended);
- e. on the basis of the written representations received from the directors as on 31 March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act;
- f. 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 litigations which would impact its standalone 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

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

per **B P Singh**  
Partner  
Membership No.: 070116

Place:  
Date:

**Balance sheet as at 31 March, 2015**

	Notes	As at 31 March 2015	As at 31 March 2014
<i>All amounts in Rs.</i>			
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	2	500,000	500,000
Reserves and surplus	3	(1,559,344)	(2,309,153)
<b>Current liabilities</b>			
Trade payables	4	1,662,317	2,022,731
Short term provisions	5	54,290	92,324
		<b>657,263</b>	<b>305,902</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Long-term loans and advances	6	35,299	102,405
<b>Current assets</b>			
Cash and bank balances	7	554,858	136,392
Short-term loans and advances	8	67,106	67,105
		<b>657,263</b>	<b>305,902</b>

Notes 1 to 18 form an integral part of the financial statements.  
This is the Balance Sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**  
Chartered Accountants

per **B P Singh**  
Partner

**Place:**  
**Date:**

For and on behalf of Board of Directors of  
Moneycontrol Dot Com India Limited

**Kshipra Jatana**  
Director  
DIN

**Sanjiv Kulshreshtha**  
Director  
DIN

**Place:**  
**Date:**

## Statement of profit and loss for the year ended 31 March, 2015

	Notes	Year ended 31 March 2015	<i>All amounts in Rs.</i> Year ended 31 March 2014
<b>Revenue</b>			
Revenue from operations	9	2,104,863	567,712
Other income	10	127	27,074
<b>Total revenue</b>		<b>2,104,990</b>	<b>594,786</b>
<b>Expenses</b>			
Employee benefit expenses	11	1,058,253	1,537,928
Other expenses	12	237,025	205,760
<b>Total</b>		<b>1,295,278</b>	<b>1,743,688</b>
<b>Profit / (loss) before tax</b>		<b>809,712</b>	<b>(1,148,902)</b>
<b>Current tax</b>			
current year		154,290	
earlier years		(94,387)	-
<b>Profit / (loss) after tax</b>		<b>749,809</b>	<b>(1,148,902)</b>
Earnings per share (Basic and diluted)	13	1.50	(2.30)

Notes 1 to 18 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 Walker Chandiok & Co LLP  
Chartered Accountants

per B P Singh  
Partner

Place:  
Date:

For and on behalf of Board of Directors of  
Moneycontrol Dot Com India Limited

Kshipra Jatana  
Director  
DIN

Sanjiv Kulshreshtha  
Director  
DIN

Place:  
Date:

## Cash flow statement for the year ended 31 March 2015

	Year ended 31 March 2015	<i>All Amounts in Rs.</i> Year ended 31 March 2014
<b>A. Cash flows from operating activities</b>		
Profit /(loss) before tax	809,712	(1,148,903)
Adjustment for		
Sundry balances written back	-	26,724
Operating loss before working capital changes	809,712	(1,122,179)
Adjustments for :		
Decrease in unbilled revenue	-	-
Decrease /(increase) in loans and advances	67,105	(49,510)
(Decrease) /increase in current liabilities	(360,414)	602,929
Cash from/(used) in operations	516,403	(568,759)
Income tax refund (net of amount paid)	(97,937)	4,347
<b>Net cash from/ (used) in operating activities</b>	<b>418,466</b>	<b>(564,412)</b>
<b>B. Cash flows from financing activities</b>	-	-
<b>Net decrease in cash and cash equivalents</b>	<b>418,466</b>	<b>(564,412)</b>
Cash and cash equivalents at beginning of the year	136,392	700,804
Cash and cash equivalents at end of the year	554,858	136,392
	<b>418,466</b>	<b>(564,412)</b>

Notes 1 to 18 form an integral part of the financial statements.

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

For **Walker Chandiook & Co LLP**  
Chartered Accountants

per **B P Singh**  
Partner

**Place:**  
**Date:**

For and on behalf of Board of Directors of  
Moneycontrol Dot Com India Limited

**Kshipra Jatana**  
Director  
DIN

**Place:**  
**Date:**

**Sanjiv Kulshreshtha**  
Director  
DIN

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

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### 1. Significant accounting policies

#### a. Basis of preparation

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 Moneycontrol Dot Com India Limited the 'Company'

#### b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognised in the current and future periods.

#### c. Revenue

Revenue from brokerage and commission services is recognised when the services are provided and when no significant uncertainty of collectability exists.

