RRB INVESTMENTS PRIVATE LIMITED
ANNUAL ACCOUNTS - FY : 2017-18

Independent Auditor's Report

TO THE MEMBERS OF RRB INVESTMENTS PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of RRB Investments Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, 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 2018, 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, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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, as detailed in Note 20 to the financial statements, has disclosed the impact of pending litigations on 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.

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

Ankush Jain
Partner
Membership No. 540194

Place: Noida
Date: 18.04.2018

Annexure to the Independent Auditor's Report

To the Members of RRB Investments Private Limited

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018.

On the basis of such checks as we considered appropriate and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) *Fixed assets:*

(a) The Company does not have any fixed assets. Accordingly, the provisions of clause (i) of the Order are not applicable to the Company

(ii) *Inventories:*

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

(iii) *Granting of loans to certain parties:*

(a) According to the information and explanation given to us, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered by Section 2(76) of the Companies Act, 2013; and therefore 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) Details of dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of the Statute	Nature of Dues	Period to which the amount relates	Forum where dispute is pending	Amount demanded (INR)	Amount deposited/ adjusted (INR)
Income Tax Act, 1961	Income Taxes	AY 2009-10	Income Tax Appellate Tribunal	57,408,000/-	11,112,717/-
Income Tax Act, 1961	Income Taxes	AY 2010-11	AO	9,76,870/-	Nil

(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: Noida
Date: 18.04.2018

"ANNEXURE –A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENT OF RRB INVESTMENTS PRIVATE LIMITED

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

We have audited the internal financial controls over financial reporting of RRB Investments Private Limited ("the Company") as of March 31, 2018 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 a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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, 2018, 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: Noida
Date: 18.04.2018

Balance Sheet as at 31st March, 2018

			Amount in Rupees
	Note	**As at 31.03.2018**	**As at 31.03.2017**
ASSETS			
(1) Non - current assets			
(a) Financial Assets			
- Investment	1	275,974,269	273,963,368
(b) Deferred tax assets (net)	2	343,869	297,732
(c) Other non- current assets	3	11,296,250	11,031,491
(2) Current assets			
Financial Assets			
- Cash and cash equivalents	4	294,155	512,299
- Others	5	552	-
Other Current Assets	6	17,500	-
Total Assets		**287,926,595**	**285,804,890**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	7	100,000	100,000
(b) Other Equity	8	66,223,995	64,126,303
		66,323,995	**64,226,303**
(2) Non - current liabilities			
Financial Liabilities			
- Borrowings	9	180,615,012	180,615,012
(3) Current liabilities			
(a) Financial Liabilities			
(b) Other current liabilities	10	40,987,588	40,963,575
Total Equity and Liabilities		**287,926,595**	**285,804,890**
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1 to 23		

In terms of our report attached

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

Ankush Jain
Partner
Membership No. 540194

Place: Noida
Date: 18.04.2018

For and on behalf of the Board of Director

Sanjiv Kulshreshtha
Director
DIN 06788866

Deepak Gupta
Director
DIN 07520015

Place: Noida
Date: 18.04.2018

Statement of Profit and Loss for the year ended 31st March, 2018

Amount in Rupees

		Note	Year ended 31.03.2018	Year ended 31.03.2017
I	**Income**			
	Revenue from operations	11	-	30,000
	Other income	12	2,366,831	1,822,258
	Total Income (I)		**2,366,831**	**1,852,258**
II	**Expenses**			
	(a) Cost of traded goods	13	-	27,630
	(b) Finance costs	14	911	952
	(c) Other expenses	15	233,053	261,189
	Total expenses (II)		**233,964**	**289,771**
III	**Profit/Loss before exceptional items and tax (I-II)**		**2,132,867**	**1,562,487**
IV	Exceptional items		-	-
V	**Profit/Loss before tax (III-IV)**		2,132,867	1,562,487
VI	**Tax expense**	16		
	Current Tax		81,312	297,732
	Less : MAT Credit		(46,137)	(297,732)
	Net tax expense		35,175	-
VII	**Profit/Loss for the period (V-VI)**		**2,097,692**	**1,562,487**
VIII	**Other Comprehensive Income**		-	-
IX	**Total Comprehensive Income for the period (VII+VIII)**		**2,097,692**	**1,562,487**
X	**Earnings per equity share** (Face value of Rs. 10 each)	17		
	(a) Basic		**209.77**	**156.25**
	(b) Diluted		**0.92**	**0.69**

Significant Accounting Policies

See accompanying Notes to the Financial Statements 1 to 23

In terms of our report attached

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

Ankush Jain
Partner
Membership No. 540194

Place: Noida
Date: 18.04.2018

For and on behalf of the Board of Director

Sanjiv Kulshreshtha
Director
DIN 06788866

Deepak Gupta
Director
DIN 07520015

Place: Noida
Date: 18.04.2018

Statement of Changes in Equity for the year ended 31st March, 2018

OTHER EQUITY *Amount in Rupees*

	Equity Instrument *	Reserves and Surplus	Total
		Retained Earnings	
AS ON 31 MARCH 2017			
Opening Balance	280,400,000	(227,836,184)	52,563,816
Addition/redemption during the year	10,000,000	-	10,000,000
Total Comprehensive Income for the year	-	1,562,487	1,562,487
	290,400,000	**(226,273,697)**	**64,126,303**
AS ON 31 MARCH 2018			
Opening Balance	290,400,000	(226,273,697)	64,126,303
Total Comprehensive Income for the period	-	2,097,692	2,097,692
	290,400,000	**(224,176,005)**	**66,223,995**

* Please refer Note no. 8 (a).

In terms of our report attached

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

Ankush Jain
Partner
Membership No. 540194

Place: Noida
Date: 18.04.2018

For and on behalf of the Board of Director

Sanjiv Kulshreshtha
Director
DIN 06788866

Deepak Gupta
Director
DIN 07520015

Place: Noida
Date: 18.04.2018

Cash Flow Statement for the year ended 31st March, 2018

			Amount in Rupees	
			Year ended 31.03.2018	**Year ended 31.03.2017**
A.	**Cash flow from operating activities**			
	Net Profit/(Loss) before tax		**2,132,867**	**1,562,487**
	Adjustments for:			
	Finance costs		911	952
	Interest income		(2,366,831)	(1,822,258)
			(2,365,920)	**(1,821,306)**
	Operating loss before working capital changes		(233,053)	(258,819)
	Changes in working capital:			
	Adjustments for (increase) / decrease in operating assets:			
	Other current assets		(346,623)	(8,912,271)
	Trade and other receivables		(17,500)	-
	Adjustments for increase / (decrease) in operating liabilities:			
	Other current liabilities		24,013	(414,769)
	Net cash flow used in operating activities	**[A]**	**(573,163)**	**(9,585,859)**
B.	**Cash flow from investing activities**			
	Purchase of Shares		(2,010,901)	(1,811,623)
	Financial income received		2,366,831	1,822,258
	Net cash generated from investing activities	**[B]**	**355,930**	**10,635**
C.	**Cash flow from financing activities**			
	Zero Coupon Debentures issued		-	10,000,000
	Finance costs		(911)	(952)
	Net cash flow geneared from / (used in) financing activities	**[C]**	**(911)**	**9,999,048**
	Net increase / (decrease) in Cash and cash equivalents	**[A+B+C]**	**(218,144)**	**423,824**
	Cash and cash equivalents at the beginning of the period		**512,299**	**88,475**
	Cash and cash equivalents as at the end of the period		**294,155**	**512,299**

In terms of our report attached

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

Ankush Jain
Partner
Membership No. 540194

Place: Noida
Date: 18.04.2018

For and on behalf of the Board of Director

Sanjiv Kulshreshtha
Director
DIN 06788866

Deepak Gupta
Director
DIN 07520015

Place: Noida
Date: 18.04.2018

Notes to the Financial Statements for the year ended 31st March, 2018

A CORPORATE INFORMATION

RRB Investments Private Limited ("the Company") was incorporated in India on June 12, 2007, and is having its registered office at First Floor, Empire Complex, 414, Senapati Bapat Marg, Lower Parel, Mumbai 400013. The principal activities of the company is to carry on the business of investment, leasing, hire purchase, carry out financial operations , trading business and commercial services.

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 measured at fair value.

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.

The Company's financial statements are presented in Indian Rupees (INR), 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 straight-line 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) Intangible assets:

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Gains or losses arising from derecognition of an intangible asset 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.

(c) Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as a lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Notes to the Financial Statements for the year ended 31st March, 2018

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

(d) 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.

(e) Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. Cost of inventories comprises of purchase cost and other overheads, net of recoverable taxes, incurred in bringing them to their respective present location and condition.

(f) Impairment of non-financial assets

At each balance sheet date, the Company assesses whether there is an indication that any property, plant and equipment and intangible assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit or loss.

(g) Provisions and Contigencies

Provisions are recognized when the Company has a present obligation (legal or constructive) 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.

(h) Employee Benefits

(i) Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee render the services.

(ii) Long Term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date on the basis of acturial valuation.

Notes to the Financial Statements for the year ended 31st March, 2018

(iii) Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which specified contributions are made. The contributions are recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service.

Defined Benefit Plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment and other long term benefits are charged to the Other Comprehensive Income.

(i) 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. In this case, the tax is also recognised in other comprehensive income and equity.

- **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.

- **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.

(j) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits with any qualifying financial institution, repayable on demand or maturing within three months of the date of acquisition and which are subject to an insignificant risk of change in value.

(k) Foreign currencies

Transactions and Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction.

(l) 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.

Revenue is recognised only if the following conditions are satisfied:

Notes to the Financial Statements for the year ended 31st March, 2018

- 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;
- 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.

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, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividends Income is recognised when the Company's right to receive the payment has been established.

(m) Financial instruments

1) Financial assets

1.a Initial recognition and measurement:

Financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, 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.

1.b 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.

1.c Equity Investments:

Equity investments are measured at fair value, with value changes recognised in statement of profit and loss, except for those equity investments for which the company has elected to present the value changes in 'Other Comprehensive Income'.

1.d Investment in subsidiaries, associates and joint ventures

The company has accounted for its investments in fellow subsidiary, at cost.

1.e 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

Notes to the Financial Statements for the year ended 31st March, 2018

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.

Historical loss experience used 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 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.

2 Financial liabilities

2.a 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.

2.b 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 judgments, 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 may require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

C.1 Depreciation and useful lives of Property, Plant and Equipments :

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Intangible assets are amortised over its estimated useful lives. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/ amortisation 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/ amortisation for future periods is adjusted if there are significant changes from previous estimates.

C.2 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 judgment 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.

C.3 Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Notes to the Financial Statements for the year ended 31st March, 2018

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

C.4 Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provisionagainst those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing ofanticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

C.5 Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Notes to the Financial Statements for the year ended 31st March, 2018

		Amount in Rupees	
		As at 31.03.2018	**As at 31.03.2017**
1	**NON-CURRENT INVESTMENTS**		
i)	**Investments Classification at Cost**		
	In Equity Shares of fellow subsidiary companies		
	Quoted, fully paid up		
	163,563 (March 2017 : 163,563) equity shares Rs.2/- each in TV18 Broadcast Limited Market price Rs. 10,975,077/- (March 2017: Rs. 68,69,646/-)	5,682,445	5,682,445
	Total Investment at cost	5,682,445	5,682,445
ii)	**Investments Classification at Fair Value through Other Comprehensive Income**		
	In Debenture of Others		
	Unquoted, fully paid up		
	250,000 (March 2017 : 250,000) unsecured Zero (coupon) optionally redeemable/ convertible debentures of VT Media Private Limited of Rs.1,000 each	250,000,000	250,000,000
	Total Investment at FVTOCI	250,000,000	250,000,000
iii)	**Debt Instruments Classification at Amortised Cost**		
	In Preference Shares of Others		
	Unquoted, fully paid up		
	2,500,000 (March 2017 : 2,500,000) Preference Shares Rs. 10/- each in Den Entertainment Network Private Limited	20,291,824	18,280,923
	Total investment at Amortised cost	20,291,824	18,280,923
	Grand Total	**275,974,269**	**273,963,368**
	Aggregate amount of quoted investments	5,682,445	5,682,445
	Aggregate amount of unquoted investments	270,291,824	268,280,923
1.1	**Category-wise Non current investment**		
	Investment measured at cost	5,682,445	5,682,445
	Investment measured at Fair value through other comprehensive income	250,000,000	250,000,000
	Investment carried at amortised cost	20,291,824	18,280,923
	Total Non current investment	**275,974,269**	**273,963,368**

		Amount in Rupees	
		As at 31.03.2018	**As at 31.03.2017**
2	**DEFERRED TAX ASSETS (NET)**		
	Deferred tax assets	343,869	297,732
	Total	**343,869**	**297,732**

Notes to the Financial Statements for the year ended 31st March, 2018

		Amount in Rupees	
		As at 31.03.2018	**As at 31.03.2017**
3	**OTHER NON-CURRENT ASSETS**		
	Advance Income Tax (Net of Provision)	11,296,250	11,031,491
	Total	**11,296,250**	**11,031,491**

		Amount in Rupees	
		As at 31.03.2018	**As at 31.03.2017**
4	**CASH AND CASH EQUIVALENTS**		
	Balances with Banks	294,155	512,299
	Cash and cash equivalents as per statement of cash flow	**294,155**	**512,299**

		Amount in Rupees	
		As at 31.03.2018	**As at 31.03.2017**
5	**Other Financial Assets - Short Term**		
	Interest accrued on deposits and advances	552	-
	Total	**552**	**-**

		Amount in Rupees	
		As at 31.03.2018	**As at 31.03.2017**
6	**OTHER CURRENT ASSETS** (Unsecured and considered good)		
	Other Advances	17,500	-
		17,500	**-**

		Amount in Rupees			
		As at 31.03.2018		**As at 31.03.2017**	
		Number of Shares	**Rs.**	**Number of Shares**	**Rs.**
7	**SHARE CAPITAL**				
a.	**Authorized share capital**				
	i. Equity shares of Rs.10/- each	20,090,000	200,900,000	20,090,000	200,900,000
	ii. Preference shares of Rs. 10/- each	25,990,000	259,900,000	25,990,000	259,900,000
b.	**Issued, subscribed and paid-up capital**				
	Equity shares of Rs. 10/- each fully paid up *	10,000	100,000	10,000	100,000
	Total	**10,000**	**100,000**	**10,000**	**100,000**

***Term & Conditions**

Notes to the Financial Statements for the year ended 31st March, 2018

(i) Equity Shares

Each holder of Equity Shares is entitled to one vote per share held. The shares rank pari passu in all respects. In the event of liquidation, the holders are eligible to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Reconciliation of the shares outstanding

Equity shares	Number of Shares	Rs.	Number of Shares	Rs.
At the beginning of the period	10,000	100,000	10,000	100,000
Outstanding at the end of the period	**10,000**	**100,000**	**10,000**	**100,000**

(iii) Details of shares held within the Group *Amount in Rupees*

	As at 31.03.2018		As at 31.03.2017	
	Number of Shares	Rs.	Number of Shares	Rs.
Equity Shares held by the holding company *	10,000	100,000	10,000	100,000
Total	**10,000**	**100,000**	**10,000**	**100,000**

* Including shares held jointly by its nominees.

(iv) Details of Equity shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31.03.2018		As at 31.03.2017	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Capital18 Fincap Private Limited	10,000	100	10,000	100

(v) No shares have been issued for consideration other than cash or as bonus shares or bought back in the current reporting period or in the last five years immediately preceeding the current reporting period.

