

## DIRECTORS' REPORT

To  
The Members of  
PNC Digital Ltd

Your Directors submit to the shareholders the 22<sup>nd</sup> Annual Report on the business and operations of the Company and the audited financial accounts for the year ended March 31, 2016.

### OPERATIONS

	in Rs lakh	
	Year ended 31.03.2016	Year ended 31.03.2015
Total income (including other income)	0.21	0.78
Profit before Tax	(0.13)	(12.91)
Provision for Tax	0.00	0.00
Profit after Tax and prior years adjustments	(0.13)	(12.91)

### PRESENT ECONOMIC SITUATION AND PERFORMANCE OF THE COMPANY

There has been no material change in the nature of the business of the Company. Its principal business is creating 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. In April 2015 our Company identified and entered into an arrangement with an investor who was ready to invest in the exploitation of Ogle worldwide. To enable this exploitation a joint venture Company, Ogle Technologies Ltd, was incorporated at British Virgin Islands. The Company owns 51% of the issued and paid up capital of Ogle Technologies Limited. The commercial exploitation of Ogle will be taken up and conducted by Ogle Technologies Limited. The launch of Ogle has not yet commenced due to operational reasons beyond the management's control. However our Company has launched and is actively pursuing the business of creating content for digital streaming through its existing content creation talent.

During the year under review the Company did not have any operational income and there were no profits.

### 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.

### PUBLIC DEPOSITS

There are no public deposits with the Company as at 31<sup>st</sup> March, 2016.

## PNC Digital Ltd

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



A handwritten signature in blue ink is written over a circular blue stamp. The stamp contains the text "PNC DIGITAL LIMITED" around the top edge, "MUMBAI" in the center, and a small star at the bottom. The signature is a stylized, cursive scribble.

## **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**

Pallab Bhattacharya and Pritish Nandy retire by rotation at the forthcoming Annual General Meeting and being eligible offers themselves for reappointment.

Vishnu Kanhere has resigned from the Board of Directors with effect from May 26, 2016.

## **NUMBER OF MEETING OF THE BOARDS**

During the year the Board of Directors met four times viz May 25, 2015, July 24, 2015, November 09, 2015 and February 02, 2016.

## **AUDITOR'S REPORT**

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

## **AUDITORS**

K R Khare & Co, Chartered Accountants, Auditors of the Company, hold office from the conclusion of that Annual General Meeting till the conclusion of the forthcoming four Annual General Meetings. In terms of the first proviso to section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of K R Khare & Co. Chartered Accountants, Statutory Auditor of the Company, is placed for ratification by the shareholders.

## **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

## **PNC Digital Ltd**

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A handwritten signature in black ink is located to the left of a blue circular stamp. The stamp contains the text 'PNC DIGITAL LIMITED' around the top edge, 'MUMBAI' in the center, and a small star at the bottom. A large, stylized blue signature is written over the right side of the stamp.

## **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. 18 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.

## **PERSONNEL**

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

## **PNC Digital Ltd**

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**ACKNOWLEDGEMENT**

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

For and on behalf of the Board



Pallab Bhattacharya  
Director

Yashinder Verma  
Director

Mumbai, May 26, 2016



**PNC Digital Ltd**

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

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on March 31, 2016**

[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 03, 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 Chamber, 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	L22120MH1993PLC074214	Holding Company	99.78%	2(87)
2	Ogle Technologies Ltd – 19 Waterfront Drive PO Box 3540 Road Town Tortola VG 1110	--	Subsidiary company	51.00%	



**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
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
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
<b>Sub-total (A) (1):-</b>	0	500,000	500,000	100,00		500,000	500,000	100,00	0
<b>(2) Foreign</b>									
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
<b>Sub-total (A) (2):-</b>	0	500,000	500,000	100,00		500,000	500,000	100,00	0
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	0	500,000	500,000	100,00		500,000	500,000	100,00	0
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0								
b) Banks / FI	0								
c) Central Govt.	0								
d) State Govt.(s)	0								
e) Venture Capital Funds	0								
f) Insurance Companies	0								
g) FIIs	0								
h) Foreign Venture Capital	0								

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Funds i) Others (specify)	0								
<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	0
<b>2. Non-Institutions</b>									
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 uptoRs. 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
<b>Sub-total (B)(2):-</b>	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	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	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			% change in share holding during 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	
1	PrithishNandy Communications Limited	498,900	99.78	0	498,900	99.78	0	0
2	Ideas.com India Pvt Ltd	1,100	0.22	0	1,100	0.22	0	0
	<b>Total</b>	500,000	100.00	0	500,000	100.00	0	0


  
 PNC DIGITAL LIMITED  
 MUMBAI

(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
	<b>For Each of the Top 10 Shareholders</b>	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)	
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**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	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	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
<b>Indebtedness at the beginning of the financial year</b> i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				

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*[Handwritten signature]*

<b>Change in Indebtedness during the financial year</b> <input type="checkbox"/> Addition <input type="checkbox"/> Reduction				
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b> i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				

## 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
	<b>Total (A)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



	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
	Total (1)	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
	Total (2)	0	0	0	0	0
	Total (B)=(1+2)	0	0	0	0	0
	Total Managerial Remuneration	0	0	0	0	0
	Overall Ceiling as per	0	0	0	0	0




	the Act					
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**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, 2016.

For and on behalf of the Board



Pallab Bhattacharya  
Director

Yatender Verma  
Director



Mumbai, May 26, 2016

## **INDEPENDENT AUDITOR'S REPORT**

To  
The Members of PNC Digital Ltd

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of PNC Digital Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2016, 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 Standalone 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 standalone 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 standalone 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 standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 31, 2016, 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"), as issued by the Central Government of India in terms of section 143 (11) 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 standalone 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 March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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 to us, there is no amount required to be transferred to Investor Education and Protection Fund by the company.

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



Kishor R Khare  
Proprietor  
Membership No 032993



Place: Mumbai  
Date: May 26, 2016

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1 of "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, other than temporary interest free advances given to its subsidiary company and the holding company. As explained to us, there are no terms for repayment of these temporary advances.
- (iv) As informed to us, the Company has not given any loans, made investments, provided guarantees and securities as contemplated under Section 185 and 186 of the Act.
- (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) According to information and explanations given to us, the maintenance of cost records under Section 148 (1) of the Act is not prescribed under the Companies (Cost Records and Audit) Rules, 2014.
- (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 March 31, 2016 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) 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.
- (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) 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.

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



Kishor R Khare  
Proprietor  
Membership No 032993

Place: Mumbai  
Date: May 26, 2016



**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)

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**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, 2016 in conjunction with our audit of the standalone 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, 2016, 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 K R Khare & Co.  
Chartered Accountants  
Firm Registration No. 105104W



Kishor R Khare  
Proprietor  
Membership No 032993



Place: Mumbai  
Date: May 26, 2016

## PNC DIGITAL LIMITED

## BALANCE SHEET

AS AT MARCH 31, 2016

Particulars	Note No		March 31, 2016 Rupees		March 31, 2015 Rupees
<b>I. EQUITY AND LIABILITIES</b>					
<b>1. Shareholders' Funds</b>					
(a) Share capital	2	5,000,000		5,000,000	
(b) Reserves and surplus	3	324,876	5,324,876	338,571	5,338,571
<b>2. Non-current liabilities</b>					
(a) Other long term liabilities	4		58,656,671		58,656,671
<b>3. Current liabilities</b>					
(a) Other current liabilities	5		820,348		818,322
			<b>64,801,895</b>		<b>64,813,564</b>
<b>II. ASSETS</b>					
<b>1. Non-current assets</b>					
(a) Long term loan and advances	6	58,658,531		58,672,751	
(b) Non current investment	7	32,838	58,691,369	-	58,672,751
<b>2. Current assets</b>					
(a) Cash and Bank Balances	8	423,552		413,335	
(b) Short term loan and advances	9	5,686,264		5,725,249	
(c) Other current assets	10	710	6,110,526	2,229	6,140,813
			<b>64,801,895</b>		<b>64,813,564</b>

Significant accounting policies and notes on financial statements 1 to 20

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 26, 2016



Authenticated by us  
PNC Digital Ltd

*[Handwritten Signature]*

Pallab Bhattacharya  
Director  
Mumbai, May 26, 2016



Yatender Verma  
Director

PNC DIGITAL LIMITED

STATEMENT OF PROFIT AND LOSS

FOR THE PERIOD ENDED ON MARCH 31, 2016

Particulars	Note No	March 31, 2016 Rupees	March 31, 2015 Rupees
Revenue from the operation		-	-
Other Income	11	21,386	78,168
<b>Total Revenue</b>		<b>21,386</b>	<b>78,168</b>
Expenses:			
Other expenses	12	35,081	1,369,605
<b>Total expenses</b>		<b>35,081</b>	<b>1,369,605</b>
Profit before tax		(13,695)	(1,291,437)
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
Profit/ (loss) for the period from continuing operations		(13,695)	(1,291,437)
Earning per equity share			
Basic and diluted	13	(0.03)	(2.58)
<b>Significant accounting policies and notes on financial statements</b>	1 to 20		

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 26, 2016



Authenticated by us  
For PNC Digital Ltd

*Pallab Bhattacharya*

Pallab Bhattacharya  
Director

Mumbai, May 26, 2016



Yatender Verma  
Director

## 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
- 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

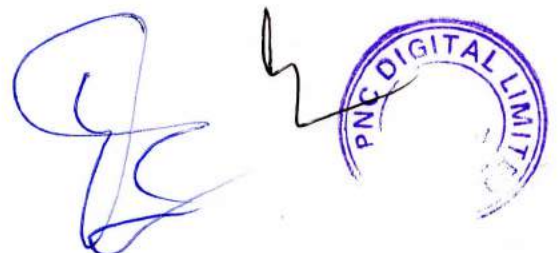
- b) At Balance Sheet Date, the Company assesses whether there is any indication that any asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the assets exceeds the recoverable amount, an impairment loss is recognised in the financial 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 lease 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 FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2016**

