

WATERMARK INFRATECH PRIVATE LIMITED
ANNUAL ACCOUNTS - FY : 2016-17

Independent Auditor's Report

TO THE MEMBERS OF WATERMARK INFRATECH PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Watermark Infratech Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 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 these financial statements are free from material misstatement.

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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

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 including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2017, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity 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.
 - 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 Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Company as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - 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.
 - iv. The Company, as detailed in Note 5.1 to the financial statements, has made requisite disclosures in these financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

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

Ankush Jain
Partner
Membership No. 540194

Place: New Delhi
Date: 17th April, 2017

Annexure to the Independent Auditor's Report

To the Members of Watermark Infratech 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 2017.

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 3(i) are not applicable to the Company.

(ii) Inventories:

- (a)** As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(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 clause 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 clause 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), 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, Custom Duty, Excise Duty, sales tax, VAT, Cess and other material statutory dues in arrears /were outstanding as at 31 March, 2017 for a period of more than six months from the date they became payable.

(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) 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) *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 clause 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 clause 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 the order is not applicable.

(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 clause 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)

Ankush Jain

Partner

Membership No: 540194

Place: New Delhi

Date: 17th April, 2017

“ANNEXURE –A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENT OF WATERMARK INFRATECH 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 Watermark Infratech Private Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the 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, and the Guidance Note 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 were 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 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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2017, 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)

Ankush Jain

Partner

Membership No: 540194

Place: New Delhi

Date: 17th April, 2017

Balance Sheet as at 31st March, 2017

Amount in Rupees

	Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
ASSETS				
(1) Non-current assets				
(a) Financial Assets				
(i) Investments	1	3,82,73,04,270	3,82,73,04,270	3,82,73,04,270
(b) Other non-current assets	2	61,174	61,174	61,174
Total Non-current Assets		3,82,73,65,444	3,82,73,65,444	3,82,73,65,444
(2) Current assets				
(a) Financial Assets				
(i) Investments	3	23,98,372	-	-
(ii) Trade receivables	4	-	-	1,49,823
(iii) Cash and cash equivalents	5	3,88,443	27,08,073	27,20,649
Total Current Assets		27,86,815	27,08,073	28,70,472
Total Assets		3,83,01,52,259	3,83,00,73,517	3,83,02,35,916
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	6	1,00,000	1,00,000	1,00,000
(b) Other Equity	7	3,82,99,14,384	3,82,99,28,809	3,74,99,31,463
Total Equity		3,83,00,14,384	3,83,00,28,809	3,75,00,31,463
Liabilities				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	8	-	-	8,00,86,099
Total Non-current Liabilities		-	-	8,00,86,099
(2) Current liabilities				
(a) Other current liabilities	9	1,37,875	44,708	1,18,354
Total Current Liabilities		1,37,875	44,708	1,18,354
Total Equity and Liabilities		3,83,01,52,259	3,83,00,73,517	3,83,02,35,916

Significant Accounting Policies

See accompanying Notes to the Financial Statements 1 to 20

As per our Report of even date

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

Ankush Jain
Partner
Membership No. 540194

Place: New Delhi
Date : 17th April, 2017

For and on behalf of the Board of Directors

Laxmidas Vallabhadas Merchant
Director
DIN : 00007722

Place: Mumbai
Date : 17th April, 2017

Venkataraman Ramachandran
Director
DIN : 02032853

Statement of Profit and Loss for the year ended 31st March, 2017

		Amount in Rupees		
	Note No.	2016-17	2015-16	
Income				
I	Revenue from operations	10	1,15,300	37,900
II	Other income	11	98,372	-
III	Total Income		2,13,672	37,900
Expenses				
	(a) Purchase of traded goods	12	1,09,024	35,840
	(b) Finance costs	13	863	3,106
	(c) Other expenses	14	1,18,210	58,578
IV	Total expenses		2,28,097	97,524
V	Loss before tax (III-IV)		(14,425)	(59,624)
VI	Tax expense:			
	Prior period tax adjustment		-	29,030
	Net tax expense		-	29,030
VII	Loss for the year (V-VI)		(14,425)	(88,654)
VIII	Other Comprehensive Income		-	-
IX	Total Comprehensive Income for the year (VII + VIII)		(14,425)	(88,654)
X	Earnings per equity share of face value of Rs. 10 each			
	(a) Basic	16	(1.44)	(8.87)
	(b) Diluted	16	(0.00)	(0.00)

Significant Accounting Policies

See accompanying Notes to the Financial Statements 1 to 20

As per our Report of even date

For Mohan L. Jain & Co.

