

RRK FINHOLD PRIVATE LIMITED
ANNUAL ACCOUNTS - FY : 2017-18

Independent Auditor's Report

TO THE MEMBERS OF RRK FINHOLD PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of RRK Finhold 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:

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- 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 does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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 RRK Finhold 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 3(i) are not applicable to the Company.

(ii) Inventories:

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

(iii) Granting of loans to certain parties:

- (a)** According to the information and explanation given to us, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered by Section 2(76) of the Companies Act, 2013; and therefore clause 3(iii) of the Order is not applicable.

(iv) Loans and investments:

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

(v) Acceptance of Deposits:

- (a)** In our opinion and according to the information and explanation given to us, the Company has not received any public deposits during the year.

(vi) Maintenance of cost records:

- (a)** According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.

(vii) Deposit of statutory dues:

- (a)** According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, employees state insurance (ESI), Investor Education and Protection Fund, Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Sales Tax, value added tax (VAT), Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities.
- (b)** According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income-tax, Custom Duty, Excise Duty, sales tax, VAT, Cess and other material statutory dues in arrears /were outstanding as at 31 March, 2018 for a period of more than six months from the date they became payable.

(viii) Default in repayment of dues:

- (a)** In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.

(ix) Application of term loans/public issue/follow on offer:

- (a)** The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) *Fraud reporting:*

- (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(xi) *Managerial remuneration:*

- (a) The Company is a private limited company. Accordingly, the provisions of clause 3(xi) of the Order are not applicable

(xii) *Nidhi Company:*

- (a) The Company is not Nidhi Company as per Companies Act 2013. Accordingly, the provision of clause 3(xii) of the Order is not applicable.

(xiii) *Related party transactions:*

- (a) All transactions with the related parties are in compliance with section 177 and 188 of the Companies act 2013 where applicable and details have been disclosed in financial statements etc., as required by the applicable accounting standards.

(xiv) *Preferential allotment/private placement:*

- (a) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the order is not applicable.

(xv) *Non-cash transactions:*

- (a) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provision of clause 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

For Mohan L Jain & Co.

Chartered Accountants

(Firm Registration No: 005345N)

Ankush Jain

Partner

Membership No: 540194

Place: Noida

Date: 18.04.2018

“ANNEXURE –A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENT OF RRK FINHOLD 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 RRK Finhold 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

		<i>Amount in Rupees</i>	
	Notes	As at 31.03.2018	As at 31.03.2017
ASSETS			
(1) Non - current assets			
Other non- current assets	1	-	3,057
(2) Current assets			
(a) Financial Assets			
(i) Investments	2	874,979	802,444
(ii) Trade and other receivables	3	24,938	-
(iii) Cash and cash equivalents	4	13,183	105,466
(b) Other Current Assets	5	5,250	-
Total Assets		918,350	910,967
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	6	100,000	100,000
(b) Other Equity	7	751,149	774,142
		851,149	874,142
LIABILITIES			
(2) Current liabilities			
Other current liabilities	8	67,201	36,825
Total Equity and Liabilities		918,350	910,967

Significant Accounting Policies

See accompanying Notes to the Financial Statements

1 to 19

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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 Directors**Ratnesh Rukhariyar**

Director

DIN 00004615

Place: Noida

Date : 18.04.2018

Deepak Gupta

Director

DIN 07520015

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

		<i>Amount in Rupees</i>		
	Notes	Year ended 31.03.2018	Year ended 31.03.2017	
I	Revenue from operations	9	24,938	32,400
II	Other income	10	57,141	33,138
III	Total Income (I+II)		82,079	65,538
IV	Expenses			
	(a) Cost of traded goods	11	23,000	29,808
	(b) Finance costs	12	12	169
	(c) Other expenses	13	82,060	86,667
	Total expenses (IV)		105,072	116,644
V	Profit/(Loss) before exceptional items and tax (III-IV)		(22,993)	(51,106)
VI	Exceptional items		-	-
VII	Profit/(Loss) before tax (V-VI)		(22,993)	(51,106)
VIII	Tax expense:	14		
	(a) Current tax expense		-	-
	(b) Deferred Tax		-	-
	Net tax expense		-	-
IX	Profit/(Loss) for the period (VII-VIII)		(22,993)	(51,106)
X	Other Comprehensive Income		-	-
XI	Total Comprehensive Income/(Loss) for the period (IX + X)		(22,993)	(51,106)
XII	Earnings per equity share	15		
	(Face value of Rs. 10 each)			
	(a) Basic		(2.30)	(5.11)
	(b) Diluted		(0.32)	(0.71)
	Significant Accounting Policies			
	See accompanying Notes to the Financial Statements	1 to 19		

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 Directors

Ratnesh Rukhariyar
Director
DIN 00004615

Place: Noida
Date : 18.04.2018

Deepak Gupta
Director
DIN 07520015

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

OTHER EQUITY

Amount in Rupees

	Equity Instruments *	Reserve and Surplus	Total
		Retained Earnings	
AS ON 01 APRIL 2017			
Opening Balance	61,875,000	-61,049,752	825,248
Total Comprehensive Income for the year	-	-51,106	-51,106
	61,875,000	-61,100,858	774,142
AS ON 31 MARCH 2018			
Opening Balance	61,875,000	-61,100,858	774,142
Total Comprehensive Income for the year	-	-22,993	-22,993
	61,875,000	-61,123,851	751,149

* Please refer Note no. 7 (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 Directors

Ratnesh Rukhariyar

Director

DIN 00004615

Place: Noida

Date : 18.04.2018

Deepak Gupta

Director

DIN 07520015

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

Particulars	Amount in Rupees	
	Year ended 31.03.2018	Year ended 31.03.2017
A. Cash flow from operating activities		
Profit before tax	(22,993)	(51,106)
Adjustments for :		
– Net (gain) / loss on Current investment FVTPL	(34,986)	(2,444)
– Net (gain) / loss on sale of current investments	(22,023)	-
Operating profit before working capital changes	(80,001)	(53,550)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
– Trade receivables	(24,938)	-
– Other current assets	(5,250)	-
– Other non-current assets	3,057	449
Adjustments for increase / (decrease) in operating liabilities:		
– Other current liabilities	30,376	(11,549)
Cash used in operations	(76,756)	(64,650)
Net income tax (paid)	-	-
Net cash flow used in operating activities (A)	(76,756)	(64,650)
B. Cash flow from investing activities		
Purchase of current investments		
– in mutual funds	(960,000)	(800,000)
Proceeds from sale of current investments		
– in mutual funds	944,473	-
Net cash flow used in investing activities (B)	(15,527)	(800,000)
C. Cash flow from financing activities		
Repayment of long - term borrowings	-	-
Net cash flow generated from / (used in) financing activities (C)	-	-
Net increase/ (decrease) in Cash and cash equivalents (A+B+C)	(92,283)	(864,650)
Cash and cash equivalents as at the beginning of the year	105,466	970,116
Cash and cash equivalents at end of the period	13,183	105,466

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 Directors

Ratnesh Rukhariyar
Director
DIN 00004615

Place: Noida
Date : 18.04.2018

Deepak Gupta
Director
DIN 07520015

Notes To The Financial Statements For The Year Ended 31 March 2018

A CORPORATE INFORMATION

RRK Finhold Private Limited ("the Company") was incorporated in India on August 30, 2007, and 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, 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.

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.

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

Notes To The Financial Statements For The Year Ended 31 March 2018

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 Contingencies

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 actuarial valuation.

(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

Notes To The Financial Statements For The Year Ended 31 March 2018

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:

- 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:

Notes To The Financial Statements For The Year Ended 31 March 2018

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 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.

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

Notes To The Financial Statements For The Year Ended 31 March 2018

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.

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 provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated 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

	As at 31.03.2018	As at 31.03.2017
	Rs.	Rs.
1. OTHER NON- CURRENT ASSETS		
Advance income tax (net of provision for tax)	-	3,057
	<u>-</u>	<u>3,057</u>
	<u>-</u>	<u>3,057</u>
	Rs.	Rs.
2. CURRENT INVESTMENTS		
Investments Classification at Fair Value Through Profit & Loss		
In Mutual Fund - Quoted		
279.028 (March 2017 : 302.051) units of LIC MF Liquid Fund -Growth Plan	874,979	802,444
Total	<u>874,979</u>	<u>802,444</u>
	<u>874,979</u>	<u>802,444</u>
Market value of quoted investments	874,979	802,444
	Rs.	Rs.
3. TRADE RECEIVABLES (Unsecured)		
- considered good	24,938	-
	<u>24,938</u>	<u>-</u>
	<u>24,938</u>	<u>-</u>
	Rs.	Rs.
4. CASH AND CASH EQUIVALENTS		
Balances with banks	13,183	105,466
Cash and cash equivalents as per statement of cash flow	<u>13,183</u>	<u>105,466</u>
	<u>13,183</u>	<u>105,466</u>
	Rs.	Rs.
5. OTHER CURRENT ASSETS		
(Unsecured and considered good)		
Advances to vendors	5,250	-
	<u>5,250</u>	<u>-</u>
	<u>5,250</u>	<u>-</u>
	Rs.	Rs.

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

	As at 31.03.2018		As at 31.03.2017	
	Number of Shares	Rs.	Number of Shares	Rs.
6. SHARE CAPITAL				
(a) Authorised Share Capital:				
Equity Shares of Rs. 10/- each	10,000	100,000	10,000	100,000
Preference Shares of Rs. 10/- each	1,990,000	19,900,000	1,990,000	19,900,000
(b) Issued, Subscribed and fully paid up				
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

Notes :

(i) The Company has one class of equity share having par value of Rs. 10 per share. Each holder of equity share 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) **Details of shares held by holding company and their subsidiaries:**

Particulars	As at 31.03.2018		As at 31.03.2017	
	Number of Shares	Rs.	Number of Shares	Rs.
Capital18 Fincap Private Limited * (The Holding Company)	10,000	100,000	10,000	100,000
	10,000	100,000	10,000	100,000

* Including shares held by its nominees.

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

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

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

Particulars	As at 31.03.2018		As at 31.03.2017	
	Issued		Issued	
	Number of Shares	Amount (Rs)	Number of Shares	Amount (Rs)
Equity Shares opening balance	10,000	100,000	10,000	100,000
Add : Shares issued during the year	-	-	-	-
Less : Forfeited During the year	-	-	-	-
Equity Shares closing balance	10,000	100,000	10,000	100,000

(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 preceding the current reporting period.

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

	As at 31.03.2018	As at 31.03.2017
	Rs.	Rs.
7. OTHER EQUITY		
(a) Equity Component of ZOFCD		
61,875 (March 2017 : 61,875) Zero Coupon Optionally Fully Convertible Debentures of Rs. 1,000/- each		
Opening balance	61,875,000	61,875,000
Issue/ (redemption) during the year	-	-
	61,875,000	61,875,000
(b) Surplus/ (Deficit) in the Statement of Profit and Loss		
Opening balance	(61,100,858)	(61,049,752)
Profit/(loss) for the year	(22,993)	(51,106)
	(61,123,851)	(61,100,858)
Total Other Equity	751,149	774,142
*Terms of redemption		
Zero Coupon Optionally Fully Convertible Debenture (ZOFCD) have tenure of 10 years from allotment date, are unsecured and do not carry interest right. The debentures are convertible into paid up equity share of Rs. 10/- of the Company in 1:1 ratio, at option of the issuer. The conversion option is exercisable any time after two years of allotment date. The debentures are held by Capital18 Fincap Private Limited.		
	As at 31.03.2018	As at 31.03.2017
	Rs.	Rs.
8. OTHER CURRENT LIABILITIES		
i) Statutory dues	5,250	3,450
ii) Other payables	61,951	33,375
	67,201	36,825
	Year ended 31.03.2017	Year ended 31.03.2016
	Rs.	Rs.
9. REVENUE FROM OPERATIONS		
Sale of goods	24,938	32,400
	24,938	32,400

