

DIRECTORS' REPORT

To
The Members of
PNC Digital Ltd

Your Directors submit to the shareholders the 23rd Annual Report on the business and operations of the Company and the audited financial accounts for the year ended March 31, 2017.

OPERATIONS

	in Rs lakh	
	Year ended 31.03.2017	Year ended 31.03.2016
Total income (including other income)	0.08	0.21
Profit before Tax	(41.06)	(0.14)
Provision for Tax	0.00	0.00
Profit after Tax and prior years adjustments	(41.06)	(0.14)

PRESENT ECONOMIC SITUATION AND PERFORMANCE OF THE COMPANY

There has been no material change in the nature of the business of our Company. Our principal business is creating/ sourcing content for digital streaming, setting up a delivery system for digital streaming and running the business of content streaming as well as any other technology business using the internet as its primary delivery platform. Your Company had unfettered access to contents of its Holding Company in digital form. We tried to exploit it in the best possible way but were unable to generate income in the year under review. Such efforts will continue in the future. In view of the fact that the Holding Company has made its content available to the Company we will not incur any fixed cost in relation to sourcing/ acquisition of contents. Contents cost will be applicable only against revenue generated. During the year under review the Company exited at par from Ogle Technologies Ltd, its overseas subsidiary. Expenses relating to the Ogle technology project were entirely written off and charged to revenue in FY 2016-17 resulting in a loss for this year. During this year our Company did not have any other operational income.

DIVIDEND

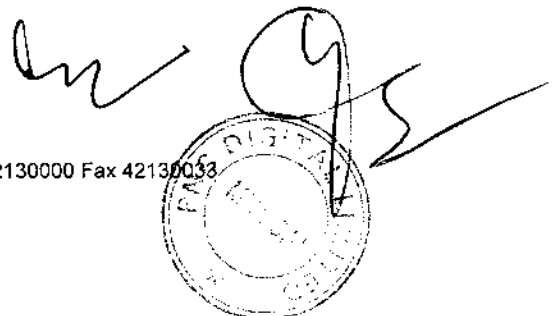
In view of the loss, your directors do not recommend any dividend.

TRANSFER TO RESERVE

In view of the loss, the Company has not transferred any amount to general reserve.

PNC Digital Ltd

Registered Office: 87/88 Mittal Chambers Nariman Point Mumbai 400 021 Phone 42130000 Fax 42130033



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PUBLIC DEPOSITS

There are no public deposits with the Company as at 31st March, 2017.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of directors, to the best of their knowledge and ability, confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c. they have taken proper and sufficient care for the 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 fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis;
- e. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS

Yatender Verma retires by rotation at the forthcoming Annual General Meeting and being eligible offers themselves for reappointment.

NUMBER OF MEETING OF THE BOARDS

During the year the Board of Directors met four times viz May 26, 2016, August 9, 2016, November 9, 2016 and February 13, 2017.

AUDITOR'S REPORT

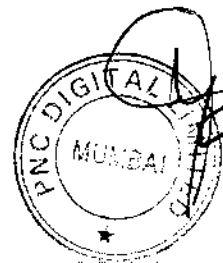
The auditor's report does not contain any qualifications, reservations or adverse remarks.

AUDITORS

The term of existing Statutory Auditors KR Khare & Co, Chartered Accountants, is coming to end at the conclusion of the forthcoming Annual General Meeting. Your Directors recommend appointment of BD Jokhakar & Co, Chartered Accountants, (FRN 104345W) to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting.

PNC Digital Ltd

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The Company has received a letter from them to the effect that their appointment, if made, would be within the provision prescribed under Section 139 of the Companies Act, 2013. Your Directors recommend their appointment.

PARTICULARS OF EMPLOYEES:

The Company has no employee in respect of whom information under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is required to be annexed

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Information as per section 134(3) (m): the particulars of Energy Conservation, Research and Development and Technology Absorption are not applicable.

There were no Foreign Exchange Earnings and Outgoing during the year.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

TRANSACTIONS WITH RELATED PARTIES

All Related Party Transactions entered into during the financial year were at fair market value, on an arm's length basis and in the ordinary course of business. Details of Related Party Transactions are disclosed in note no. 19 of the Audited Financial Statements of the Company.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

RISK MANAGEMENT

The Company has a Risk Management Policy, pursuant to the provisions of section 134 of the Act, which identifies and evaluates business risks and opportunities. This Policy seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage.

EXTRACT OF ANNUAL RETURN

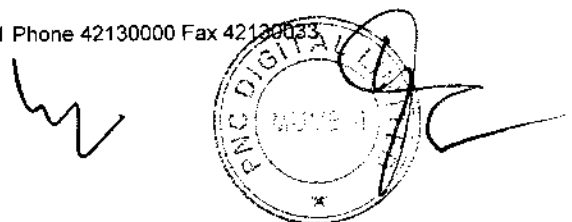
Under section 92(3) of the Act, the extract of annual return is given in the attached Annexure in the prescribed form MGT-9, which forms part of the report.

CORPORATE SOCIAL RESPONSIBILITY

Under section 135 (1) & (2) of the Act the requirement of developing a policy on CSR activity and implementing the same is not applicable to the Company since the Company does not meet the criteria. Accordingly, the Company has not taken steps relating to CSR activity.

PNC Digital Ltd

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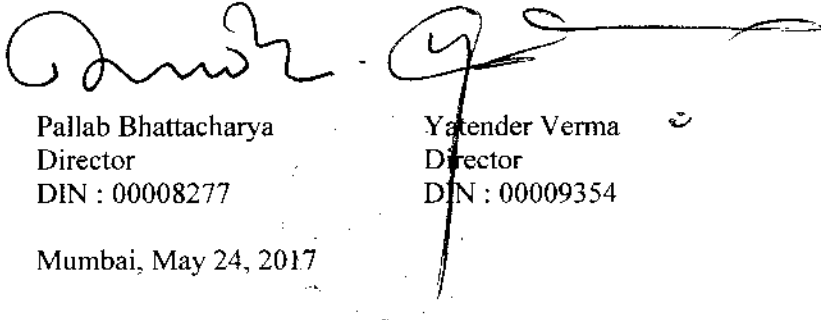
PERSONNEL

There was no employee drawing remuneration of sixty lakh rupees per annum or rupees five lakh per month.

ACKNOWLEDGEMENT

The Board acknowledges the contribution of all associates for their support.

For and on behalf of the Board



Pallab Bhattacharya
Director
DIN : 00008277

Yatender Verma
Director
DIN : 00009354

Mumbai, May 24, 2017

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN :U22110MH1994PLC07634

ii) Registration Date : March 04, 1994

iii) Name of the Company: PNC Digital Limited

iv) Category / Sub-Category of the Company : Company Limited by shares

v) Address of the Registered office and contact details –

PNC Digital Limited, 87/88 Mittal Chambers, Nariman Point, Mumbai 400021

Tel: 91-22-42130000

Fax: 91-22-42130033

Website: www.pritishnandycom.com

vi) Whether listed company: No

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: Not Applicable


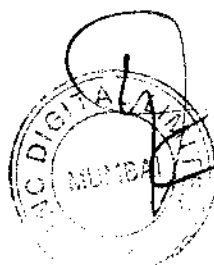
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Content streaming using internet as primary delivery platform. (Database activities and distribution of electronic content)	72400	Not applicable since no revenue.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Pritish Nandy Communications Limited Address: 87/88 Mittal Chambers, Nariman Point, Mumbai 400021(India)	L22120MH1993PLC074214	Holding Company	99.78%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	D e m a t	Physical	Total	% of Total Shares	D e m a t	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
g) Individual/HUF	0	0	0	0	0	0	0	0	0
h) Central Govt	0	0	0	0	0	0	0	0	0
i) State Govt (s)	0	0	0	0	0	0	0	0	0
j) Bodies Corp.	0	500,000	500,000	100.00	0	500,000	500,000	100.00	0
k) Banks / FI	0	0	0	0	0	0	0	0	0
l) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	0	500,000	500,000	100,00		500,000	500,000	100,00	0
(2) Foreign									
a) NRIs -									
Individuals	0	0	0	0	0	0	0	0	0
b) Other –									
Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	0	500,000	500,000	100,00	0	500,000	500,000	100,00	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0

Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0		0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	500,000	500,000	100.00		500,000	500,000	100.00	0

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	PrithishNandy Communications Limited	498,900	99.78	0	498,900	99.78	0	0
2	Ideas.com India	1,100	0.22	0	1,100	0.22	0	0

Handwritten signature and a circular stamp with the text "DIGITAL" and "1998" are present at the bottom right of the page.

	Pvt Ltd							
	Total	500,000	100.00	0	500,000	100.00	0	0

(iii) *Change in Promoters' Shareholding (please specify, if there is no change)*

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	No Change			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year				

(iv) *Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):*

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders	It is a subsidiary company.			
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /				



	bonus / sweat equity etc):
	At the End of the year (or on the date of separation, if separated during the year)

(v) Shareholding of Directors and Key Managerial Personnel:

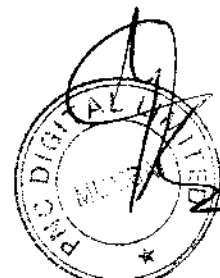
Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	0	0	0	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not	0	0	0	0

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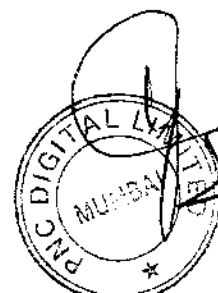


due				
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year				
└ Addition	0	0	0	0
└ Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0	0
2.	Stock Option	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0
4.	Commission - as % of profit - others, specify...	0	0	0	0	0

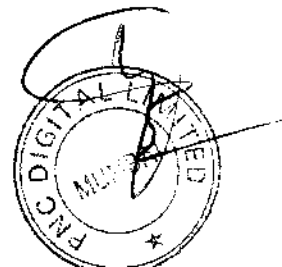


5.	Others, please specify	0	0	0	0	0
	Total (A)	0	0	0	0	0
	Ceiling as per the Act	0	0	0	0	0

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors					Total Amount
	3. Independent Directors <input type="checkbox"/> Fee for attending board / committee meetings <input type="checkbox"/> Commission <input type="checkbox"/> Others, please specify	0	0	0	0	0	0
	Total (1)	0	0	0	0	0	0
	4. Other Non-Executive Directors <input type="checkbox"/> Fee for attending board / committee meetings <input type="checkbox"/> Commission <input type="checkbox"/> Others, please specify	0	0	0	0	0	0
	Total (2)	0	0	0	0	0	0
	Total (B)=(1+2)	0	0	0	0	0	0
	Total Managerial	0	0	0	0	0	0

W



	Remuneration					
	Overall Ceiling as per the Act	0	0	0	0	0

C. Remuneration to key managerial personnel other than md/manager/wtd

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - as % of profit - others, specify	0	0	0	0
5.	Others, please Specify	0	0	0	0
	Total	0	0	0	0

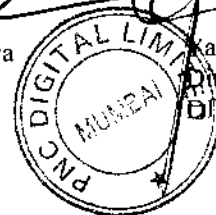
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment, or compounding of offence during the year ended March 31, 2017.

For and on behalf of the Board



Pallab Bhattacharya
Director
DIN: 00008277



Katender Verma
Director
DIN: 00009354

Mumbai, May 24, 2017



INDEPENDENT AUDITOR'S REPORT

To
The Members of PNC Digital Ltd

Report on the Financial Statements

We have audited the accompanying financial statements of PNC Digital Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 the 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 control 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 the 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, of the state of affairs of the Company as at 31st March, 2017, and its loss and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Balance Sheet, the Statement of Profit and Loss and The Cash Flow Statement, dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".



- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has no pending litigations;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. as represented by the company, there is no amount required to be transferred to Investor Education and Protection Fund by the company.
 - iv. the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company - Refer Note 8.1.



For K R Khare & Co.
Chartered Accountants
Firm Registration No. 105104W

A handwritten signature in black ink, appearing to read 'Kishor R Khare'.

Kishor R Khare
Proprietor
Membership No 032993

Place: Mumbai
Date: May 24, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- (i) The company did not have any fixed assets and hence the clause (i) of the Companies (Auditor's Report) Order, 2015, is not applicable to the Company.
- (ii) The Company did not carry on any manufacturing or trading activity and did not have any stock during the year. Hence, clause (ii) of the said Order is not applicable to the Company.
- (iii) As informed to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, clause (iii) is not applicable to the Company for the year under report.
- (iv) As informed to us, the Company has not given any loans, guarantees and security and has no investment and hence the clause (iv) of the said order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore, the provision of clause (v) of the said Order is not applicable to the Company.
- (vi) We are informed by the company that provisions of Section 148 (1) of the Act as regards maintenance of cost records are not applicable to the company.
- (vii) (a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues payable including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities during the year. There were no undisputed statutory dues as mentioned above in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there were no dues outstanding in respect income tax (including TDS), sales tax, service tax, duty of customs, duty of excise and value added tax which were disputed.
- (viii) The Company has not taken any loans from financial institutions, banks, government and hence question of default in repayment thereof does not arise.
- (ix) The company has not raised any monies by way of initial public offer or further public offer (including debt instruments) or term loans.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The company has not paid or provided any managerial remuneration during the year.
- (xii) The company is not a Nidhi company and hence reporting under clause (xii) of the CARO is not applicable.
- (xiii) All transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable Accounting Standards - Refer Note 19.



- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause (xiv) of CARO 2016 is not applicable to the company.
- (xv) The company has not entered into any non-cash transactions covered by section 192 of the Companies Act, 2013 with directors or persons connected with him.
- (xvi) As informed to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



Place: Mumbai
Date: May 24, 2017

For K R Khare & Co.
Chartered Accountants
Firm Registration No. 105104W

Kishor R Khare
Proprietor
Membership No 032993

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section our Report on financial statements of even date)

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 PNC Digital Ltd ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was 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 judgement, 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 authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



Place: Mumbai
Date: May 24, 2017

For K R Khare & Co.
Chartered Accountants
Firm Registration No. 105104W

Kishor R Khare
Proprietor
Membership No 032993

PNC DIGITAL LIMITED

BALANCE SHEET

AS AT MARCH 31, 2017

Particulars	Note No	March 31, 2017 Rupees	March 31, 2016 Rupees
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share capital	2	5,000,000	5,000,000
(b) Reserves and surplus	3	(3,781,246)	1,218,754
			324,876
			5,324,876
2. Non-current liabilities			
(a) Other long term liabilities	4		58,656,671
3. Current liabilities			
(a) Other current liabilities	5	821,598	820,348
		<u>2,040,352</u>	<u>64,801,895</u>
II. ASSETS			
Non-current assets			
(a) Long term loan and advances	6	557	58,658,531
(b) Non current investment	7	0	557
			32,838
			58,691,369
2. Current assets			
(a) Cash and Bank Balances	8	414,336	423,552
(b) Short term loan and advances	9	1,625,459	5,686,264
(c) Other current assets	10	0	2,039,795
			710
		<u>2,040,352</u>	<u>6,110,526</u>
			64,801,895

Significant accounting policies and notes on financial statements

1 to 21

As per our attached report of even date

For K R Khare & Co

Chartered Accountants

Firm Registration No.105104W

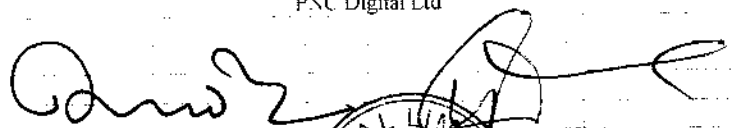


Kishor R Khare

Proprietor

Membership No 032993

Mumbai, May 24, 2017

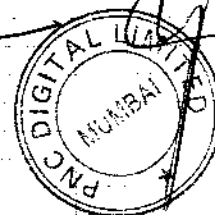
Authenticated by us
PNC Digital Ltd

Pallab Bhattacharya

Director

DIN : 00008277

Mumbai, May 24, 2017



Yatender Verma

Director

DIN : 00009354

PNC DIGITAL LIMITED

STATEMENT OF PROFIT AND LOSS
FOR THE PERIOD ENDED ON MARCH 31, 2017

Particulars	Note No	March 31, 2017 Rupees	March 31, 2016 Rupees
Revenue from the operation		0	0
Other income	11	8,006	21,386
Total Revenue		8,006	21,386
Expenses:			
Other expenses	12	4,114,128	35,081
Total expenses		4,114,128	35,081
Profit before tax		(4,106,122)	(13,695)
Tax expense:			
(1) Current tax		0	0
(2) Deferred tax		0	0
Profit/ (loss) for the period from continuing operations		(4,106,122)	(13,695)
Earning per equity share			
Basic and diluted	13	(8.21)	(0.03)
Significant accounting policies and notes on financial statements	1 to 21		

As per our attached report of even date

For K R Khare & Co
Chartered Accountants
Firm Registration No.105104W

K R Khare
Kishor R Khare
Proprietor
Membership No 032993
Mumbai, May 24, 2017



Pallab Bhattacharya
Pallab Bhattacharya
Director
DIN : 00008277
Mumbai, May 24, 2017

Authenticated by us
For PNC Digital Ltd



Yatender Verma
Yatender Verma
Director
DIN : 00009354

P N C DIGITAL LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2017

	March 31, 2017	March 31, 2016
	Rupees	Rupees
A Cash Flow from operating activities:		
Profit/ (loss) before taxes	(4,106,122)	(13,695)
Advances written off	0	3,137,000
Interest on fixed deposit	7,946	(18,596)
Operating cash flow before working capital changes	(4,098,176)	3,104,709
Adjusted for:		
Non current liabilities	(58,656,671)	-
Current liabilities	1,250	2,026
Changes in loans and advances	58,657,974	14,220
Short term loans and advances	4,060,805	(3,098,015)
Changes in other current assets	710	1,519
Cash generated from operations before prior period items:	(34,108)	24,459
Direct taxes paid	-	-
Net Cash from operating activities	(34,108)	24,459
B Cash Flow from Investing activities:		
Change in investments	32,838	(32,838)
Interest on fixed deposit	(7,946)	18,596
Net cash used in investing activities	24,892	(14,242)
C Cash flow from financing activities		
Net cash used in financing activities	0	0
Net changes in cash and cash equivalents (A+B+C)	(9,216)	10,217
Cash and cash equivalents- opening balance	423,552	413,335
Cash and cash equivalents- closing balance	414,336	423,552

Notes:

- 1) The above cash flow statement has been prepared as per indirect method.
- 2) Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities
- 3) Figures in brackets represents deductions/ outflows.
- 4) Previous year's figures have been regrouped wherever necessary.

As per our attached report of even date

For K R Khare & Co
Chartered Accountants
F R N 105104W

Kishor R Khare
Kishor R Khare
Proprietor
M No 032993
Mumbai, May 24, 2017



Authenticated by us
For PNC Digital Ltd

Pallab Bhattacharya
Pallab Bhattacharya
Director
DIN : 00008172
Mumbai, May 24, 2017

Atender Verma
Atender Verma
Director
DIN : 00009354

MUMBAI

Note 1

SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting

- a) The financial statements have been prepared as per historical cost convention and in accordance with generally accepted accounting principles in India.
- b) The financial statements are prepared in accordance with the Accounting Standards notified by the Central Government in terms of section 143 of the Companies Act, 2013.
- c) Expenses and revenue are generally accounted for on accrual basis, except those associated with significant uncertainties which are accounted on cash basis.

1.2 Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of the revenues and expenses during the reporting periods. The difference between the actual results and estimates are recognised in the period in which the results are known or materialised.

1.3 Revenue recognition

Income from professional/ supervision activities is recognised as and when rendered result in enforceable claim.

Dividend income is recognised on receipt basis. Interest income on investment is recognised on accrual basis.

1.4 Fixed Assets

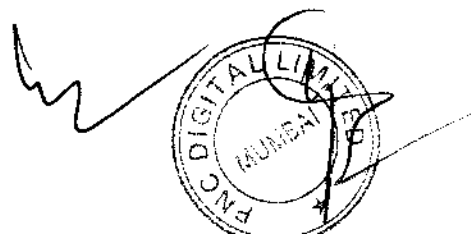
- a) Fixed assets are stated at cost less accumulated depreciation. Cost comprises purchase price including any attributable cost of bringing the asset to its working condition for its intended use and any other identifiable direct expenses.

Impairment of Assets

- b) At Balance Sheet Date, the Company assesses whether there is any indication that any asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the assets exceeds the recoverable amount, an impairment loss is recognised in the financial statements to the extent the carrying amount exceeds, the recoverable amount.

1.5 Depreciation

- a) Depreciation is provided on Straight Line Method on the basis of useful lives of assets as specified in schedule II to the Companies Act, 2013 except as specified in item (c) below.
- b) Depreciation on addition/ deletion to assets is calculated on a pro-rata basis considering the month of such addition/ deletion. No depreciation is charged on the asset if the same is not put to use during the year.
- c) Depreciation on improvement to leased premises including furniture and fixtures is provided over the period of leave and license.



1.6 Taxation

Tax expense comprises both current and deferred tax at the applicable enacted/substantially enacted rates. Current tax represents the amount of income tax payable in respect of the taxable income for the reporting period. Deferred tax represents the effect of timing difference between taxable incomes and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods.

1.7 Investments

Long term investments are stated at cost. Current investments are stated at lower of cost or market value. Provision for diminution in value of non-current investments is made in case the same is other than temporary.

1.8 Employee benefits

Short term employee benefits i.e. benefits payable within one year are recognised in the period in which employee services are rendered. Provision for retirement benefits, if any, is made in accordance with the applicable law.

1.9 Provisions and contingencies

Provisions are recognized when the Company has legal and constructive obligation as a result of past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when the Company has possible but no present obligation where it is probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

1.10 Foreign currency transactions

- a) Transactions in foreign currency are recorded at the rate prevailing on the date when the amount is received or remitted.
- b) Foreign currency assets and liabilities are converted into rupee at the exchange rate prevailing on the balance sheet date; gains/ losses are reflected in the profit and loss account.
- c) Exchange difference on account of acquisition of fixed assets is adjusted to carrying cost of fixed assets.

1.11 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of such assets. The qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

1.12 Earning per share

Basic earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



PNC DIGITAL LIMITED

NOTES ON UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2017

Particulars	Note No	March 31, 2017 Rupees	March 31, 2016 Rupees
Note 2			
SHARE CAPITAL			
Authorised Share Capital (7,500,000 Equity Shares of Rs 10 each)		75,000,000	75,000,000
Issued, subscribed and fully paid up			
500,000 Equity Shares of Rs 10 each fully paid up (Of the above 498,900/- equity shares of Rs 10 each fully paid up are held by Pritish Nandy Communications Ltd a holding company)		5,000,000	5,000,000
		<u>5,000,000</u>	<u>5,000,000</u>

Note 2.1
The Reconciliation of the number of shares outstanding is set out below:

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
Opening balance as at 1.4.2016	500,000	5,000,000	500,000	5,000,000
Add: Issued during the year	0	0	0	0
Closing balance as at 31.3.2017	500,000	5,000,000	500,000	5,000,000

Note 2.2
Details of shareholders holding more than 5% shares:

Name of the shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of shares	% held	No. of shares	% held
Pritish Nandy Communications Ltd	498,900	99.78%	498,900	99.78%

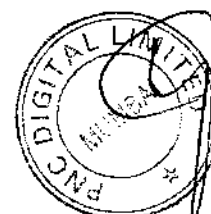
Note : 2.3
Terms/ rights attached to equity shares
The company has only one class of equity shares having a face value of 10 per share. Each holder of equity share is entitled to one vote per share. The equity shares are entitled to dividend proposed by board of directors subject to approval of the share holders in the general meeting except in case of interim dividend. In the event of liquidation of the company, holder of equity shares are entitled to receive remaining assets of the company. after distribution of all preferential amounts in proportion to their share holding.

Note 3
RESERVES AND SURPLUS

Surplus as per statement of profit and loss			
Opening balance as at 1.4.2016		324,876	338,571
Add : Profit/ (loss) for the period		(4,106,122)	(13,695)
Closing balance as at 31.3.2017		<u>(3,781,246)</u>	<u>324,876</u>

Note 4
OTHER LONG TERM LIABILITIES

Advances from Holding Company for content		0	58,656,671
		<u>0</u>	<u>58,656,671</u>



Note 5
OTHER CURRENT LIABILITIES

Other payables	71,598	70,348
Advance received for Ogle project	750,000	750,000
	<u>821,598</u>	<u>820,348</u>

Note 6
LONG TERM LOANS AND ADVANCES

(Recoverable in cash or kind or for value to be received) (Unsecured, considered good)		
Advances for cinematic content	0	58,656,671
Advance income tax	557	1,860
	<u>557</u>	<u>58,658,531</u>

Note 7
NON CURRENT INVESTMENTS

510 Equity shares of Ogle Technologies Ltd of US\$ 1 each	0	32,838
	<u>0</u>	<u>32,838</u>

Note 8
CASH AND BANK BALANCES

Cash at bank - fixed deposits	0	240,038
Cash at bank - current account	409,442	147,060
Cash on hand	4,894	36,454
	<u>414,336</u>	<u>423,552</u>

NOTE 8.1
DETAILS OF SPECIFIED BANK NOTES (SBN)
HELD AND TRANSACTED DURING NOVEMBER
8, 2016 TO DECEMBER 30, 2016

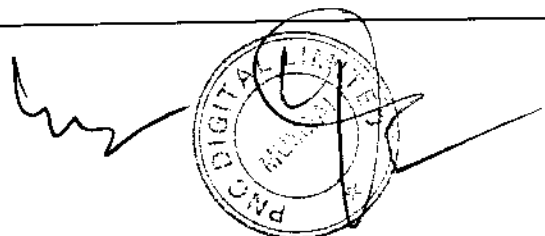
	SBNs	Other denomination notes	Total
Closing cash on hand as on November 8, 2016	0	7,964	7,964
Add: permitted receipts	0	1,500	1,500
Less: permitted payments	0	4,570	4,570
Less: amount deposited in banks	0	0	0
Closing cash in hand as on December 30, 2016	<u>0</u>	<u>4,894</u>	<u>4,894</u>

Note 9
SHORT TERM LOAN AND ADVANCES

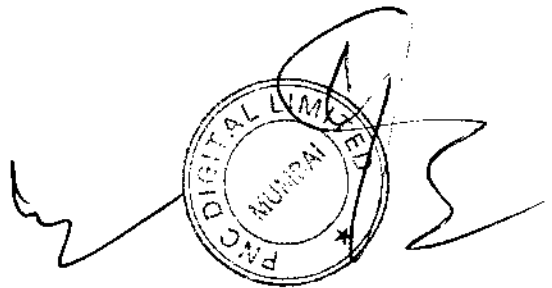
Advance - subsidiary Ogle Technology Ltd	0	437,000
Advance - Ogle project	0	3,570,105
Advance given to holding company - Pritish Nandy Communications Ltd	1,486,219	1,548,394
	<u>139,240</u>	<u>130,765</u>
Service tax input credit	<u>1,625,459</u>	<u>5,686,264</u>