#### d. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares except where the results would be anti dilutive

#### e. Income tax

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income Tax Act, 1961 as applicable to the financial year. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situation, where the company has unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

Minimum alternative tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future years. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified year.

#### f. Provisions and contingent liabilities

The Company makes a provision when there is a present obligation as a result of a past event and where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company; or
- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- present obligation, where a reliable estimate cannot be made.

Where there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

		<i>All amounts in Rs.</i>	
		As at	As at
		31 March 2015	31 March 2014
<b>2. Share capital</b>			
<b>a. Authorized shares capital</b>			
500,000 (previous year 500,000) equity shares of Re. 1 each		<b>500,000</b>	500,000
		<b>500,000</b>	500,000
<b>b. Issued, subscribed and paid-up capital</b>			
500,000 (previous year 500,000) equity shares of Re. 1 each fully paid up		<b>500,000</b>	500,000
		<b>500,000</b>	500,000

**c. Reconciliation of the shares outstanding**

There is no movement in equity share capital during the current and previous year.

**d. Description of the rights, preferences and restrictions attached to each class of shares**

The Company has only one class of equity shares having the par value of Rs. 1 per share. Each holder of equity share is entitled to one vote per share. All shareholders are equally entitled to dividends. The Company declares and pays dividend in Indian Rupees. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive remaining assets of the Company, after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

**e. Details of shares held by the Holding Company**

Name of the entity	Nature of relationship	31 March, 2015		31 March, 2014	
		No. of shares	% of holding	No. of shares	% of holding
e-Eighteen.com Limited*	Holding company	499,900	100	499,900	100

\* Remaining shares are held by nominees of e-Eighteen.com Limited

As per the records of the company, including its register of shareholders/members and other declarations, if any, received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**f. Details of shareholders holding more than 5% shares in the Company**

Name of the entity	Nature of relationship	31 March, 2015		31 March, 2014	
		No. of shares	% of holding	No. of shares	% of holding
e-Eighteen.com Limited*	Holding company	499,900	100	499,900	100

\* Remaining shares are held by nominees of e-Eighteen.com Limited

As per the records of the company, including its register of shareholders/members and other declarations, if any, received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

g. No shares have been issued for consideration other than cash or as bonus shares in the current reporting period and in the last five years immediately preceeding the current reporting period.

**3. Reserves and surplus**

**Deficit in the statement of profit and loss**

Balance at the beginning of the year	<b>(2,309,153)</b>	(1,160,251)
Profit / (loss) for the year	<b>749,809</b>	(1,148,902)
<b>Balance at the end of the year</b>	<b>(1,559,344)</b>	(2,309,153)



## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

	As at 31 March 2015	<i>All amounts in Rs.</i> As at 31 March 2014
<b>4. Trade payables</b>		
Due to micro and small enterprises (Refer note (a) below )	-	-
Due to others	<u>1,662,317</u>	<u>2,022,731</u>
	<u><b>1,662,317</b></u>	<u><b>2,022,731</b></u>
<p>The management has identified enterprises which have provided goods and services to the Company and qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2015 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the MSMEDA is not expected to be material</p>		
<b>5. Short term Provisions</b>		
Proviison for tax (net of advance tax Rs.100,000 (Rs. previous year Rs.74,902 )	<u>54,290</u>	<u>92,324</u>
	<u><b>54,290</b></u>	<u><b>92,324</b></u>
<b>6. Long-term loans and advances</b>		
Prepaid Expenses	<u>35,299</u>	<u>102,405</u>
	<u><b>35,299</b></u>	<u><b>102,405</b></u>
<b>7. Cash and cash equivalents</b>		
<b>Balance with bank</b>		
In current account	<u>554,858</u>	<u>136,392</u>
	<u><b>554,858</b></u>	<u><b>136,392</b></u>
<b>8. Short-term loans and advances</b>		
Prepaid expenses	<u>67,106</u>	<u>67,105</u>
	<u><b>67,106</b></u>	<u><b>67,105</b></u>

