

RRB Investment Private Limited

Independent Auditor's Report

TO THE MEMBERS OF RRB INVESTMENTS PRIVATE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of RRB Investments 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 thereunder.

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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 15 to the financial statements.
 - 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

“ANNEXURE –A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENT OF RRB INVESTMENTS 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 RRB Investments 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 judgment, 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 unauthorised 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

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

Annexure to the Independent Auditor's Report

To the Members of RRB Investments 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 clause (i) of the Order are not applicable to the Company

(ii) Inventories:

- (a) The Company does not have any inventory at any time during the year. Accordingly, the provisions of paragraph 3 (ii) of the Order are not applicable to the Company.

(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) According to the information and explanation given to us, the Company has not made any loan, investment, and guarantees to any person specified under section 185 and section 186 of the Companies Act, 2013; and therefore paragraph 3(iv) of the Order is not applicable.

(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.

Name of Company	Appeal pending	Order against appeal filed	Amount of Tax
SGA News Ltd. (now merged with RRB Investment Private Limited)	ITAT	Order of CIT(A) for AY 2009-10	Rs.1,53,598,313

(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.

(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 paragraph 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 No.	As at 31 March 2016	Amount in Rs As at 31 March 2015
EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	201,00,000	201,00,000
(b) Reserves and Surplus	4	(2193,05,484)	(2190,26,803)
2 Non-current liabilities			
(a) Long-Term Borrowings	5	4410,15,012	4410,15,012
3 Current liabilities			
(a) Other Current Liabilities	6	413,78,344	411,01,278
TOTAL		<u>2831,87,872</u>	<u>2831,89,487</u>
ASSETS			
1 Non-Current Assets			
(a) Non-Current Investments	7	2806,82,445	2806,82,445
2 Current Assets			
(a) Cash and Bank Balances	8	88,475	2,55,829
(b) Short-Term Loans and Advances	9	24,16,952	22,51,213
TOTAL		<u>2831,87,872</u>	<u>2831,89,487</u>
See accompanying notes forming part of the financial statement	1-17		

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 of Directors

Sanjiv Kulshreshtha
Director
DIN: 06788866

Karanvir Singh Gill
Director
DIN: 07283590

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

	Notes No.	Year ended 31 March 2016	Amount in Rs. Year ended 31 March 2015
I. REVENUE			
Other Income	10	-	286
Total		-	286
II. EXPENSES			
Finance Costs	11	3,380	-
Other Expenses	12	2,75,301	4,67,606
Total		2,78,681	4,67,606
Profit/(Loss) before tax		(2,78,681)	(4,67,320)
Tax expense			
Prior Period Tax Adjustment		-	4,12,328
Total tax expense		-	4,12,328
Profit/(Loss) for the period after tax		(2,78,681)	(54,992)
Earning per Equity share			
(Face value of Rs.10 each)	13		
(a) Basic		(27.87)	(5.50)
(b) Diluted		(0.12)	(0.02)
See accompanying notes forming part of the financial statement	1-17		

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 of Directors

Sanjiv Kulshreshtha
Director
DIN: 06788866

Karanvir Singh Gill
Director
DIN: 07283590

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

	Amount in Rs.	
	Year Ended 31.03.2016	Year Ended 31.03.2015
Cash flows from Operating activities		
Profit / (Loss) before income tax	(2,78,681)	(54,992)
Adjustments for:		
Interest Income	-	(286)
Interest Expense	3,380	-
Changes in working capital		
Increase/ (Decrease) in Current Liabilities	2,77,067	2,28,165
(Increase)/ Decrease in Current Assets	(1,65,739)	(1,95,168)
Cash used in operations	(1,63,974)	(22,282)
Net cash flow from operating activities	(1,63,974)	(22,282)
Cash flows from investing activities		
Interest income	-	286
Net cash flow from investing activities	-	286
Cash flows from financing activities		
Interest & Financials Charges	(3,380)	-
Net cash flow from financing activities	(3,380)	-
Net increase/(decrease) in cash and cash equivalents	(1,67,354)	(21,996)
Cash and cash equivalents at beginning of year	2,55,829	2,77,825
Cash and cash equivalents at end of period	88,475	2,55,829

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 of Directors

Sanjiv Kulshreshtha
Director
DIN: 06788866

Karanvir Singh Gill
Director
DIN: 07283590

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

1 Corporate information

RRB Investments Private Limited was incorporated on June 12, 2007 to engage in the business of investment, leasing, hire purchase, carry out financial operations, 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 Standard specified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 7 of the Companies (Accounts) Rule, 2014 (as amended). The accounting policies have been consistently applied by 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

Income from services

Revenue is accounted for on accrual basis.

2.4 Other Income

Interest income is recognized on time proportionate basis, taking into account the amount outstanding and the rate applicable.

Dividend income is accounted for when the right to receive it is established.

2.5 Investments

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

2.6 Borrowing costs

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset when it is probable that it will result in future economic benefits to the Company and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are incurred.