Chartered Accountants

Firm Registration No. 005345N

Ankush Jain

Partner

Membership No. 540194

Place: New Delhi

Date : 17th April, 2017

For and on behalf of the Board of Directors

Laxmidas Vallabhdas Merchant

Director

DIN : 00007722

Place: Mumbai

Date : 17th April, 2017

Venkataraman Ramachandran

Director

DIN : 02032853

Statement of Changes in Equity for the year ended 31st March, 2017

A. Equity Share Capital

Amount in Rupees

Balance at the beginning of 1st April, 2015	Changes in equity share capital during the year 2015-16	Balance at the end of 31st March, 2016	Changes in equity share capital during the year 2016-17	Balance at the end of 31st March, 2017
1,00,000	-	1,00,000	-	1,00,000

B. Other Equity

Amount in Rupees

Particulars	Equity instruments	Retained Earnings	Total
As on 31st March 2016			
Balance at the beginning of the 1st April 2015	3,78,58,87,670	(3,59,56,207)	3,74,99,31,463
Total Comprehensive Income for the year	-	(88,654)	(88,654)
Issued during the year	8,00,86,000	-	8,00,86,000
Balance at the end of the 31st March 2016	3,86,59,73,670	(3,60,44,861)	3,82,99,28,809
As on 31st March 2017			
Balance at the beginning of the reporting period	3,86,59,73,670	(3,60,44,861)	3,82,99,28,809
Total Comprehensive Income for the year	-	(14,425)	(14,425)
Balance at the end of the reporting period	3,86,59,73,670	(3,60,59,286)	3,82,99,14,384

As per our Report of even date

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

Ankush Jain
Partner
Membership No. 540194

Place: New Delhi
Date : 17th April, 2017

For and on behalf of the Board of Directors

Laxmidas Vallabhadas Merchant
Director
DIN : 00007722

Place: Mumbai
Date : 17th April, 2017

Venkataraman Ramachandran
Director
DIN : 02032853

Cash Flow Statement for the year ended 31st March, 2017

Particulars	Amount in Rupees	
	2016-17	2015-16
A: CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before tax as per Statement of Profit and Loss	(14,425)	(59,624)
Adjusted for:		
Net gain arising on financial assets classified as at FVTPL	(98,372)	-
Finance costs	863	3,106
Operating loss before working capital changes	(1,11,934)	(56,518)
Adjusted for:		
Trade and Other Payables	93,167	(73,646)
Trade and Other Receivables	-	1,49,823
Cash (used in)/ generated from operations	(18,767)	19,659
Taxes paid (Net)	-	29,030
Net cash (used in)/ flow from operating activities	(18,767)	(9,371)
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Current Investments	(23,00,000)	-
Net cash (used in) investing activities	(23,00,000)	-
C: CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost	(863)	(3,106)
Repayment of borrowings	-	(99)
Net cash (used in) financing activities	(863)	(3,205)
Net (Decrease) in Cash and Cash equivalents	(23,19,630)	(12,576)
Opening Balance of Cash and Cash equivalents	27,08,073	27,20,649
Closing Balance of Cash and Cash equivalents	3,88,443	27,08,073
(Refer Note No. 5)		

As per our Report of even date

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

Ankush Jain
Partner
Membership No. 540194

Place: New Delhi
Date : 17th April, 2017

For and on behalf of the Board of Directors

Laxmidas Vallabhdas Merchant
Director
DIN : 00007722

Place: Mumbai
Date : 17th April, 2017

Venkataraman Ramachandran
Director
DIN : 02032853

Notes to the Financial Statements for the year ended 31 March, 2017

A CORPORATE INFORMATION

Watermark Intratech Private Limited (“the Company”) is a private limited company incorporated in India on 2th January, 2011, having its registered office at 9th Floor, Maker Chambers IV, 222, Nariman Point, Mumbai - 400021, Maharashtra, India. The company is engaged in the business of trading and has also made investments.

B ACCOUNTING POLICIES

B.1 BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on the historical cost basis except for certain financial assets which have been measured at fair value amount.

The financial statements of the Company have been prepared to comply with the Indian Accounting standards (‘Ind AS’), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

Upto the year ended March 31, 2016, the Company has prepared its financial statements in accordance with the requirement of Indian GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as “Previous GAAP”.

