

RVT Finhold Private Limited

Independent Auditor's Report

To the Members of
RVT Finhold Pvt. Ltd.

1. Reports on the Financial Statements

We have audited the accompanying financial statements of **RVT Finhold Pvt. Ltd.**, which comprise the Balance Sheet as at March 31, 2015 the Statement of Profit & Loss, and a cash flow statement for the year then ended on that date, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the 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 preparation of the 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 Standards specified under section 133 of the Act, read with Companies (Accounts) Rules, 2014 ("the Act"). This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate 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.

3. Auditors' Responsibility

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 issued by the Institute of Chartered Accountants of India. 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 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 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. Opinion

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 the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- c) in the case of a cash flow statement, of the cash flows of the company for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) The Balance Sheet, Statement of Profit & Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the accounting standards referred 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 March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.

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

Nitin Aggarwal
Partner
Membership No: 528066

Place: New Delhi

Date:

Balance Sheet as at 31st March, 2015

	Notes No.	As at 31 March 2015	Amount in Rs As at 31 March 2014
EQUITY AND LIABILITY			
1. Shareholders' funds			
(a) Share capital	3	100,000	100,000
(b) Reserves and surplus	4	(46,810,525)	(46,733,316)
2. Non-current liabilities			
(a) Long-term borrowings	5	331,350,000	331,350,000
3. Current liabilities			
(a) Other current liabilities	6	313,605	241,767
Total		<u>284,953,080</u>	<u>284,958,451</u>
ASSETS			
1. Non-current assets			
(a) Non-current investments	7	284,897,384	284,897,384
2. Current assets			
(b) Cash and cash equivalents	8	55,696	57,696
(a) Other current assets	9	-	3,371
Total		<u>284,953,080</u>	<u>284,958,451</u>
See accompanying notes forming part of the financial statements	1-15		-

In terms of our report attached.

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

Nitin Aggarwal
Partner
Membership No. 528066

Place: Delhi
Date :

For and on behalf of the Board

Sanjiv Kulshreshtha
Director

Saurabh Awasthi
Director

Place:
Date :

Statement of Profit and Loss for the year ended 31st March, 2015

	Notes No.	For the year ended 31 March 2015	Amount in Rs For the year ended 31 March 2014
I. Income			
Other income		-	-
Total		-	-
II. Expenses			
Finance costs	10	2,214	29,600
Other expenses	11	74,995	587,188
Total		77,209	616,788
Profit/(loss) before tax		(77,209)	(616,788)
Tax expense			
Current tax		-	-
Total Tax expense		-	-
Profit/(loss) for the year		(77,209)	(616,788)
Earnings per equity share [nominal value of share Rs. 10]	12		
Basic		(7.72)	(61.68)
Diluted		(7.72)	(61.68)
See accompanying notes forming part of the financial statements	1-15		

In terms of our report attached.

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

Nitin Aggarwal
Partner
Membership No. 528066

Place: Delhi
Date :

For and on behalf of the Board

Sanjiv Kulshreshtha
Director

Saurabh Awasthi
Director

Place:
Date :

Cashflow Statement for the year ended 31st March, 2015

	Year ended 31.03.2015 (Rs.)	Year ended 31.03.2014 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	(77,209)	(616,788)
Adjustments for :		
Interest and other financial charges	2,214	29,600
Operating profit before working capital changes	(74,995)	(587,188)
Adjustments for :		
Decrease/(Increase) in current assets	3,371	-
Increase/(Decrease) in current liabilities	71,838	27,018
Cash generated from/(used in) operations	214	(560,170)
Net cash from/(used in) operating activities	214	(560,170)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in subsidiary	-	(105,166,640)
(Payment)/ adjustment of application money paid	-	3,563,295
Net cash from/(used in) investing activities	-	(101,603,345)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(2,214)	(29,600)
Proceeds / (Payment) of loans/ debentures	-	102,011,500
Net cash from/(used in) financing activities	(2,214)	101,981,900
Net increase/(decrease) in cash and cash equivalents	(2,000)	(181,615)
Cash and cash equivalents as at the beginning of the year	57,696	239,311
Cash and cash equivalents as at the end of the year	55,696	57,696

