

# **Infomedia Press Limited**

## Independent Auditor's Report

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### To the Members of Infomedia Press Limited

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of Infomedia Press Limited, (the 'Company'), which comprise 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 the significant accounting policies and other explanatory information.

#### Management's Responsibility for the 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 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; safeguarding the assets of the Company; 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 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 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. 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 financial statements.

#### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 2016, its loss and its cash flows for the year ended on that date.

#### Emphasis of Matter

9. We draw attention to Note 24 to the financial statements which indicate that the Company had discontinued its operations in the previous years and has incurred a net loss of Rs. 370.76 lakhs during the year ended 31 March 2016 and as of that date the Company's accumulated losses amount to Rs. 7,899.66 lakhs resulting in erosion of hundred percent of net worth of the Company. The management of the Company is evaluating various options, including starting a new line of business. These conditions, along with other matters as set forth in the aforesaid note, indicate the existence of a material uncertainty that may

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cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

#### **Report on Other Legal and Regulatory Requirements**

10. 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 I a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. 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 financial statements 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 (as amended);
  - e. the matter described in paragraph 9 under the Emphasis of Matters paragraph, in our opinion, may have an adverse effect on the functioning of the Company;
  - f. on the basis of the written representations received from the directors and taken on record by the Board of Directors, 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;
  - g. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 20 April 2016 as per Annexure II expressed unqualified opinion; and
  - h. 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. as detailed in Note 18 to the financial statements, the Company has disclosed the impact of pending litigations on its financial position;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

per **B P Singh**  
Partner  
Membership No.: 70116

**Place** : Noida  
**Date** : 20 April 2016

## Annexure I to the Independent Auditor's Report

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company 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) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties are held in the name of the Company.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Amount paid under protest (Rs. in lakhs)	Period to which the amount relates*	Forum where dispute is pending
Income-tax Act, 1961	Income-tax	59.25	59.25	AY 2005-06	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income-tax	26.91	-	AY 2006-07	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income-tax	58.80	-	AY 2008-09	Income Tax Appellate Tribunal
Income-tax Act, 1961 (Appeal)	Income-tax	829.20	612.00	AY 2010-11	Commissioner of Income Tax
Income-tax Act, 1961 (Appeal)	Income-tax	2,113.64	-	AY 2009-10	Commissioner of Income Tax
Works Contract Tax Act, 1989	Works contract tax	156.59	84.00	FY 2001-02	Commissioner of sales Tax (Appeal)
Works Contract Tax Act, 1989	Works contract tax	103.00	56.00	FY 2002-03	Commissioner of sales Tax (Appeal)
Works Contract Tax Act, 1989	Works contract tax	107.58	56.00	FY 2003-04	Commissioner of sales Tax (Appeal)
Bombay Sales Tax Act, 1959	Sales tax	162.51	20.00	FY 2003-04	Joint Commissioner of Sales Tax (Appeal) – II

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Amount paid under protest (Rs. in lakhs)	Period to which the amount relates*	Forum where dispute is pending
Works Contract Tax Act, 1989	Works contract tax	20.00	1.10	FY 2004-05	Joint Commissioner of Sales Tax (Appeal) – II
Maharashtra Value Added Tax Act, 2002	Works contract tax	662.62	-	FY 2006-07	Commissioner of sales Tax (Appeal)
Maharashtra Value Added Tax Act, 2002	Sales tax	1,313.91	-	FY 2007-08	Commissioner of sales Tax (Appeal)
Maharashtra Value Added Tax Act, 2002	Sales tax	0.89	-	FY 2008-09	Commissioner of sales Tax (Appeal)
Maharashtra Value Added Tax Act, 2002	Sales tax	1,867.13	-	FY 2008-09	Commissioner of sales Tax (Appeal)
Maharashtra Value Added Tax Act, 2002	Works contract tax	115.55	-	FY 2009-10	Commissioner of sales Tax (Appeal)
Maharashtra Value Added Tax Act, 2002	Works contract tax	75.38	-	FY 2010-11	Commissioner of sales Tax (Appeal)

\*AY –Assessment Year, FY- Financial Year

- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) In our opinion, the provisions of section 197 of the Act read with Schedule V to the Act is not applicable to the Company as the Company does not pay any remuneration to its directors. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

per **B P Singh**  
Partner  
Membership No.: 70116

**Place** : Noida  
**Date** : 20 April 2016

## **Annexure II to the Independent Auditor's Report**

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### **Annexure II to the Independent Auditor's Report of even date to the members of Infomedia Press Limited on the financial statements for the year ended 31 March 2016**

#### **Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Act')**

1. In conjunction with our audit of the financial statements of Infomedia Press Limited (the 'Company') as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company of as of that date.