These financial statements are the Company’s first Ind AS financial statements and as covered by Ind AS 101 - First time adoption of Indian Accounting Standards.

Company’s financial statements are presented in Indian Rupees (Rs.), which is its functional currency.

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Property, plant and equipment:

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and arrangements arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow the entity and the cost can be measured reliably.

Depreciation on property, plant and equipment is provided using written down value method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(b) Provisions and Contingencies

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

(c) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity.

i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.

Notes to the Financial Statements for the year ended 31 March, 2017

ii) **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

(d) **Revenue recognition**

Revenue from sale of goods, is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

Revenue from operations includes sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and excluding taxes or duties collected on behalf of the government.

Interest Income from a financial asset is recognised using effective interest rate method.

(e) **Financial instruments**

(I) **Financial Assets**

Initial recognition and measurement:

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised using trade date accounting.

Subsequent measurement:

i) **Financial assets carried at amortised cost (AC)**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) **Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) **Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Impairment of financial assets

The Company assesses impairment based on expected credit loss (ECL) model to the following:

- a) Financial assets at amortised cost
- b) Financial assets measured at fair value through Other Comprehensive income

The Company follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses historical loss experience to determine the impairment loss allowance on the portfolio of trade receivables. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Notes to the Financial Statements for the year ended 31 March, 2017

(II) Financial liabilities

Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

Subsequent measurement:

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

C Critical accounting judgements and key sources of estimation uncertainty:

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

i) Estimated useful lives of tangible assets:

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

ii) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

D First time adoption of Ind AS:

The Company has adopted Ind AS with effect from 1st April 2016. There are no adjustments on translation of the financial results in accordance with Ind AS from the previous Indian GAAP for the corresponding period ended 31st March, 2016 and opening balance as at 1st April, 2015.

Exemptions from retrospective application:

i) Fair value as deemed cost exemption:

The Company has elected to measure items of property, plant and equipment at its carrying value at the transition date.

ii) Investments in subsidiaries, joint ventures and associates

The Company has elected to measure investment in subsidiaries, joint venture and associate at cost.

Notes to the Financial Statements for the year ended 31 March, 2017

				Amount in Rupees		
				As at	As at	As at
				31st March 2017	31st March 2016	1st April 2015
1	Non-current Investments					
	Investments classification at cost					
	In Equity shares - Quoted, fully paid up					
	12,75,28,287 (Previous year 12,75,28,287					
	As at 1 April, 2015 - 12,75,28,287) shares of					
	Network18 Media & Investments Limited	3,61,88,98,610	3,61,88,98,610	3,61,88,98,610		
	1,04,20,173 (Previous Year 1,04,20,173					
	As at 1 April, 2015 - 1,04,20,173) shares of					
	TV18 Broadcast Limited	20,84,05,660	20,84,05,660	20,84,05,660		
	Total	3,82,73,04,270	3,82,73,04,270	3,82,73,04,270		
	Aggregate amount of quoted investments	3,82,73,04,270	3,82,73,04,270	3,82,73,04,270		
	Market Value of quoted investments	4,96,49,01,455	6,03,11,77,600	6,69,85,22,006		
1.1	Category-wise Non-current Investments					
	Financial assets measured at cost	3,82,73,04,270	3,82,73,04,270	3,82,73,04,270		
	Total	3,82,73,04,270	3,82,73,04,270	3,82,73,04,270		
				Amount in Rupees		
				As at	As at	As at
				31st March 2017	31st March 2016	1st April 2015
2	Other non-current assets					
	(Unsecured and considered good)					
	Balance with Revenue Authorities	61,174	61,174	61,174		
	Total	61,174	61,174	61,174		
				Amount in Rupees		
				As at	As at	As at
				31st March 2017	31st March 2016	1st April 2015
3	Current Investments					
	Investments classification at Fair value through					
	Profit & Loss (FVTPL)					
	In Mutual Fund-Quoted					
	9,963.44 (Previous year Nil, As at 1 April, 2015 Nil)					
	units of ICICI prudential Liquid - Direct plan growth	23,98,372	-	-		
	Total	23,98,372	-	-		
	Aggregate amount of quoted investments	23,98,372	-	-		
	Market Value of quoted investments	23,98,372	-	-		
3.1	Category-wise current investments					
	Financial assets measured at Fair value through					
	Profit & Loss (FVTPL)	23,98,372	-	-		