- 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

Nitin Aggarwal
Partner
Membership No. 528066

Place: Delhi
Date :

For and on behalf of the Board

Sanjiv Kulshreshtha
Director

Saurabh Awasthi
Director

Place:
Date :

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2015

1. Corporate information

RVT Finhold Private Limited was incorporated on January 16, 2008 to carry on the business of Investment in all its aspects and branches, stock brokers, custodians and all types of related services.

2. Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

These financial statements have been prepared to comply with Accounting Principles Generally accepted in India (Indian GAAP) the Accounting Standards notified under Section 211(3C) of the Companies (Accounting Standards) Rules, 2006 (as amended) ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provision of the 1956 Act/2013 Companies Act, as applicable.

The financial statements are prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

These financial statements have not been prepared on a going concern basis.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Revenue recognition

All revenues are accounted for on accrual basis.

2.4 Investments

Long term investments are stated at cost less temporary diminution in the value of such investments. Current investments are carried forward at lower of cost or fair value.

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

2.5 Other Income

Interest income is accounted on actual basis, dividend income is accounted for when the right to receive it is established.

2.6 Taxes on income

With regard to the significant accumulated losses the Company has not provided for deferred tax assets as there is no virtual certainty that there will be sufficient future taxable income available to realize such assets.

2.7 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.

2.8 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.

2.9 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.

Notes to financial statements for the year ended 31 March, 2015

	Amount In Rs			
	As at 31.03.2015	As at 31.03.2014		
3. Share Capital				
a. Authorized shares capital				
i. 10,000 (previous year 10,000) Equity Shares of Rs. 10/- each	100,000	100,000		
ii. 1,990,000 (previous year 1,990,000) Preference Shares of Rs. 10/- each	19,900,000	19,900,000		
b. Issued, subscribed and paid-up capital				
i. 10,000(previous year 10,000) equity shares of Rs. 10/- each	100,000	100,000		
Total issued, subscribed and fully paid-up shares capital	100,000	100,000		
3.1 DISCLOSURES				
a. Reconciliation of the shares outstanding				
i. Equity shares	31 March 2015 Numbers	31 March 2014 Numbers		
i. At the beginning of the period	10,000	10,000		
ii. Issued during the period	-	-		
iii. Forfeited During the period	-	-		
Outstanding at the end of the period	10,000	10,000		
b. Details of shares held within the Group				
Name of shareholders	31 March 2015	31 March 2014		
Shares held by the holding company	10,000	10,000		
Total	10,000	10,000		
c. Details of shareholders holding more than 5% shares in the company				
Name of Shareholder	As at 31 March 2015		As at 31 March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Capital 18 Fincap Private Limited	10,000	100	10,000	100
Total	10,000	100	10,000	100

Notes to financial statements for the year ended 31 March, 2015

	As at 31.03.2015	Amount in Rs As at 31.03.2014
NOTE - 4		
RESERVE AND SURPLUS		
a. Surplus/(deficit) in the statement of profit and loss		
Balance as per the last financial statements	(46,733,316)	(46,116,528)
Profit/ (loss) for the year	(77,209)	(616,788)
Total	(46,810,525)	(46,733,316)

NOTE - 5

LONG TERM BORROWINGS

a. Long-term borrowings -Unsecured

331,350 (Previous Year 331,350) Zero Coupon Optionally Redeemable /Convertible Debenture of Rs.1,000/- each	331,350,000	331,350,000
	331,350,000	331,350,000

* Terms of redemption

- Conversion Option: Each ZORCD shall have a face value of Rs. 1000 /- and tenure of 10 years from the date of allotment of the ZORCDs and at the option of the holder thereof shall be convertible into one fully paid up equity share of Rs. 10/- each of RVT Finhold Private Limited ("Conversion Option") at a price of Rs.1000/- per share (including premium of Rs.990/- per share).
- Conversion Period: Any time prior to the expiry of the 10 years from the date of allotment but after expiry of two years from the date of allotment (Conversion Period), the ZORCD holder shall have the right but not the obligation to exercise the Conversion Option in relation to some or all of the ZORCDs in one or more tranches.
- Conversion Option Shares: In order to exercise its Conversion Option, the ZORCD holder shall issue a written notice (the "Conversion Option Notice") to the Company, which shall state the number of ZORCDs held by him, which it proposes to convert into equity shares of the Company. Within 10 business days of the receipt of the Conversion Option Notice, the Company shall allot to the ZORCD holder such number of equity shares of the Company that is equal to the number ZORCDs proposed to be converted at a face value of Rs. 10 and premium of Rs. 990 each, subject to (5) below, ("Conversion Shares").
- Title to Conversion Shares: The Conversion Shares shall be (i) duly authorized, validly issued, fully paid up ; (ii) free and clear of any encumbrances and free of any restrictions on transfer; and (iii) shall rank pari passu in all respect with the then existing equity shares of the Company; and the Company shall so represent and warrant. Stamp duty or fees, if any, payable on the issuance of such Conversion Shares shall be borne and paid by the Company.
- Adjustment Upon Corporate Action: In the event the Company takes any corporate action during the currency of ZORCD like split, consolidation, rights issue, buyback, or bonus issue or other similar corporate action etc affecting or diluting the equity shares of the Company and any other transaction having the effect of any of the foregoing in relation to the Company, then the Company shall make a reasonable adjustment in the entitlement for conversion of equity shares upon conversion of unexercised Options. The decision of the Board of Directors of the Company in this regard shall be final and binding.
- Redemption: In case the holder of the ZORCDs do not exercise the Conversion Option within the Conversion Period, i.e. 10 years from the date of allotment, then the such remaining ZORCDs shall be redeemed at its face value. However the Company, at its discretion and subject to availability of funds, on the request of the holder of the ZORCD may redeem the ZORCDs in one or more tranches, anytime before exercise of the conversion option.
- Transferability: ZORCDs shall be freely transferable by the allottee or the holders of ZORCD.

Notes to financial statements for the year ended 31 March, 2015

NOTE - 6	As at 31.03.2015	Amount in Rs As at 31.03.2014
OTHER CURRENT LIABILITIES		
Other current liabilities		
i. Expenses payable	309,602	238,396
ii. Statutory dues		
-TDS payable	4,003	3,371
Total	313,605	241,767
NOTE - 7		
NON CURRENT INVESTEMENTS		
NON CURRENT INVESTEMENTS UNQUOTED		
i. Investment in Subsidiaries		
8,462,254 Equity shares (Previous Year: 8,462,254) of Rs 10/- each in greycells18 Media Limited	284,897,384	284,897,384
Total	284,897,384	284,897,384
NOTE - 8		
CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash in hand	13,166	13,166
Bank Balance		
in current accounts	42,530	44,530
	55,696	57,696
NOTE - 9		
OTHER CURRENT ASSETS		
Advances receivable form Creditors	-	3,371
	-	3,371