2.7 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 transactions settled during the period are recognised in the profit and loss account.

Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate prevailing at the date of balance sheet, the resultant exchange differences are recognised in the profit and loss account.

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 equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

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

2.9 Taxes on income

Income tax expense comprises current tax and deferred tax. Current tax is determined in accordance with the provisions of Income Tax Act, 1961. 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 a virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

2.10 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.11 Policy for impairment

The Company assesses at each balance sheet date whether there is any indication that an investment may be impaired. If any such indication exists, the Company estimates the recoverable amount of the investment. If such recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the statement of profit and loss.

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

	As at 31.03.2016	Amount in Rs. As at 31.03.2015
3. Share capital		
a. Authorized share capital		
i. 2,00,90,000 (Previous Year 2,00,90,000) equity shares of Rs.10/- each*	20,09,00,000	20,09,00,000
ii. 2,59,90,000 (Previous Year 2,59,90,000) 0.01% Optionally Fully Convertible Preference Shares (OFCPS) of Rs. 10/- each*	25,99,00,000	25,99,00,000
	46,08,00,000	46,08,00,000
b. Issued, subscribed and paid-up capital		
i. 10,000 (Previous Year 10,000) equity shares of Rs. 10/- each fully paid up	1,00,000	1,00,000
ii. 20,00,000 (Previous Year 20,00,000) 0.01% Optionally Fully Convertible Preference Shares (OFCPS) of Rs. 10/- each of Capital 18 Fincap Limited*	2,00,00,000	2,00,00,000
Total	2,01,00,000	2,01,00,000

*Term & Conditions

Equity Shares

Each holder of Equity Shares is entitled to one vote per share held. The shares rank pari passu 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.

Preference Shares

0.01% Optionally Fully Convertible Preference Shares (OFCPS) have a tenure of 15 years, are non cumulative and convertible at option of the issuer, at any time after the date of allotment based on higher of the book value or face value of equity shares as at March 31, 2015. The shares are held by Capital18 Fincap Private Limited.

3.1 DISCLOSURES	31 March 2016 Numbers	31 March 2015 Numbers
a. Reconciliation of the shares outstanding		
i. Equity shares		
i. At the beginning of the period	10,000	10,000
Outstanding at the end of the period	10,000	10,000
ii. Preference shares	31 March 2016 Numbers	31 March 2015 Numbers
i. At the beginning of the year	20,00,000	20,00,000
Outstanding at the end of the period	20,00,000	20,00,000
b. Details of shares held within the Group	31 March 2016	31 March 2015
Equity Shares held by the holding company	10,000	10,000
Preference Shares held by the holding company	20,00,000	20,00,000
Total	20,10,000	20,10,000

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

c. Details of Equity shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31 March 2016		As at 31 March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Capital18 Fincap Private Limited	10,000	100	10,000	100
Total	10,000	100	10,000	100

d. Details of Preference shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31 March 2016		As at 31 March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Capital18 Fincap Private Limited	20,00,000	100	20,00,000	100
Total	20,00,000	100	20,00,000	100

Amount in Rs.

**As at
31.03.2016**

**As at
31.03.2015**

NOTE -4

Reserve And Surplus

a. Statement of profit and loss

Surplus/ (Deficit) at the beginning of the year	(21,90,26,803)	(21,89,71,811)
Profit/ (Loss) for the period	(2,78,681)	(54,992)
Total	(21,93,05,484)	(21,90,26,803)

Amount in Rs.

**As at
31.03.2016**

**As at
31.03.2015**

NOTE -5

Long Term Borrowings

a. Long-term borrowings -Unsecured

i. Loans and advances from related parties*		
260,400 (Previous Year-260,400) Zero Coupon Optionally Fully Convertible Debentures (ZOFCD) of Rs 1000/- each*	26,04,00,000	26,04,00,000
ii. Loans and advances from related parties	18,06,15,012	18,06,15,012
Total	44,10,15,012	44,10,15,012

*Terms of redemption

1. Zero Coupon Optionally Fully Convertible Debentures are unsecured and have a tenure of 10 years. The ZOFCD are convertible, at option of the issuer, into equity shares of the company, any time after two years from the date of allotment in 1:1 ratio.

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

	As at 31.03.2016	Amount in Rs. As at 31.03.2015
NOTE - 6		
Other Current Liabilities		
Statutory dues payable	20,015	17,500
Other payables	4,13,58,329	4,10,83,778
Total	4,13,78,344	4,11,01,278
NOTE - 7		
Non Current Investments		
Investment in equity shares : Quoted		
Investments in others		
163,563 (Previous year 163,563) equity shares Rs.2/- each fully paid up in TV18 Broadcast Limited (Market price Rs. 6,591,589/-)	56,82,445	56,82,445
Investments in Preference shares : Unquoted		
(a) Investment in others		
2,500,000 (Previous year 2,500,000) Preference Shares of Den Entertainment Network Pvt. Ltd. of Rs. 10 each	2,50,00,000	2,50,00,000
In Debentures and Bonds		
(a) Investment in others		
250,000 (Previous year 250,000) unsecured Zero (coupon) optionally redeemable/ convertible debentures of VT Media Pvt Ltd of Rs.1,000 each	25,00,00,000	25,00,00,000
Total	28,06,82,445	28,06,82,445
NOTE - 8		
Cash and Bank Balances		
Cash and cash equivalents		
Cash on hand	5,234	5,274
Bank Balances:		
In current accounts	83,241	2,50,555
Total	88,475	2,55,829
NOTE - 9		
Short Term Loans and Advances		
Income tax paid (net of provision)	24,16,952	22,51,213
Total	24,16,952	22,51,213