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

	<i>All amounts in Rs.</i>	
	Year ended 31 March 2015	Year ended 31 March 2014
<b>9. Revenue from operations</b>		
<b>Income from sale of services</b>		
Brokerage and commission income	2,104,863	567,712
	<u>2,104,863</u>	<u>567,712</u>
<b>10. Other income</b>		
Sundry balances written back	-	26,724
Interest on income tax refund	127	350
	<u>127</u>	<u>27,074</u>
<b>11. Employee benefits expense</b>		
Salaries, wages and bonus	1,058,253	1,537,928
	<u>1,058,253</u>	<u>1,537,928</u>
<b>12. Other expenses</b>		
Legal and professional charges *	167,918	150,174
Audit fees	-	-
Membership and subscription	68,905	31,990
Miscellaneous expenses	202	23,596
	<u>237,025</u>	<u>205,760</u>
<b>* Legal and professional charges include payment to auditor :</b>		
<b>Payment to auditors</b>		
Statutory audit fee (inclusive of service tax)	112,360	112,360
For reimbursement of expenses	22,750	36,466
	<u>135,110</u>	<u>148,826</u>
<b>13. Earnings per share</b>		
Profit / (loss) after tax attributable to equity shareholders	749,809	(1,148,902)
Weighted average number of equity shares outstanding during the year	500,000	500,000
Nominal value of equity shares	1	1
<b>Earnings per share (basic and diluted)</b>	<b>1.50</b>	<b>(2.30)</b>

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

### 14. Related party disclosures

All amounts in Rs.

#### 14.1 List of related parties and relationship

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below

Sr No	Name of Related Party	Relationship
1	Independent Media Trust (w.e.f. 07.07.2014)	Enterprises exercising control
2	Adventure Marketing Private Limited (w.e.f. 07.07.2014)#	
3	Watermark Infratech Private Limited (w.e.f. 07.07.2014)#	
4	Colorful Media Private Limited (w.e.f. 07.07.2014)#	
5	RB Media Holdings Private Limited (w.e.f. 07.07.2014)#	
6	RB Mediasoft Private Limited (w.e.f. 07.07.2014)#	
7	RRB Mediasoft Private Limited (w.e.f. 07.07.2014)#	
8	RB Holdings Private Limited (w.e.f. 07.07.2014)#	
9	Network18 Media & Investments Limited	
10	e-Eighteen.com Limited	
11	Reliance Industries Limited (RIL) (w.e.f. 07.07.2014)	Beneficiary/Protector of Independent Media Trust
12	Reliance Industrial Investments and Holdings Limited (w.e.f. 07.07.2014)	

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

#### 14.2 Related party transactions

b) The following transactions were carried out with related parties in the ordinary course of business

Particulars	Enterprises exercising control
(i) Transactions during the year	
Expenses incurred by others on behalf of the Company (allocated by related parties)	
e-Eighteen.com Limited	939,893 (1,537,928)
(ii) Balances as at the year end	
Trade payable	
e-Eighteen.com Limited	1,586,729 (1,964,085)

Figures in brackets indicate amounts pertaining to the year ended 31 March 2014

- The Company has accumulated losses of INR 1,559,344 as at 31 March 2015. These accumulated losses represent erosion of more than hundred percent of net worth of the Company. Network18 Media & Investments Limited, the holding company, has agreed to provide financial support to meet the obligations of the Company in the foreseeable future. Accordingly, these financial statements have been prepared on a going concern basis.
- No provision for tax has been made in the financial statements, as there is no taxable income under the provisions of the Income-Tax Act, 1961. Further, no provision for deferred tax asset on carried forward losses has been recognised in the financial statements as there no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. There are no other items of timing difference between taxable income and accounting income.
- The company operates in single business segment of Brokerage Income from Mutual Funds in India only as there is no separate reportable business or geographical segment as per Accounting Standard on Segment Reporting (As-17)
- Previous year figures have also been regrouped/recast wherever considered necessary.

For Walker Chandiook & Co LLP  
Chartered Accountants

For and on behalf of Board of Directors of  
Moneycontrol Dot Com India Limited

per B P Singh  
Partner

Kshipra Jatana  
Director  
DIN

Sanjiv Kulshreshtha  
Director  
DIN

Place:  
Date:

Place:  
Date: