

REED INFOMEDIA INDIA PRIVATE LIMITED
ANNUAL ACCOUNTS - FY : 2016-17

Independent Auditor's Report

To the Members of Reed Infomedia India Private Limited

Report on the Standalone Ind AS Financials Statements

We have audited the accompanying standalone Ind AS financial statements of Reed Infomedia India Private Limited ("The Company"), which comprise the Balance Sheet as at March 31st, 2017 and the statement of Profit and Loss and Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position and financial performance and cash flow of the company in accordance with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and the auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made hereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

We draw your attention to Note 8 regarding the Management's decision to discontinue the business of the Company; following which it does not have definite business plans. Accordingly, these financial statements have not been prepared on a going concern basis.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) In case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2017;
- (b) In case of the Profit and Loss account of the profit/loss for the year ended on that date; and
- (c) In case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of subsection (11) of section 143 of 'The Companies Act, 2013' and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we are of the opinion that the said order is not applicable to this company.
2. As required by the 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 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 appears from our examination of those books (and proper returns adequate for the purposes of our audit have been received from the branches not visited by us)
 - (c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement 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.
 - (e) On the basis of written representations received from the Directors as on 31 March, 2017, and taken on record by the Board of Directors of the Company and the information and explanations given to us, none of the directors is disqualified as on 31 March, 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 operating effectiveness of such control, refer to our separate report in 'Annexure A', and
 - (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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 1.1 to the standalone Ind AS financial statements;
 - ii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - iii. the Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 2.1 to the standalone Ind AS financial statements.

For SKPAG & Co. (FRN: 128940W)

Chartered Accountants

CA Nitin Sharma

Partner (Membership No. 159716)

Place: Mumbai

Date: 13th April 2017

“Annexure A” to the Independent Auditors’ Report referred to Paragraph 2(f) under the heading of “Report on other legal regulatory requirements of our report of even date.

Report on the Internal Financial Controls of Financial Statements under Clause (i) of Sub-section 3 of the Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Reed Infomedia India Private Limited** (“the company”) as of 31 March 2017 in conjunction with our audit of the standalone Ind AS 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 establishment and maintaining internal financial controls based in the internal control over financial reporting criteria establishment 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 (‘ICAI’). These responsibility includes the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was establishment and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedure selected depends on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company’s internal financial controls systems 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 controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatement 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 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 31 March, 2017, based on the internal control over 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 SKPAG & Co.
Chartered Accountants
Firm Regd. No. 128940W

Nitin Sharma
Partner
Membership No. 159716

Date: 13th April, 2017

Balance Sheet as at 31st March, 2017

| All amount in ₹ | | | | |
|-------------------------------------|----------|---------------------|---------------------|---------------------|
| | Note No. | As at 31.03.2017 | As at 31.03.2016 | As at 01.04.2015 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Other non- current assets | 1 | 2,10,977 | 2,10,977 | 2,10,977 |
| Total Non-current Assets | | 2,10,977 | 2,10,977 | 2,10,977 |
| Current assets | | | | |
| Financial assets | | | | |
| Cash and cash equivalents | 2 | 729 | 729 | 729 |
| Total Current Assets | | 729 | 729 | 729 |
| Total Assets | | 2,11,706 | 2,11,706 | 2,11,706 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Equity share capital | 3 | 10,00,00,000 | 10,00,00,000 | 10,00,00,000 |
| Other equity | 4 | (9,99,34,546) | (9,98,90,061) | (9,98,55,711) |
| Total Equity | | 65,454 | 1,09,939 | 1,44,289 |
| Liabilities | | | | |
| Current liabilities | | | | |
| Financials liabilities | | | | |
| Trade payable | 5 | 1,46,252 | 1,01,767 | 67,417 |
| Total Current Liabilities | | 1,46,252 | 1,01,767 | 67,417 |
| Total Equity and Liabilities | | 2,11,706 | 2,11,706 | 2,11,706 |

Significant Accounting Policies

See accompanying Notes to the Financial Statement 1 to 12

As per our report of even date.