Amount in Rupees

	As at 31.03.2018	As at 31.03.2017
8. OTHER EQUITY		
a. Equity Instruments		
(i) Debenture		
270,400 (March 2017 : 270,400) Zero Coupon Optionally Fully Convertible Debentures of Rs 1000/- each *		
Opening Balance	270,400,000	260,400,000
Issued/(redeemed) during the period	-	10,000,000
	270,400,000	**270,400,000**

Notes to the Financial Statements for the year ended 31st March, 2018

		Amount in Rupees	
		As at 31.03.2018	**As at 31.03.2017**
(ii)	**Preference Shares**		
	2,000,000 (March 2017 : 2,000,000) 0.01% Optionally Fully Convertible Preference Shares of Rs. 10/- each **		
	Opening Balance	20,000,000	20,000,000
	Issued/(redeemed) during the period	-	-
		20,000,000	**20,000,000**
	Total Equity Instrument	**290,400,000**	**290,400,000**
b.	**Other Reserves**		
	Retained Earnings		
	Opening Balance	(226,273,697)	(227,836,184)
	Profit / Loss for the period	2,097,692	1,562,487
	At the end of the reporting period	**(224,176,005)**	**(226,273,697)**
		66,223,995	**64,126,303**

*** Terms of redemption**

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

**** Description of the rights and restrictions attached of prference shares**

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

		Amount in Rupees	
		As at 31.03.2018	**As at 31.03.2017**
9	**BORROWINGS**		
	Unsecured Loans from related parties	180,615,012	180,615,012
		180,615,012	**180,615,012**

			Amount in Rupees	
			As at 31.03.2018	**As at 31.03.2017**
10	**OTHER CURRENT LIABILITIES**			
	(a)	Statutory Dues	17,500	20,125
	(b)	Other Liabilities	40,970,088	40,943,450
			40,987,588	**40,963,575**

Notes to the Financial Statements for the year ended 31st March, 2018

Amount in Rupees

		Year ended 31.03.2018	Year ended 31.03.2017
11	**REVENUE FROM OPERATIONS**		
	Sale of goods	-	30,000
	Total	**-**	**30,000**

Amount in Rupees

		Year ended 31.03.2018	Year ended 31.03.2017
12	**OTHER INCOME**		
	Interest On Others*	2,010,901	1,811,623
	Interest On deposit with banks	10,893	10,635
	Interest Received Income Tax	345,037	-
	Total	**2,366,831**	**1,822,258**

* Gain on FVTPL

Amount in Rupees

		Year ended 31.03.2018	Year ended 31.03.2017
13	**COST OF TRADED GOODS SOLD**		
	Cost of goods	-	27,630
	Total	**-**	**27,630**

Amount in Rupees

		Year ended 31.03.2018	Year ended 31.03.2017
14	**FINANCE COST**		
	Other financial charges	911	952
	Total	**911**	**952**

Amount in Rupees

		Year ended 31.03.2018	Year ended 31.03.2017
15	**OTHER EXPENSES**		
	– Establishment Expenses		
	Payment to auditors (Refer details below)	206,500	201,750
	Legal and professional expenses	26,553	59,439
	Total	**233,053**	**261,189**
	Payment to auditor as :		
	Statutory Audit fee (* Pls see note below)	206,500	115,500
	Other service	-	86,250
	Total	**206,500**	**201,750**

* For Current FY, it includes limited review also)

Notes to the Financial Statements for the year ended 31st March, 2018

Amount in Rupees

		Year ended 31.03.2018	Year ended 31.03.2017
16	**TAXATION**		
	a) Income Tax recognised in Profit or Loss		
	Current Tax	35,175	-
		35,175	**-**

The Income Tax expenses for the year can be reconciled to the accounting profit as follows: *Amount in Rupees*

	Year Ended 31.03.2018	Year Ended 31.03.2017
Profit before Tax from Continuing Operations	2,132,867	1,562,487
Applicable Tax Rate	19.055%	19.055%
Computed Tax Expense	406,418	297,732
Tax Effect of :		
Claim amount	(325,105)	
MAT Credit Generated	(46,138)	(297,732)
Tax Expenses recognised in Statement of Profit and Loss	**35,175**	**-**
Effective Tax Rate	1.65%	0.00%

Amount in Rupees

	As at 31.03.2018	As at 31.03.2017
b) Current Tax Assets (Net)		
At start of year	11,031,491	2,416,952
Charge for the period	(35,175)	-
Tax paid during the period	299,934	8,614,539
At the end of the period	**11,296,250**	**11,031,491**