Notes to the Financial Statements for the year ended 31 March, 2017

	Amount in Rupees		
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
4 Trade Receivables			
(Unsecured and considered good)			
Trade Receivables	-	-	1,49,823
Total	<u>-</u>	<u>-</u>	<u>1,49,823</u>

	Amount in Rupees		
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
5 Cash and Cash equivalents			
Balance with Banks			
– in current accounts	3,88,443	27,08,073	27,20,649
Total	<u>3,88,443</u>	<u>27,08,073</u>	<u>27,20,649</u>

5.1 Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are as under:

	Amount in Rupees		
	SBN	Other Denomination Notes	Total
Closing Cash in hand as on 08/11/2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing Cash in hand as on 30/12/2016	<u>-</u>	<u>-</u>	<u>-</u>

	Amount in Rupees		
	As at 31st March 2017	As at 31st March 2016	As At 1st April 2015
6 Equity Share capital			
a) Authorized Share Capital			
10,000 (Previous year 10,000, As at 1 April, 2015 - 10,000)			
Equity shares of Rs. 10 each	1,00,000	1,00,000	1,00,000
	<u>1,00,000</u>	<u>1,00,000</u>	<u>1,00,000</u>
b) Issued, subscribed and paid up capital			
10,000 (Previous year 10,000, As at 1 April, 2015 - 10,000)			
Equity shares of Rs. 10 each fully paid up	1,00,000	1,00,000	1,00,000
Total	<u>1,00,000</u>	<u>1,00,000</u>	<u>1,00,000</u>

c) The Company has only one class of equity shares having face value of Rs. 10 each share. Each holder of equity share is entitled to one vote per share held. All the 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, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all liabilities, in proportion of their shareholding.

Notes to the Financial Statements for the year ended 31 March, 2017

6.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year:

Particulars	As at	As at	As at
	31st March 2017	31st March 2016	1st April 2015
	No. of Shares	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	10,000	10,000	10,000
Add : Shares issued during the year	-	-	-
Equity Shares at the end of the year	10,000	10,000	10,000

6.2 Details of shareholders holding more than 5% shares of the Company:

Particulars		As at	As at	As at
	% held	31st March 2017	31st March 2016	1st April 2015
		No. of Shares	No. of Shares	No. of Shares
Sanchar Content Private Limited (On behalf of Independent Media Trust)	99.99%	9,999	9,999	9,999
Total	99.99%	9,999	9,999	9,999

Amount in Rupees

	As at	As at	As at
	31st March 2017	31st March 2016	1st April 2015
7 Other Equity			
Reserves & Surplus			
a) Equity Instruments			
Opening balance	3,86,59,73,670	3,78,58,87,670	3,78,58,87,670
Add: Issued during the year	-	8,00,86,000	-
Closing balance	3,86,59,73,670	3,86,59,73,670	3,78,58,87,670
Note:			
Zero coupon optionally fully convertible debentures (ZOFCD) Units 3,86,59,737 (31st March 2016 Units 3,86,59,737 and 1st April 2015 unit 3,78,58,877)			
Conversion at any time after 2 years from the date of allotment at the option of the Company (Issuer). The Company shall issue 10 equity shares of every debenture held in the Company. Early conversion at any time after allotment of the ZOFCDs by giving one month notice. These ZOFCDs are held by Sanchar Content Private Limited (On behalf of Independent Media Trust).			
b) Retained Earnings			
Opening balance	(3,60,44,861)	(3,59,56,207)	(3,59,56,207)
Add: Total Comprehensive Income for the year	(14,425)	(88,654)	-
Closing balance	(3,60,59,286)	(3,60,44,861)	(3,59,56,207)
Total	3,82,99,14,384	3,82,99,28,809	3,74,99,31,463

Notes to the Financial Statements for the year ended 31 March, 2017

	Amount in Rupees		
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
8 Borrowings (Unsecured)			
Loans and advances from related parties (refer note 15)	-	-	8,00,86,099
Total	<u>-</u>	<u>-</u>	<u>8,00,86,099</u>

	Amount in Rupees		
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
9 Other current liabilities			
Statutory dues payable	9,500	-	9,556
Other payables	1,28,375	44,708	1,08,798
Total	<u>1,37,875</u>	<u>44,708</u>	<u>1,18,354</u>