For **SKPAG & Co.**

Chartered Accountants

Firm's Registration No. FRN: 128940W

Nitin Sharma

Partner

Membership No. -159716

Place: Mumbai

Date : 13th April 2017

For and on behalf of the Board of Directors of
Reed Infomedia India Private Limited

Sanjiv Kulshreshtha

Director

DIN - 06788866

Place: Noida

Date : 13th April 2017

Deepak Gupta

Director

DIN - 07520015

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

| | | All amount in ₹ | |
|--|----------|------------------------|------------------------|
| | Note No. | Year ended 2016-17 | Year ended 2015-16 |
| Revenue | | | |
| Revenue from operations | | - | - |
| Other income | | - | - |
| Total Revenue | | <u>-</u> | <u>-</u> |
| Expenses | | | |
| Other expenses | 6 | 44,485 | 34,350 |
| Total Expenses | | <u>44,485</u> | <u>34,350</u> |
| Loss before tax | | (44,485) | (34,350) |
| Tax expense: | | | |
| (a) Current Tax | | - | - |
| (b) Deferred tax | | - | - |
| Profit for the year | | (44,485) | (34,350) |
| Other comprehensive income | | - | - |
| Total Comprehensive Income for the period | | <u>(44,485)</u> | <u>(34,350)</u> |
| Earnings per equity share: | 7 | | |
| Earnings per share on face value of ₹ 10/- each | | | |
| Basic (in ₹) | | (0.004) | (0.003) |

Significant Accounting Policies

See accompanying Notes to the Financial Statement 1 to 12

As per our report of even date.

For **SKPAG & Co.**
Chartered Accountants
Firm's Registration No. FRN: 128940W

Nitin Sharma
Partner
Membership No. -159716

Place: Mumbai
Date : 13th April 2017

For and on behalf of the Board of Directors of
Reed Infomedia India Private Limited

Sanjiv Kulshreshtha
Director
DIN - 06788866

Place: Noida
Date : 13th April 2017

Deepak Gupta
Director
DIN - 07520015

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

A. Equity Share Capital

All amount in ₹

| | Balance as at 1st April 2015 | Changes in equity share capital during the year 2015-16 | Balance as at 31st March 2016 | Changes in equity share capital during the year 2016-17 | Balance as at 31st March 2017 |
|--|---------------------------------|--|-------------------------------------|---|-------------------------------------|
| | 10,00,00,000 | - | 10,00,00,000 | - | 10,00,00,000 |

B. Other Equity

All amount in ₹

| | Reserves and Surplus | Total |
|--|----------------------|----------------------|
| | Retained Earnings | |
| For the year 2015-16 | | |
| Balance as at 1st April 2015 | (9,98,55,711) | (9,98,55,711) |
| Total comprehensive income for the year | (34,350) | (34,350) |
| Balance at the end of 31st March 2016 | (9,98,90,061) | (9,98,90,061) |
| For the year 2016-17 | | |
| Balance at the beginning of the reporting period | (9,98,90,061) | (9,98,90,061) |
| Total comprehensive income for the year | (44,485) | (44,485) |
| Balance at the end of 31st March 2017 | (9,99,34,546) | (9,99,34,546) |

As per our report of even date.

For **SKPAG & Co.**

Chartered Accountants

Firm's Registration No. FRN: 128940W

Nitin Sharma

Partner

Membership No. -159716

Place: Mumbai

Date : 13th April 2017

For and on behalf of the Board of Directors of
Reed Infomedia India Private Limited**Sanjiv Kulshreshtha**

Director

DIN - 06788866

Place: Noida

Date : 13th April 2017

Deepak Gupta

Director

DIN - 07520015

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

| | All amount in ₹ | |
|--|-----------------------|-----------------------|
| | Year ended 2016-17 | Year ended 2015-16 |
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Loss before taxation | (44,485) | (34,350) |
| Adjustments for: | | |
| Bad Debts | - | - |
| Operating loss before working capital changes | (44,485) | (34,350) |
| Adjustments for: | | |
| Increase In trade and other payables | 44,485 | 34,350 |
| Cash Generated from Operations | - | - |
| Taxes paid | - | - |
| Net Cash Generated from Operating Activities | - | - |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Net Cash from Investing Activities | - | - |
| C. CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Net Cash from Financing Activities | - | - |
| Net (Decrease) in cash and cash equivalents (A+B+C) | - | - |
| Cash and cash equivalents as at the beginning of the year | 729 | 729 |
| Cash and Cash Equivalents as at the end of the year | 729 | 729 |
| Cash and cash equivalents | | |
| Balances with scheduled banks in: | | |
| Current accounts | 729 | 729 |
| | 729 | 729 |

As per our report of even date.

For **SKPAG & Co.**
Chartered Accountants
Firm's Registration No. FRN: 128940W

Nitin Sharma
Partner
Membership No. -159716

Place: Mumbai
Date : 13th April 2017

For and on behalf of the Board of Directors of
Reed Infomedia India Private Limited

Sanjiv Kulshreshtha
Director
DIN - 06788866

Place: Noida
Date : 13th April 2017

Deepak Gupta
Director
DIN - 07520015

Summary of the Significant Accounting Policies and other explanatory Information

A CORPORATE INFORMATION

REED INFOMEDIA India Pvt. Ltd. (“the Company”) was a 49:51 joint venture between Infomedia Press Limited (formerly known as Infomedia India Limited) and Reed Overseas B.V., a company incorporated in the Netherlands; a multinational with presence in several Countries, respectively. The principal activities of the company are magazines publishing.

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 and liabilities 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 31 March, 2016, the Company has prepared its financial statements in accordance with the requirement of Indian GAAP, which includes Standards specified under section 133 of the Companies Act, 2013 (“the Act”) read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended) .

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 (₹), which is its functional currency.

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Borrowings Cost

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

(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.

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 is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Summary of the Significant Accounting Policies and other explanatory Information

Revenue is recognised only if following condition are satisfied:

- The Company has transferred risks and rewards incidental to ownership to the customer;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold/ services rendered;
- It is probable that the economic benefit associated with the transaction will flow to the Company; and
- It can be reliably measured and it is reasonable to expect ultimate collection

Revenue from operations includes sale of goods and services 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.

Sale of services includes advertisement revenue, subscription revenue, revenue from sale of magazine.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(e) Financial instruments

1 Financial Assets

i 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.

ii Subsequent measurement:

a) 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.

b) 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.

c) 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.

iii 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.

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.

Summary of the Significant Accounting Policies and other explanatory Information

2 Financial liabilities

i 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.

ii 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.

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.

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

1 Other Non-current Assets

| | All amount in ₹ | | |
|---|---------------------------|---------------------------|--------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 | As at 1st April, 2015 |
| Balances with Government Authorities | | | |
| Tax deducted at source | 34,474 | 34,474 | 34,474 |
| Balance with Income Tax Authorities | 1,76,503 | 1,76,503 | 1,76,503 |
| | <u>2,10,977</u> | <u>2,10,977</u> | <u>2,10,977</u> |

- 1.1 Recovery of Tax by Income Tax Department ₹ 1,76,503/- is against demand order no. OE/II/27/18/12-13 issued u/s 156 dated 23/03/2013. Against this order the company has filed appeal to CIT (A) through Appeal No. CIT (A) -14/ IT-79/13-14 dated 19/02/2015.

2 Cash and Cash Equivalents

| | All amount in ₹ | | |
|----------------------------|---------------------------|---------------------------|--------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 | As at 1st April, 2015 |
| Balances with banks | | | |
| In current accounts | 729 | 729 | 729 |
| | <u>729</u> | <u>729</u> | <u>729</u> |

- 2.1 Details of specified bank notes (SBN) held and transacted during the period 08th November, 2016 to 30th December, 2016 is as under:

| | All amount in ₹ | | |
|---|-----------------|-----------------------------|----------|
| | SBNs | Other Denomination Notes | Total |
| Closing Cash in hand as on 08th November, 2016 | - | - | - |
| (+) Permitted receipts | - | - | - |
| (-) Permitted Payments | - | - | - |
| (-) Amount deposited in Bank | - | - | - |
| Closing Cash in hand as on 30th December, 2016 | <u>-</u> | <u>-</u> | <u>-</u> |

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

3 Share Capital

| | As at 31st March, 2017 | | As at 31st March, 2016 | | As at 1st April, 2015 | |
|--|---------------------------|---------------------|---------------------------|---------------------|--------------------------|---------------------|
| | No. of Shares | All amount in ₹ | No. of Shares | All amount in ₹ | No. of Shares | All amount in ₹ |
| (a) Authorised Share Capital: | | | | | | |
| Equity shares of ₹ 10 each | 2,00,00,000 | 20,00,00,000 | 2,00,00,000 | 20,00,00,000 | 2,00,00,000 | 200,0,00,000 |
| (b) Issued, Subscribed and fully paid up Equity shares of ₹ 10 each | | | | | | |
| (i) Issued | 1,00,00,000 | 10,00,00,000 | 1,00,00,000 | 10,00,00,000 | 1,00,00,000 | 10,00,00,000 |
| (ii) Subscribed and fully paid up | 1,00,00,000 | 10,00,00,000 | 1,00,00,000 | 10,00,00,000 | 1,00,00,000 | 10,00,00,000 |
| Total | 1,00,00,000 | 10,00,00,000 | 1,00,00,000 | 10,00,00,000 | 1,00,00,000 | 10,00,00,000 |

- (c) The Company has only one class of equity shares having a par value of ₹ 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. 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.