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

	Amount in Rs.	
	As at 31.03.2016	As at 31.03.2015
NOTE - 10		
Other Income		
Interest income	-	286
Total	-	286
NOTE - 11		
Finance Costs		
Interest on others	1,000	-
Other financial charges	2,380	-
Total	3,380	-
NOTE - 12		
Other Expenses		
Legal and professional expenses	63,517	56,650
Payment to auditor(Refer details below)	2,03,925	1,96,630
Sundry Balance Written Off	-	98,845
Miscellaneous expenses	7,859	1,15,481
Total	2,75,301	4,67,606
Payment to auditor		
Statutory Audit fee	2,03,925	1,96,630
NOTE - 13		
Earnings per share (EPS)		
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:		
Total operations for the year		
Profit/(loss) after tax attributable to equity shareholders	(2,78,681)	(54,992)
Net profit/(loss) for calculation of basic EPS	(2,78,681)	(54,992)
Net profit as above	(2,78,681)	(54,992)
Add : interest on Zero Coupan Optionally Fully Convertible Debenture into equity shares (net of tax)	-	-
Net profit/(loss) for diluted EPS	(2,78,681)	(54,992)
Weighted average number of equity shares in calculating basic EPS	10,000	10,000
Effect of dilution:		
Convertible preference shares	20,00,000	20,00,000
Convertible Zero Coupan Optionally Fully Convertible Debenture	2,60,400	2,60,400
Weighted average number of equity shares in calculating diluted EPS	22,70,400	22,70,400
Nominal value of equity share	10	10
Earning per share		
Basic	(27.87)	(5.50)
Diluted	(0.12)	(0.02)

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

Note 14 Related party transactions

14.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 Capital18 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 (upto 31st July 2015 by virtue of board control) Reed Infomedia India Private Limited Reliance Retail Limited (w.e.f. 07 July 2014)* RRK Finhold Private Limited RVT Finhold Private Limited RVT Media Private Limited Setpro18 Distribution Limited Space Bound Web Lab Private Limited Stargaze Entertainment Private Limited (upto 23rd April, 2015) Television Eighteen Mauritius Limited Television Eighteen Media and Investment Limited TV18 Broadcast Limited TV 18 Home Shopping Network Limited Web18 Holding Limited, Cyprus Web18 Software Services Limited

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

Description of relationship	Names of related parties
Joint Venture of Enterprise Exercising Control	Ubona Technologies Private Limited 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 (w.e.f. 1st August 2015) Roptonal Limited, Cyprus The Indian Film Company Limited [merged with Roptonal Limited w.e.f. 19th January, 2015] Viacom 18 Media Private Limited Viacom18 Media UK Limited Viacom18 US Inc.
Associate of Enterprise exercising control	24x7 Learning Pvt Ltd Aeon Learning Private Limited Eenadu Television Private Limited Wespro Digital Private Limited (upto 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.

14.b Details of related party transactions during the year ended and balances outstanding as at 31 March, 2016:

	Amount in Rs.	
	Network18 Media & Investment Ltd.	Capital18 Fincap P Ltd
Details of related party transactions		
Reimbursement of exp-paid	37,607 (19,107)	7,859 -
Balances outstanding		
Long term borrowings-debenture(ZORCDs)	2604,00,000 (2604,00,000)	
Long term borrowings	1806,15,012 (1806,15,012)	
Other current liability	37,607 (19,107)	7,859 -

Note: 1. Figures in bracket relates to the previous year

Note: 2. Related parties have been identified by the management.

Notes-15

i. Segment Reporting

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. 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.

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

iii. Prior Year Comparatives

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

iv. The amounts shown in liabilities is subject to confirmation.

v. 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, RRK Finhold 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.

vi. In view of the management, the company in not carrying business of non –banking financial institution '(NBFI)".

Notes-16

Contingent Liabilities

Claim against the SGA News Ltd. now merged with RRB Investment Pvt. Ltd. not acknowledged as debts is the demand raised by the income Tax Authorities relating to the AY 2009-10 amounts to Rs.15,35,98,313/-.The Company hasn't deposited the demand raised by the income Tax Authorities.

Notes-17

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.

For and on behalf of the Board of Directors

Sanjiv Kulshreshtha

Director

DIN: 06788866

Karanvir Singh Gill

Director

DIN: 07283590