Notes to financial statements for the year ended 31 March, 2015

	Year ended 31 March 2015	Amount in Rs. Year ended 31 March 2014
NOTE - 10		
FINANCIAL COST		
a. Interest on:		
- others	2,214	29,488
i. Other financial charges	-	112
Total	2,214	29,600
NOTE - 11		
OTHER EXPENSES		
i. Legal and professional expenses	34,966	553,480
ii. Payment to auditor (Refer details below)	40,029	33,708
Total	74,995	587,188
Payment to auditor		
As auditor:		
Statutory Audit fee	40,029	33,708
12. Earnings per share (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Total operations for the year		
Profit/(loss) after tax	(77,209)	(616,788)
Less : Dividends on convertible preference share & tax thereon	-	-
Net profit/(loss) for calculation of basic EPS	(77,209)	(616,788)
Net profit as above	(77,209)	(616,788)
Add : dividend on convertible preference share & tax thereon	-	-
Net profit/(loss) for diluted EPS	(77,209)	(616,788)
Weighted average number of equity shares in calculating basic EPS	10,000	10,000
Effect of dilution:		
Convertible preference shares	-	-
Weighted average number of equity shares in calculating diluted EPS	10,000	10,000
EPS	(7.72)	(61.68)
DPS	(7.72)	(61.68)

Notes to financial statements for the year ended 31 March, 2015

Note - 13 Related party transactions

13.a Details of related parties:

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)
Subsidiaries	Greycells18 Media Limited
Fellow Subsidiaries	RRK Finhold Private Limited RRB Investments Pvt Ltd (W.e.f 3rd January,2014) Stargaze Entertainment Private Limited Setpro18 Distribution Ltd (W.e.f 9th January,2014) Reeds Infomedia Ltd (W.e.f 9th January,2014) Colosseum Media Private Limited
Key Managerial Personnel	Raghav Bahl (Till 09 March 2015) Ritu Kapur (Till 09 March 2015)

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

Notes to financial statements for the year ended 31 March, 2015

13.b Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2015:

Amount in Rs.

Details of related party transactions	Capital18 Fincap Ltd (Holding Co.) (Enterprises exercising control)		Raghav Bahl (KMP.)		Greycells18 (Subsidiary Co.)		Network18 Media & Investments Limited (Enterprises exercising control)	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Loan taken during the year	5,585	325,642	-	-	-	-	-	-
Loan repaid during the year	-	269,496	-	238,500	-	-	-	-
Investment in equity shares	-	-	-	-	-	105,166,640	-	-
Reimbursement of expenses paid	-	-	-	-	-	-	16,045	-
Issue of Debenture	-	104,550,000	-	-	-	-	-	-
Debenture application money received	-	102,250,000	-	-	-	-	-	-
Total	5,585	207,395,138	-	238,500	-	105,166,640	16,045	-
Balances outstanding								
Debenture issued	331,350,000	331,350,000	-	-	-	-	-	-
Investment in equity shares	-	-	-	-	284,897,384	284,897,384	-	-
Loan & Advance payable	210,273	204,688	-	-	-	-	16,045	-
Total	331,560,273	331,554,688	-	-	284,897,384	284,897,384	16,045	-

Note-14

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 - "Segmental Information" notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).

(ii) The Company has only one Geographical Segment. The Company invests mainly in the Indian markets.

ii There are no contingent liabilities as on 31.03.2015.

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 - 15

The Boards of Directors of the company in its meeting held on January 7, 2014 considered and approved a scheme of Arrangement ("the Scheme") between the Companies. As per the Scheme, the Company's whole of the businesses and undertaking will be merged and amalgamated with Capital18 Fincap Private Limited (Formerly known as VT Holding Private Limited) as per section 391-394 of Companies Act, 1956. The Company has filed petition with the Hon'ble Delhi High Court for the sanction of the Scheme on February 7, 2014. The Scheme has been sanctioned by the Hon'ble High Court of Delhi on May 23, 2014. The appointed date of proposed restructuring is 1 April, 2013 and the Scheme shall be effective when the certified copies of the High Court is filed with the jurisdictional Registrar of Companies, which is still pending. Upon the Scheme becoming effective, the results of operations, assets and liabilities related to the business shall be transferred to Capital18 Fincap Private Limited (Formerly known as VT Holding Private Limited).

For and on behalf of the Board

Sanjiv Kulshreshtha
Director

Saurabh Awasthi
Director