(d) **Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:**

| | As at 31st March, 2017 | | As at 31st March, 2016 | | As at 1st April, 2015 | |
|--|---------------------------|---------------------|---------------------------|---------------------|--------------------------|---------------------|
| | No. of Shares | All amount in ₹ | No. of Shares | All amount in ₹ | No. of Shares | All amount in ₹ |
| Shares outstanding at the beginning of the year | 1,00,00,000 | 10,00,00,000 | 1,00,00,000 | 10,00,00,000 | 1,00,00,000 | 10,00,00,000 |
| Add: Shares Issued during the year | - | - | - | - | - | - |
| Shares outstanding at the end of the year | 1,00,00,000 | 10,00,00,000 | 1,00,00,000 | 10,00,00,000 | 1,00,00,000 | 10,00,00,000 |

(e) **Details of shares held by each shareholder holding more than 5% shares :**

| Name of Shareholder | As at 31st March, 2017 | | As at 31st March, 2016 | | As at 1st April, 2015 | |
|-----------------------------------|---------------------------|-----------------|---------------------------|-----------------|--------------------------|-----------------|
| | No. of Shares | % of Holding | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Capital 18 Fincap Private Limited | 99,99,994 | 100% | 99,99,994 | 100% | 99,99,994 | 100% |
| Hariharan Mahadevan* | 1 | 0% | 1 | 0% | 1 | 0% |
| Sunil Alimchandani* | - | 0% | 1 | 0% | 1 | 0% |
| Kshipra Jatana* | 1 | 0% | 1 | 0% | 1 | 0% |
| Deepak Gupta* | 1 | 0% | 1 | 0% | 1 | 0% |
| Sanjeev Kulshreshtha* | 1 | 0% | 1 | 0% | 1 | 0% |
| Yug Samrat* | - | 0% | 1 | 0% | - | 0% |
| Ratnesh Rukhariyar* | 1 | 0% | - | 0% | - | 0% |
| Ramesh Kumar Damani* | 1 | 0% | - | 0% | 1 | 0% |
| | 1,00,00,000 | 100% | 1,00,00,000 | 100% | 1,00,00,000 | 100% |

*as a nominee of Capital18 Fincap Private Limited

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

(f) Details of shares held by holding company and their subsidiaries:

| Name of Shareholder | As at 31st March, 2017 | | As at 31st March, 2016 | | As at 1st April, 2015 | |
|-----------------------------------|---------------------------|-----------------|---------------------------|-----------------|--------------------------|-----------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Capital 18 Fincap Private Limited | 99,99,994 | 100% | 99,99,994 | 100% | 99,99,994 | 100% |
| Hariharan Mahadevan* | 1 | 0% | 1 | 0% | 1 | 0% |
| Sunil Alimchandani* | - | 0% | 1 | 0% | 1 | 0% |
| Kshipra Jatana* | 1 | 0% | 1 | 0% | 1 | 0% |
| Deepak Gupta* | 1 | 0% | 1 | 0% | 1 | 0% |
| Sanjeev Kulshreshtha* | 1 | 0% | 1 | 0% | 1 | 0% |
| Yug Samrat* | - | 0% | 1 | 0% | - | 0% |
| Ratnesh Rukhariyar* | 1 | 0% | - | 0% | - | 0% |
| Ramesh Kumar Damani* | 1 | 0% | - | 0% | 1 | 0% |
| | 1,00,00,000 | 100% | 1,00,00,000 | 100% | 1,00,00,000 | 100% |

*as a nominee of Capital18 Fincap Private Limited

(g) Aggregate number of shares issued for consideration other than cash during the period of 5 years immediately preceding the Balance Sheet date:

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.