	Amount in Rupees	
	2016-17	2015-16
10 Revenue from operations		
Sale of traded goods	1,15,300	37,900
Total	<u>1,15,300</u>	<u>37,900</u>

	Amount in Rupees	
	2016-17	2015-16
11 Other Income		
Net gain arising on financial assets classified as at FVTPL	98,372	-
Total	<u>98,372</u>	<u>-</u>

	Amount in Rupees	
	2016-17	2015-16
12 Purchase of traded goods		
Cost of goods sold	1,09,024	35,840
Total	<u>1,09,024</u>	<u>35,840</u>

	Amount in Rupees	
	2016-17	2015-16
13 Finance costs		
Demat Charges	863	3,106
Total	<u>863</u>	<u>3,106</u>

Notes to the Financial Statements for the year ended 31 March, 2017

	Amount in Rupees	
	2016-17	2015-16
14 Other expenses		
Legal and professional expenses	7,160	18,235
Payment to Auditor (Refer details below)	1,09,250	28,625
Other Establishment Expenses	1,800	11,718
Total	1,18,210	58,578
Payment to Auditor		
As Auditor:		
Statutory Audit Fees	28,750	28,625
Other Services	80,500	-
Total	1,09,250	28,625

15 Related Parties Disclosures

- (i) As per Ind AS 24, the disclosures of transactions with the related parties are given below:

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

Name of Related Party	Relationship
Independent Media Trust	Enterprise exercising control
Reliance Industries Limited Reliance Industrial Investments and Holdings Limited	Beneficiary/ Protector of Independent Media Trust

- (ii) Transactions during the year with related parties:

Particulars	Amount in Rupees	
	Enterprise exercising control	
Repayment of borrowings		
Independent Media Trust		
As at 31st March 2017		-
As at 31st March 2016		99
As at 1st April 2015		-
Borrowings converted into Zero coupon optionally fully convertible debentures		
Independent Media Trust		
As at 31st March 2017		-
As at 31st March 2016		8,00,86,000
As at 1st April 2015		-
Borrowings at the end of year		
Independent Media Trust		
As at 31st March 2017		-
As at 31st March 2016		-
As at 1st April 2015		8,00,86,099

Notes to the Financial Statements for the year ended 31 March, 2017

	Amount in Rupees	
	2016-17	2015-16
16 Earnings per share (EPS)		
Net Loss after tax as per Statement of Profit and Loss attributable to Equity Shareholders	(14,425)	(88,654)
Net profit/(loss) for calculation of basic EPS	<u>(14,425)</u>	<u>(88,654)</u>
Net profit/(loss) as above	(14,425)	(88,654)
Net profit/(loss) for diluted EPS	<u>(14,425)</u>	<u>(88,654)</u>
Weighted Average number of Equity Shares used as denominator for calculating basic EPS	10,000	10,000
Effect of dilution:		
Weighted average number of equity shares upon conversion of Zero coupon optionally fully convertible debentures	38,65,97,370	37,87,64,301
Weighted Average number of Equity Shares used as denominator for calculating diluted EPS	38,66,07,370	37,87,74,301
Basic Earnings per Share	(1.44)	(8.87)
Diluted Earnings per Share	(0.00)	(0.00)
Face value per Equity Share	10	10
17 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
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.		
18 First time Ind AS adoption		
The Company has adopted Ind AS with effect from 1st April 2016. There are no adjustments on translation of the financial results in accordance with Ind AS from the previous Indian GAAP for the corresponding period ended 31st March, 2016 and opening balance as at 1st April, 2015.		
19 Reconciliation of Reserves between Ind AS and Previous GAAP		
There are no reconciliation items of its Net loss and Reserves between Ind AS and Previous GAAP for the earlier periods other than reclassification of Zero coupon optionally fully convertible debentures to Other Equity as per Ind AS which was classified under Long term borrowings in previous GAAP.		
20 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure.		

As per our Report of even date

For Mohan L. Jain & Co.

Chartered Accountants

Firm Registration No. 005345N

Ankush Jain

Partner

Membership No. 540194

Place: New Delhi

Date : 17th April, 2017

For and on behalf of the Board of Directors

Laxmidas Vallabhdas Merchant

Director

DIN : 00007722

Place: Mumbai

Date : 17th April, 2017

Venkataraman Ramachandran

Director

DIN : 02032853