#### **Management's Responsibility for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the IFCoFR criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). 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 the Company's 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 Act.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing ('Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 IFCoFR.

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

6. A Company's IFCoFR 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 IFCoFR 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**

7. Because of the inherent limitations of IFCoFR, 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

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IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the IFCoFR criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note issued by the ICAI.

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

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

**Place:** Noida  
**Date :** 20 April 2016

## Balance Sheet as at 31st March 2016

	Notes	As at 31 March 2016 Rs. in lakhs	As at 31 March 2015 Rs. in lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	5,019.42	5,019.42
Reserves and surplus	4	(7,753.77)	(7,383.01)
		<b>(2,734.35)</b>	<b>(2,363.59)</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	2,186.86	2,023.00
Other long-term liabilities	6	811.48	548.69
		<b>2,998.34</b>	<b>2,571.69</b>
<b>Current liabilities</b>			
Trade payables	7	-	-
Due to Micro and Small Enterprises		-	-
Others		70.05	72.96
Other current liabilities	8	569.23	607.28
Short-term provisions	9	0.31	17.13
		<b>639.59</b>	<b>697.37</b>
		<b>903.58</b>	<b>905.47</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	10	42.65	54.02
Long-term loans and advances	11	797.00	775.90
		<b>839.65</b>	<b>829.92</b>
<b>Current assets</b>			
Cash and bank balances	12	63.27	75.36
Short-term loans and advances	13	0.66	0.19
		<b>63.93</b>	<b>75.55</b>
		<b>903.58</b>	<b>905.47</b>

Notes 1 to 27 form an integral part of these financial statements.

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

For **Walker Chandiook & Co LLP**  
(formerly Walker, Chandiook & Co)  
Chartered Accountants  
Firm's Registration No.:001076N/N500013  
per **B P Singh**  
Partner  
Membership No.:70116  
Place: Noida  
Date: 20 April 2016

For and on behalf of the Board of Directors of  
**Infomedia Press Limited**

**Gagan Kumar**  
Chairman of the Board  
DIN: 02989428

**Rohit Bansal**  
Director  
DIN: 02067348

**Sandeep Mantri**  
Chief Financial Officer

**Tasneem Udaipurwala**  
Company Secretary  
Membership No.: 25546

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

	Notes	Year ended 31 March 2016 Rs. in lakhs	Year ended 31 March 2015 Rs. in lakhs
<b>REVENUE</b>			
Other income	14	67.63	73.91
<b>Total revenue</b>		<b>67.63</b>	<b>73.91</b>
<b>EXPENSES</b>			
Employee benefits expense	15	3.21	3.82
Finance cost	16	291.99	303.45
Depreciation	10	6.16	0.95
Other expenses	17	131.82	113.10
<b>Total expenses</b>		<b>433.18</b>	<b>421.32</b>
<b>Loss before prior period expense and tax</b>		<b>(365.55)</b>	<b>(347.41)</b>
Prior period expense	10	5.21	-
		<b>(370.76)</b>	<b>(347.41)</b>
Loss for the year from continuing operations before/after tax	22	<b>(303.36)</b>	<b>(304.40)</b>
Loss for the year from discontinuing operations before /after tax	22	<b>(67.40)</b>	<b>(43.01)</b>
<b>Loss for the year</b>		<b>(370.76)</b>	<b>(347.41)</b>
<b>Loss per share (basic and diluted)</b> (Face value of Rs 10 each)	19	<b>(0.74)</b>	<b>(0.69)</b>

Notes 1 to 27 form an integral part of these financial statements.