4 Other Equity

| | All amount in ₹ | | |
|--------------------------|---------------------------|---------------------------|--------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 | As at 1st April, 2015 |
| Retained Earnings | | | |
| Opening balance | (9,98,90,061) | (9,98,55,711) | (9,98,55,711) |
| Add: Loss for the year | (44,485) | (34,350) | - |
| Closing Balance | (9,99,34,546) | (9,98,90,061) | (9,98,55,711) |
| Total | (9,99,34,546) | (9,98,90,061) | (9,98,55,711) |

5 Trade Payables

| | All amount in ₹ | | |
|-------------------------------------|---------------------------|---------------------------|--------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 | As at 1st April, 2015 |
| Micro, Small and Medium Enterprises | - | - | - |
| Others | 1,46,252 | 1,01,767 | 67,417 |
| Total | 1,46,252 | 1,01,767 | 67,417 |

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

5.1 Trade Payables

The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:

| | All amount in ₹ | | |
|--|---------------------------|---------------------------|--------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 | As at 1st April, 2015 |
| i Principal amount due and remaining unpaid | - | - | - |
| ii Interest due on above and the unpaid interest | - | - | - |
| iii Interest paid | - | - | - |
| iv Payment made beyond the appointed day during the year | - | - | - |
| v Interest due and payable for the period of delay | - | - | - |
| vi Interest accrued and remaining unpaid | - | - | - |
| vii Amount of further interest remaining due and payable in succeeding years | - | - | - |
| Total | <u>-</u> | <u>-</u> | <u>-</u> |

6 Other Expenses

| | All amount in ₹ | |
|--|-----------------|---------------|
| | 2016-17 | 2015-16 |
| Professional fees (refer note no. 6.1) | 44,485 | 34,350 |
| Total | <u>44,485</u> | <u>34,350</u> |

6.1 Payments to auditor

| | | |
|-------------------------|---------------|---------------|
| – Statutory Audit Fees* | 34,500 | 30,000 |
| Total | <u>34,500</u> | <u>30,000</u> |

* excluding service tax

7 Earning Per Share

| | | 2016-17 | 2015-16 |
|--|-----------|----------------|----------------|
| i Loss after tax attributable to equity shareholders | ₹ | (44,485) | (34,350) |
| ii Weighted average number of equity shares in calculating basic | Number | 1,00,00,000 | 1,00,00,000 |
| iii Face value of equity share | ₹ / Share | 10 | 10 |
| iv Earnings per share (basic) | ₹ / Share | (0.004) | (0.003) |

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

- 8 (a) As at March 31, 2017 the net-worth of the Company has been completely eroded. Reed Elsevier Overseas B.V and Infomedia Press Limited have entered into an agreement on 20th July 2009 relating to the termination of the Joint Venture and also the liquidation and winding up of the Company. Accordingly, the financial statements have been prepared assuming the Company will not continue as a going concern, accordingly current assets and liabilities are stated at the values at which they are realizable and payable.
- (b) Scheme of Arrangement
The Board of Directors, vide their written resolution, have approved the amalgamation of the Company with Network18 Media & Investments Limited (“Transferee Company”) in accordance with the proposed Scheme of Amalgamation for amalgamation of Colosseum Media Private Limited, Digital18 Media Limited, Capital18 Fincap Private Limited, RVT Finhold Private Limited, RRK Finhold Private Limited, RRB Investments Private Limited, Setpro18 Distribution Limited, Reed Infomedia India Private Limited, Web18 Software Services Limited, Television Eighteen Media and Investments Limited, Television Eighteen Mauritius Limited, Web18 Holdings Limited, E18 Limited and Network18 Holdings Limited with the ‘Transferee Company’ with appointed date as 1st April, 2016, subject to necessary approvals.
- 9 The Company has neither incurred any expenses nor earned any income in foreign currency during the financial year.
- 10 There are no related party balances and no transactions during the financial year.
- 11 The Company is not a going concern and there has been no transactions hence, segment reporting is not applicable.
- 12 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, hence no reconciliation of its Equity and Loss for the respective periods have been furnished.

As per our report of even date.

For **SKPAG & Co.**
Chartered Accountants
Firm’s Registration No. FRN: 128940W

Nitin Sharma
Partner
Membership No. -159716

Place: Mumbai
Date : 13th April 2017

For and on behalf of the Board of Directors of
Reed Infomedia India Private Limited

Sanjiv Kulshreshtha
Director
DIN - 06788866

Place: Noida
Date : 13th April 2017

Deepak Gupta
Director
DIN - 07520015