Note 10
OTHER CURRENT ASSETS

Interest accrued on bank fixed deposits	0	710
	<u>0</u>	<u>710</u>



Note 11		
OTHER INCOME		
Interest on bank fixed deposits (TDS Rs. 557 (L Y Rs. 1,860))	7,946	18,596
Interest on income tax refund	60	2,790
	<u>8,006</u>	<u>21,386</u>
Note 11.1		
Earning in foreign currency	Nil	Nil
Note 12		
OTHER EXPENSES		
Office and general expenses	34,990	8,356
Professional and legal expenses	5,000	5,000
Legal fees	56,500	0
Advances for Ogle technology written off	4,007,105	0
ROC filing fees	4,270	11,400
Bank charges	513	-
Trade mark registration expenses	0	4,600
Statutory audit fees	5,750	5,725
	<u>4,114,128</u>	<u>35,081</u>
NOTE 12.1		
Expenses in foreign currency		
Traveling expenses		198,313
Nil (L Y USD 3,020)		<u>198,313</u>
Note 13		
EARNING PER SHARE		
i) Net profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	(4,106,122)	(13,695)
ii) Weighted average number of equity share used as denominator for calculating EPS	500,000	500,000
iii) Basic and diluted Earning per share	(8.21)	(0.03)
iv) Face value per Equity Share	10	10



Note 14**CONTINGENT LIABILITIES**

Particulars	2016-17	2015-16
Claims against the Company not acknowledged as debts	Nil	Nil

Note 15

No provision for payment of gratuity, leave encashment is made in the accounts since there were no employees working with the Company during the year.

Note 16

In the opinion of the management, investments, current assets and loans and advances are of the value stated in the financial statements and realisable in the ordinary course of business. The provisions for all known liabilities are adequate and are not in excess of the amounts considered, reasonably necessary.

Note 17

There is no deferred tax liability/ asset as at March 31, 2017.

Note 18

During the year, Company operated only in one business segment i.e. Content Segment and digital.

Note 19**Related Party Disclosure**

In accordance with Accounting Standard (AS) 18 "Related Party Disclosure", the disclosure in respect of transactions with the companies related parties are as given below:

Holding company : Pritish Nandy Communications Ltd
 Subsidiary company : Ogle Technologies Ltd (cease to be Subsidiary w.e.f 18.2.2017)

	<u>March 31, 2017</u>	<u>March 31, 2016</u>
Advances to holding company on current account		
Opening balance as on April 1, 2016 - Receivable	Rs 1,548,394	Rs 2,495,984
Advances received back during the year	Rs 62,175	Rs 947,590
Closing balance as on March 31, 2017 – Receivable	Rs 1,486,219	Rs 1,548,394
Advances from holding company for content		
Opening balance as on April 1, 2016 - Payable	Rs 58,656,671	Rs 58,656,671
Advances taken over by the holding company.	Rs 58,656,671	0
Closing balance as on March 31, 2017 – Payable	0	Rs 58,656,671

Related Party relationship is as identified by the Company and relied upon by the Auditors.




Note 20

The Company has not received any intimation from suppliers regarding the status under The Micro, Small And Medium Enterprises Development Act, 2006 and hence disclosures if any relating to the amount unpaid as at year end and together with interest paid/payable as required under the Act have not been given.

Note 21

Figures in respect of previous year have been re-grouped and re-arranged wherever necessary.

As per our attached Report of even date
For KR Khare & Co
Chartered Accountants
Firm Registration No.105104W



Kishor R Khare
Proprietor
Membership No 032993

Mumbai, May 24, 2017

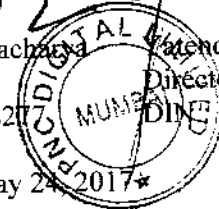


Authenticated by us
For PNC Digital Ltd



Pallab Bhattacharya
Director
DIN : 00008277

Mumbai, May 24, 2017



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