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

For **Walker Chandiook & Co LLP**  
(formerly Walker, Chandiook & Co)  
Chartered Accountants  
Firm's Registration No.:001076N/N500013  
per **B P Singh**  
Partner  
Membership No.:70116  
Place: Noida  
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For and on behalf of the Board of Directors of  
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Director  
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Chief Financial Officer

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Company Secretary  
Membership No.: 25546

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

	Year ended 31 March 2016 Rs. in lakhs	Year ended 31 March 2015 Rs. in lakhs
<b>A. Cash flow from operating activities:</b>		
Loss before/after tax	(370.76)	(347.41)
Adjustments for:		
Depreciation (including prior period depreciation charge)	11.37	0.95
Sundry balances written back	(67.61)	-
Reversal of employee stock compensation	-	(7.49)
Interest and other financial charges	291.99	303.45
Interest income	(0.02)	(0.40)
<b>Operating loss before working capital changes</b>	<b>(135.03)</b>	<b>(50.90)</b>
(Decrease)/Increase in assets other than fixed assets and cash and bank balances	(21.57)	86.09
Decrease/ (Increase) in liabilities other than borrowings	9.83	(68.79)
<b>Cash flow from operating activities before taxes</b>	<b>(146.77)</b>	<b>(33.60)</b>
Taxes paid	-	(0.03)
<b>Net cash used in operating activities</b>	<b>(146.77)</b>	<b>(33.63)</b>
<b>B. Cash flow from investing activities:</b>		
(Decrease)/Increase in other bank balances	(3.05)	2.69
Interest received	0.02	0.40
<b>Net cash (used in) / from investing activities</b>	<b>(3.03)</b>	<b>3.09</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from long term borrowings	163.86	-
Interest paid	(29.20)	(30.35)
<b>Net cash from / (used in) financing activities</b>	<b>134.66</b>	<b>(30.35)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(15.14)</b>	<b>(60.89)</b>
Cash and cash equivalents as at the beginning of the year	16.51	77.40
Cash and cash equivalents as at the end of the year	1.37	16.51
<b>b) Cash and cash equivalents include:</b>		
Balances with banks:		
in current accounts	1.37	16.51
	1.37	16.51
Other		
Unclaimed dividend accounts	0.06	1.80
Unclaimed right issue	0.29	0.29
Unclaimed buy back money	56.76	56.76
In current account - Earmarked balances	4.79	-
	61.90	58.85
<b>Cash and bank balances</b>	<b>63.27</b>	<b>75.36</b>

Notes 1 to 27 form an integral part of these financial statements.

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

For **Walker Chandiook & Co LLP**  
(formerly Walker, Chandiook & Co)  
Chartered Accountants  
Firm's Registration No.:001076N/N500013  
per **B P Singh**  
Partner  
Membership No.:70116  
Place: Noida  
Date: 20 April 2016

For and on behalf of the Board of Directors of  
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**Gagan Kumar**  
Chairman of the Board  
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**Rohit Bansal**  
Director  
DIN: 02067348

**Sandeep Mantri**  
Chief Financial Officer

**Tasneem Udaipurwala**  
Company Secretary  
Membership No.: 25546

## Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

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### 1. Background:

Infomedia Press Limited (the 'Company') was incorporated on 30 May 1955. In the previous years, the Company has discontinued its business of printing operations and the management is in the process of evaluating various options, including starting a new line of business.

### 2. Summary of significant accounting policies:

#### a) Basis of preparation

The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the accounting principles generally accepted in India including 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 the Company.

#### b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amount of revenue and expenses during the reporting period. Actual result could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future period.

#### c) Fixed assets

Fixed assets are stated at their original cost including incidental expenses related to acquisition and installation and subsequent additional cost in respect of major reconditioning expenses enhancing the standard of performance of the assets less accumulated depreciation, amortisation and impairment loss if any.

#### d) Depreciation

The Company depreciates its fixed assets as follows:

- i. Leasehold land – over the period of the lease on straight line method
- ii. Building – on straight line method at the rates which are based on the useful life as estimated by the management and are equal to the rates specified in Schedule II to the Act.

#### e) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the 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 recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the Statement of Profit and Loss.