Amount in Rupees

	Particulars	Year ended 31.03.2018	Year ended 31.03.2017
17	**EARNINGS PER SHARE (EPS)**		
	Net Profit after Tax as per Profit and Loss Statement attributable to Equity Shareholders	2,097,692	1,562,487
	Weighted average number of equity shares used as denominator for calculating Basic EPS	10,000	10,000
	Total Weighted Average Potential Equity Shares	2,270,400	2,270,400
	Weighted Average number of Equity Shares used as denominator for calculating diluted EPS	2,280,400	2,280,400
	Earnings per Equity Share		
	1) Basic (Rs.)	209.77	156.25
	2) Diluted (Rs.)	0.92	0.69
	Face Value per Equity Share (Rs.)	10	10

Notes to the Financial Statements for the year ended 31st March, 2018

18 RELATED PARTY TRANSACTIONS

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

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

Sr .No.	Name of Related Party	Relationship
1	Independent Media Trust	Enterprise exercising control
2	Adventure Marketing Private Limited*	
3	Watermark Infratech Private Limited*	
4	Colorful Media Private Limited*	
5	RB Media Holdings Private Limited*	
6	RB Mediasoft Private Limited*	
7	RRB Mediasoft Private Limited*	
8	RB Holdings Private Limited*	
9	Teesta Retail Private Limited (formerly Shinano Retail Private Limited which has merged with Teesta Retail Private Limited effective 29.12.2016)*	
10	Network18 Media & Investments Limited	
11	Capital18 Fincap Private Limited	
12	Reliance Industries Limited (RIL)	Beneficiary/Protector of Independent Media Trust
13	Reliance Industrial Investments and Holdings Limited	

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

b) Transactions during the year with related parties :

Amount in Rupees

Nature of Transactions	Enterprises exercising control
	31.03.2018
Details of related party transactions	
Amount repaid during the period	
Network18 Media & Investment Limited	-
	(37,607)
Capital18 Fincap Private Limited	-
	(7,859)
Zero Coupon Debentures issued during the period	
Network18 Media & Investment Limited	-
	(10,000,000)
Balances outstanding	
Zero Coupon Debentures Payable	
Network18 Media & Investment Limited	270,400,000
	(270,400,000)
Long Term Borrowing	
Network18 Media & Investment Limited	180,615,012
	(180,615,012)

Notes to the Financial Statements for the year ended 31st March, 2018

19 The Scheme for Merger by Absorption (the 'Scheme') for merger of 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 in to Network18 Media & Investments Limited ('Transferee Company') with appointed date as 1st April, 2016, has been filed with National Company Law Tribunal, Mumbai Bench, for approval. The Transferee Company has decided to continue Colosceum Media Private Limited, a wholly owned subsidiary of the Transferee Company and the Scheme was filed accordingly.

20 **CONTINGENT LIABILITIES & COMMITMENTS**

CONTINGENT LIABILITIES

Amount in Rupees

	As at 31st March, 2018	As at 31st March, 2017
Demand in excess of provision -Income tax	58,384,870	57,408,045

21 **ADDITIONAL INFORMATION**

i. **Segment Reporting**

Considering the nature of Company's business, there is only one Reportable Segment in accordance with the requirement of IND AS-108 on "Segment Reporting", hence separate disclosure of the segment information is not considered necessary.

ii. Based on the available information with the Company under the Micro, Small and Medium Enterprises Development Act, 2006, amounts unpaid as at year end/payment made during the year/ payable at the year end to such Enterprises under this Act is Nil (Previous years Nil).

Amount in Rupees

	As at 31.03.2018	As at 31.03.2017
iii. Earning in Foreign Currency	-	-
iv. Expenditure in Foreign Currency	-	-
v. Value of Imports on CIF basis	-	-

22 **PRIOR YEAR COMPARATIVES**

The figures for the corresponding previous year have been regrouped, wherever necessary, to make them comparable.

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

In terms of our report attached

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

Ankush Jain
Partner
Membership No. 540194

Place: Noida
Date: 18.04.2018

For and on behalf of the Board of Director

Sanjiv Kulshreshtha
Director
DIN 06788866

Deepak Gupta
Director
DIN 07520015

Place: Noida
Date: 18.04.2018