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

	Year ended 31.03.2018	Year ended 31.03.2017
	Rs.	Rs.
10. OTHER INCOME		
(a) Interest income on		
– Deposits with banks	-	30,570
– Others	133	124
(b) Other non-operating income		
– Gain/(loss) on financial assets classified as at FVTPL	34,986	2,444
– Gain on sale of current investment	22,023	-
	<u>57,141</u>	<u>33,138</u>
	Rs.	Rs.
11. COST OF TRADED GOODS SOLD		
Cost of goods	23,000	29,808
	<u>23,000</u>	<u>29,808</u>
	Rs.	Rs.
12. FINANCE COST		
– Other Financial charges	12	169
	<u>12</u>	<u>169</u>
	Rs.	Rs.
13. OTHER EXPENSES		
– Establishment Expenses		
Legal and professional expenses (See note below)	82,060	86,667
	<u>82,060</u>	<u>86,667</u>
Payment to auditor as :		
Statutory Audit fee (* Pls see note below)	61,950	34,650
Other service	-	25,878
	<u>61,950</u>	<u>60,528</u>

* For Current FY, it includes limited review also)

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

	As at 31.03.2018	As at 31.03.2017
	Rs.	Rs.
14. TAX ASSETS/LIABILITIES NOTE		
Current Tax Assets (Net)		
At start of year	3,057	3,506
Charge for the year	-	-
Income Tax Refund	(3,057)	(3,506)
Tax paid during the year	-	3,057
At the end of the year	-	3,057
Particulars	Year ended 31.03.2018	Year ended 31.03.2017
	Rs.	Rs.
15. EARNINGS PER SHARE (EPS)		
Net Profit after Tax as per Profit and Loss Statement attributable to Equity Shareholders	(22,993)	(51,106)
Weighted average number of equity shares used as denominator for calculating Basic EPS	10,000	10,000
Total Weighted Average Potential Equity Shares	61,875	61,875
Weighted Average number of Equity Shares used as denominator for calculating diluted EPS	71,875	71,875
Earnings per Equity Share		
1) Basic (Rs.)	(2.30)	(5.11)
2) Diluted (Rs.)	(0.32)	(0.71)
Face Value per Equity Share (Rs.)	10	10

16. 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:

Sl. No.	Name of Company	Relationship
1	Independent Media Trust	
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*	Enterprise exercising Control
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	

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

Sl. No.	Name of Company	Relationship
12	Reliance Industries Limited (RIL)	Beneficiary/Protector of Independent Media Trust
13	Reliance Industrial Investments and Holdings Limited	
14	Wespro Digital Private Limited (upto 08 April 2015)	Associate

* 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	Associate Company
Balances at the year end		
Optionally Convertible Debenture		
Capital18 Fincap Private Limited	61,875,000	
	(61,875,000)	
Security Deposit Received (Liabilities)		
Capital18 Fincap Private Limited	-	
	(-)	

17. 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 Colosseum Media Private Limited, a wholly owned subsidiary of the Transferee Company and the Scheme was filed accordingly.

18. 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. Contingent liabilities & commitments	-	-
iv. Earning in Foreign Currency	-	-
v. Expenditure in Foreign Currency	-	-
vi. Value of Imports on CIF basis	-	-

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

19. Prior Year Comparatives

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

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 Directors

Ratnesh Rukhariyar
Director
DIN 00004615

Deepak Gupta
Director
DIN 07520015

Place: Noida
Date : 18.04.2018