#### f) Employee benefits

Provident fund

The Company's Employees Provident Fund scheme has a defined contribution plan. The Company's contribution to the Employees' Provident Fund is charged to the Statement of Profit and Loss during the period in which the employee renders the related service.

Gratuity

Provision for gratuity, a defined benefit plan, is made on the basis of last drawn salary and accrued for the number of years of service as per the provisions of the Payment of Gratuity Act, 1972.

## Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

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### Short term employee benefits

Short term employee benefits expected to be paid or payable in exchange for the services rendered is recognised on undiscounted basis.

### g) 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.

### h) Provisions and contingencies

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

### i) Income taxes

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. In respect of carry forward losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty that sufficient future taxable income will be available against which such losses can be realised.

### j) Cash and cash equivalents

Cash and cash equivalents comprise cash and deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

## Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

	As at 31 March 2016 Rs. in lakhs	As at 31 March 2015 Rs. in lakhs
<b>3 Share capital</b>		
<b>Authorised share capital</b>		
10,00,00,000 (previous year 10,00,00,000) equity shares of Rs. 10 each	<u>10,000.00</u>	<u>10,000.00</u>
<b>Issued, subscribed and fully paid-up share capital</b>		
5,01,94,172 (previous year 5,01,94,172) equity shares of Rs. 10 each fully paid up	<u>5,019.42</u>	<u>5,019.42</u>
	<u>5,019.42</u>	<u>5,019.42</u>

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

**b. Description of the rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. All the existing equity shares rank pari-passu in all respects including but not limited to entitlement for dividend, bonus issue and right issue. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Equity Shares held by the Holding Company**

Particulars	Nature of relationship	As at 31 March 2016		As at 31 March 2015	
		Numbers	% of holding	Numbers	% of holding
Network18 Media & Investments Limited	Holding Company	25,442,694	50.69%	25,442,694	50.69%

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.

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

Name of shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares held	% of holding	No. of shares Nos.	% of holding
Network18 Media & Investments Limited	25,442,694	50.69%	25,442,694	50.69%

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.

**e. Shares issued for consideration other than cash**

No shares have been issued pursuant to a contract without payment being received in cash, allotted as fully paid up bonus issued or brought back in the current reporting period and in the last five years immediately preceding the current reporting period.

## Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

	As at 31 March 2016 Rs. in lakhs	As at 31 March 2015 Rs. in lakhs
<b>4 Reserves and surplus</b>		
<b>Securities premium account</b>		
Balance at the beginning /end of the year	145.89	145.89
<b>Employee stock options outstanding</b>		
Gross employee stock compensation for options granted	-	7.49
Less: Deferred employee stock compensation	-	(7.49)
	-	-
<b>Balance in statement of profit and loss</b>		
Balance at the beginning of the year	(7,528.90)	(7,181.49)
Loss for the year	(370.76)	(347.41)
Balance at the end of the year	(7,899.66)	(7,528.90)
	(7,753.77)	(7,383.01)
<b>5 Long-term borrowings</b>		
Unsecured		
Loans and advances from related parties (refer note 20)	2,186.86	2,023.00
	2,186.86	2,023.00
<b>Note:</b>		
The above loan carries an interest rate of 10.5% per annum (15% per annum upto 31 December 2015) and is repayable in September 2017.		
<b>6 Other long-term liabilities</b>		
Interest accrued but not due on long-term borrowings (refer note 20)	811.48	548.69
	811.48	548.69

## Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

	As at 31 March 2016 Rs. in lakhs	As at 31 March 2015 Rs. in lakhs
<b>7 Trade payables</b>		
Due to micro and small enterprises*	-	-
Due to others	70.05	72.96
	<u>70.05</u>	<u>72.96</u>
* Dues to small and micro enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006 #:		
Principal amount outstanding	-	-
Interest due thereon	-	-
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid as at end of the year	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-
# The details of amounts outstanding to micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 are as per available information with the Company.		
<b>8 Other current liabilities</b>		
Payable to related parties	502.53	504.98
Advance from customers	-	37.66
Unpaid dividend	0.06	1.80
Employees dues	-	0.07
Statutory dues payable	9.88	3.77
Security deposits	-	2.24
Other payables	56.76	56.76
	<u>569.23</u>	<u>607.28</u>

## Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

	As at 31 March 2016 Rs. in lakhs	As at 31 March 2015 Rs. in lakhs
<b>9 Short-term provisions</b>		
Provision for gratuity	0.31	0.28
Provision for bonus and superannuation	-	16.85
	<u>0.31</u>	<u>17.13</u>

### 10 Tangible assets

Rs. in lakhs

	Leasehold land	Buildings	Total
<b>Gross block</b>			
Balance as at 1 April 2014 / 1 April 2015	18.72	338.86	357.58
Additions during the year	-	-	-
Deletions during the year	-	-	-
<b>Balance as at 31 March 2015 / 31 March 2016</b>	<b>18.72</b>	<b>338.86</b>	<b>357.58</b>
<b>Accumulated depreciation</b>			
Balance as at 1 April 2014	9.05	293.56	302.61
Charge for the year	0.20	0.75	0.95
Balance as at 31 March 2015	9.25	294.31	303.56
Charge for the year	0.17	5.99	6.16
Prior period depreciation charge	-	5.21	5.21
<b>Balance as at 31 March 2016</b>	<b>9.42</b>	<b>305.51</b>	<b>314.93</b>
<b>Net block</b>			
Balance as at 31 March 2015	9.47	44.55	54.02
<b>Balance as at 31 March 2016</b>	<b>9.30</b>	<b>33.35</b>	<b>42.65</b>

### 11 Long-term loans and advances

#### Unsecured, considered good

Security deposits	18.78	18.78
Income tax paid [net of provisions of Rs. 2,584 lakhs (previous year Rs. 2,584 lakhs)]	757.12	757.12
Balance with statutory authorities (paid under protest)	21.10	-
	<u>797.00</u>	<u>775.90</u>

## Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

	As at 31 March 2016 Rs. in lakhs	As at 31 March 2015 Rs. in lakhs
<b>12 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Balances with banks:		
in current accounts	1.37	16.51
	<u>1.37</u>	<u>16.51</u>
<b>Other bank balances</b>		
Unclaimed dividend accounts	0.06	1.80
Unclaimed right issue	0.29	0.29
Unclaimed buy back money	56.76	56.76
In current account - Earmarked balances	4.79	-
	<u>61.90</u>	<u>58.85</u>
	<u>63.27</u>	<u>75.36</u>
<b>13 Short-term loans and advances</b>		
<b>Unsecured, considered good</b>		
Prepaid expenses	0.66	0.19
	<u>0.66</u>	<u>0.19</u>
<b>14 Other income</b>		
Interest income on bank balances	0.02	0.40
Sundry balances written back	67.61	25.74
Reversal of employee stock compensation expenses	-	7.49
Sale of scrap	-	40.28
	<u>67.63</u>	<u>73.91</u>
<b>15 Employee benefits expense</b>		
Salaries, wages and bonus	2.97	3.04
Contribution to provident fund and other funds	0.11	0.11
Staff welfare expenses	0.13	0.67
	<u>3.21</u>	<u>3.82</u>
<b>16 Finance cost</b>		
Interest on borrowings	291.99	303.45
	<u>291.99</u>	<u>303.45</u>

## Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

	2015-16 Rs. in lakhs	2014-15 Rs. in lakhs
<b>17 Other expenses</b>		
Directors sitting fees	22.00	11.00
Power and fuel	16.04	13.19
Rates and taxes	36.16	24.55
Insurance	0.30	0.13
Legal and professional expenses *	22.48	21.23
Payment to auditor (as auditor) - refer note below		
Postage and communication	4.73	6.79
Printing and stationery	2.76	6.06
Housekeeping charges	4.27	3.10
Security charges	19.66	18.42
Miscellaneous expenses	3.42	8.63
	<b>131.82</b>	<b>113.10</b>
<b>* Includes payment to statutory auditor</b>		
As auditor	6.00	6.00
For reimbursement of expenses	0.22	1.22
	<b>6.22</b>	<b>7.22</b>

### 18. Provisions and contingencies

a. Claims against the Company not acknowledged as debts:

- i. The Company has received demands ascertaining to Rs. 3087.80 lakhs (previous year - Rs. 974.17 lakhs) towards Income Tax for the assessment years 2005-06, 2006-07, 2008-09, 2009-10 and 2010-11. The Company has disputed the demands and has preferred appeals before appellate authorities and also deposited Rs 671.25 lakhs upto 31 March 2016
- ii. Sales tax/Works Contract tax matters disputed by the Company relating to issue of applicability, allowability, etc. aggregating to Rs.4,585 lakhs (previous year Rs. 3,196.92 lakhs) for the F.Y 2000-01 2001-02, 2002-03, 2003-04, 2004-05, 2006-07,2007-08, 2008-09, 2009-10 and F.Y 2010-11.

In respect of the demands/claims described in paragraphs (i) and (ii) above, the Company has also assessed that the possibility of these cases being decided against the Company and the demand crystallising on the Company is not likely and hence no provision is required.

### 19. Earnings per share

(Rs. in lakhs)

Particulars	31 March 2016	31 March 2015
Loss after tax for the year including discontinuing operations attributable to equity shareholders	(370.76)	(347.41)
Loss for the year excluding discontinuing operations	(303.36)	(304.40)
Weighted average number of equity shares in calculating basic/diluted loss per share (In lakhs)	501.94	501.94
Nominal value of equity share (in Rs.)	10	10
Loss per share (basic and diluted) (Rs.)	(0.74)	(0.69)

## Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

### 20. Related parties disclosures:

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

#### a. List of related parties where control exists and related parties with whom the transactions have taken place and relationships:

Sr. No.	Name of Related Party	Relationship
1	Independent Media Trust (w.e.f. 07 July, 2014)	Enterprises exercising control
2	Adventure Marketing Private Limited (w.e.f. 07 July, 2014) #	
3	Watermark Infratech Private Limited (w.e.f. 07 July, 2014)#	
4	Colorful Media Private Limited (w.e.f. 07 July, 2014) #	
5	RB Media Holdings Private Limited (w.e.f. 07 July, 2014)#	
6	RB Mediasoft Private Limited (w.e.f. 07 July, 2014)#	
7	RRB Mediasoft Private Limited (w.e.f. 07 July, 2014)#	
8	RB Holdings Private Limited (w.e.f. 07 July, 2014)#	
9	Network18 Media & Investments Limited	
10.	Shinano Retail Private Limited (w.e.f. 07 July, 2014)	
11	Reliance Industries Limited (RIL) (w.e.f. 07 July, 2014)	Beneficiary/Protector of Independent Media Trust
12	Reliance Industrial Investments and Holdings Limited) (w.e.f. 07 July, 2014)	

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

#### b. Transactions during the year

Rs in lakhs

	Holding Company	Grand Total
<b>Loan taken during the year</b>		
Network18 Media & Investments Limited	163.86	163.86
	(-)	(-)
<b>Finance costs</b>		
Network18 Media & Investments Limited	291.99	291.99
	(303.45)	(303.45)
<b>Expenditure incurred for service received</b>		
Network18 Media & Investments Limited	139.28	139.28
	-	-
<b>Reimbursement of expenses (paid/payable)</b>		
Network18 Media & Investments Limited	147.99	147.99
	(0.14)	(0.14)
<b>Balance at the year end</b>		
<b>Amounts due to</b>		
Network18 Media & Investments Limited	550.89	550.89
	(542.17)	(542.17)
<b>Loan outstanding</b>		
Network18 Media & Investments Limited	2186.86	2186.86
(maximum balance outstanding during the year Rs. 2186.86 lakhs)	(2023.00)	(2023.00)
<b>Interest accrued but not due</b>		
Network18 Media & Investments Limited	811.48	811.48
(maximum balance outstanding during the year Rs. 811.48 lakhs)	(548.69)	(548.69)

Figures in bracket () represent previous year figure

## Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

21. The Company has contributed Rs. 0.11 Lakhs (previous year Rs. 0.11 Lakhs) towards Contribution to provident fund.
22. During the previous years, the Company has closed the printing press business and discontinued the printing operations. As at 31 March 2016, the carrying amount of such assets and liabilities of discontinuing operations which were not disposed off for previous year was Rs. 860.93 Lakhs (previous year Rs 851.44 lakhs) and Rs. 639.59 lakhs (previous year Rs. 697.37 Lakhs) respectively. The following statement shows the revenue and expenses of continuing and discontinuing operations:

Rs in lakhs

Particulars	Continuing operations		Discontinuing operations		Total	
	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2016	Year ended 31 March 2015
<b>Revenue</b>						
Other income	-	-	67.63	73.91	67.63	73.91
<b>Revenue</b>	<b>-</b>	<b>-</b>	<b>67.63</b>	<b>73.91</b>	<b>67.63</b>	<b>73.91</b>
<b>Expenses</b>						
Employee benefits expense	-	-	3.21	3.82	3.21	3.82
Finance costs	291.99	303.45	-	-	291.99	303.45
Depreciation (includes prior period expense)	11.37	0.95	-	-	11.37	0.95
Other expenses	-	-	131.82	113.10	131.82	113.10
<b>Total Expenses</b>	<b>303.36</b>	<b>304.40</b>	<b>135.02</b>	<b>116.92</b>	<b>438.39</b>	<b>421.32</b>
<b>Loss before tax</b>	<b>(303.36)</b>	<b>(304.40)</b>	<b>(67.40)</b>	<b>(43.01)</b>	<b>(370.76)</b>	<b>(347.41)</b>
Current tax expenses	-	-	-	-	-	-
<b>Loss for the period</b>	<b>(303.36)</b>	<b>(304.40)</b>	<b>(67.40)</b>	<b>(43.01)</b>	<b>(370.76)</b>	<b>(347.41)</b>

23. The accumulated losses of the Company have resulted in the erosion of its net worth. The Company has been legally advised that in view of closure of its printing operations, the provisions of Sick Industrial Companies (Special provisions) Act, 1985 are not applicable to it.
24. The Company had discontinued its operations in the previous years and has incurred net loss of Rs. 370.76 lakhs during the year ended 31 March 2016 and as of that date the Company's accumulated losses amount to Rs.7,899.66 lakhs which has resulted in erosion of hundred percent of net worth of the Company. The management is evaluating various options, including starting a new line of business. There is a material uncertainty related to the aforementioned conditions that may cast significant doubt on the Company continuing as a going concern and accordingly, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Network 18 Media & Investments Limited, the Holding Company, has given a support letter to extend, for the foreseeable future (i.e. twelve months from 31 March 2016), any financial support, which may be required by the Company. Considering these factors, the management has assessed that the Company continues to be a going concern and hence, these financial statements have been prepared on a going concern basis.
25. As the Company operates in a single business and geographical segment, the reporting requirements for primary and secondary segment disclosures prescribed by Accounting Standard 17 "Segment Reporting", have not been provided in these financial statements.

## Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

### 26. Deferred taxes

	As at 31 March 2016 Rs. in lakhs	As at 31 March 2015 Rs. in lakhs
Deferred tax liability		
Depreciation and amortisation	(1)	(4)
Deferred tax asset		
Unabsorbed depreciation and carry forward losses	1,860	1,739
<b>Net deferred tax (liability) / asset</b>	-	-

The Company had recognised deferred tax asset to the extent of the deferred tax liability only, in view of estimated tax losses and absence of virtual certainty supported by convincing evidence that sufficient future taxable income will not be available against which such deferred tax assets can be realised.

27. Previous year's figures have been regrouped wherever necessary to conform with figures of the current year.

This is the summary of significant accounting policies and other explanatory information for the year ended 31 March 2016 referred to in our report of even date.

For **Walker Chandiook & Co LLP**  
(formerly Walker, Chandiook & Co)  
Chartered Accountants  
Firm's Registration No.:001076N/N500013  
per **B P Singh**  
Partner  
Membership No.:70116  
Place: Noida  
Date: 20 April 2016

For and on behalf of the Board of Directors of  
**Infomedia Press Limited**

**Gagan Kumar**  
Chairman of the Board  
DIN: 02989428

**Rohit Bansal**  
Director  
DIN: 02067348

**Sandeep Mantri**  
Chief Financial Officer

**Tasneem Udaipurwala**  
Company Secretary  
Membership No.: 25546