Particulars	Note No	March 31, 2016 Rupees	March 31, 2015 Rupees	
<b>Note 2</b>				
<b>SHARE CAPITAL</b>				
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	
		5,000,000	5,000,000	
<b>Note 2.1</b>				
The Reconciliation of the number of shares outstanding is set out below:				
Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
Opening balance as at 1.4.2015	500,000	5,000,000	500,000	5,000,000
Add: Issued during the year	0	0	0	0
Closing balance as at 31.3.2016	500,000	5,000,000	500,000	5,000,000
<b>Note 2.2</b>				
Details of shareholders holding more than 5% shares:				
Name of the shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of shares	% held	No. of shares	% held
Pritish Nandy Communications Ltd	498,900	99.78%	498,900	99.78%
<b>Note : 2.3</b>				
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 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.				
<b>Note 3</b>				
<b>RESERVES AND SURPLUS</b>				
Surplus as per statement of profit and loss				
Opening balance as at 1.4.2015		338,571	1,630,008	
Add : Profit/ (loss) for the period		(13,695)	(1,291,437)	
Closing balance as at 31.3.2016		324,876	338,571	
<b>Note 4</b>				
<b>OTHER LONG TERM LIABILITIES</b>				
Advances from Holding Company for content		58,656,671	58,656,671	
		58,656,671	58,656,671	





OTHER CURRENT LIABILITIES			
Other payables		70,348	59,622
TDS payable		-	8,700
Advance received for Ogle project		750,000	750,000
		<u>820,348</u>	<u>818,322</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		58,656,671	58,656,671
Advance income tax		1,860	16,080
		<u>58,658,531</u>	<u>58,672,751</u>
Note 7			
NON CURRENT INVESTMENTS			
510 Equity shares of Ogle Technologies Ltd of US\$ 1 each		32,838	0
		<u>32838</u>	<u>0</u>
Note 8			
CASH AND BANK BALANCES			
Cash at bank - fixed deposits		240,038	221,783
Cash at bank - current account		147,060	155,098
Cash on hand		36,454	36,454
		<u>423,552</u>	<u>413,335</u>
Note 9			
SHORT TERM LOAN AND ADVANCES			
Advance - subsidiary Ogle Technology Ltd		437,000	87,000
Advance - Ogle project		3,570,105	3,050,000
Advance given to holding company		1,548,394	2,495,984
Prithish nandy communications Ltd			
Service tax input credit		130,765	92,265
		<u>5,686,264</u>	<u>5,725,249</u>
Note 10			
OTHER CURRENT ASSETS			
Interest accrued on bank fixed deposits		710	2,229
		<u>710</u>	<u>2,229</u>
Note 11			
OTHER INCOME			
Interest on bank fixed deposits (TDS Rs. 1,860 (L Y Rs. 7,080))		18,596	76,332
Interest on income tax refund		2,790	0
Miscellaneous income		0	1,836
		<u>21,386</u>	<u>78,168</u>
Note 11.1			
Earning in foreign currency		Nil	Nil



Note 12			
OTHER EXPENSES			
Ogle digital expenses	0		1,218,470
Office and general expenses	8,356		54,397
Professional and legal expenses	5,000		5,000
ROC filing fees	11,400		9,000
Trade mark registration expenses	4,600		77,120
Statutory audit fees	5,725		5,618
	<u>35,081</u>		<u>1,369,605</u>
NOTE 12.1			
Expenses in foreign currency			
Traveling expenses			
USD 3.020 (L Y Rs Nil)	198,313		0
	<u>198,313</u>		<u>0</u>
Note 13			
EARNING PER SHARE			
i) Net profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	(13,695)		(1,291,437)
ii) Weighted average number of equity share used as denominator for calculating EPS	500,000		500,000
iii) Basic and diluted Earning per share	(0.03)		(2.58)
iv) Face value per Equity Share	10		10



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**Note 13****CONTINGENT LIABILITIES**

Particulars	2015-16	2014-15
Claims against the Company not acknowledged as debts	Nil	2,24,720

**Note 14**

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 15**

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 16**

There is no deferred tax liability/asset as at March 31, 2016.

**Note 17**

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

**Note 18**

## 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 : Prithvi Nandy Communications Ltd  
Subsidiary company : Ogle Technologies Ltd

	<u>March 31, 2016</u>	<u>March 31, 2015</u>
Advances to holding company on current account	Rs 1,548,394	Rs 2,495,984
Advances received back during the year	Rs 947,590	Rs 1,945,850
Advances to subsidiary company on current account	Rs 437,000	Rs 87,000
Advances given during the year	Rs 350,000	Rs 87,000
Advances from holding company for content	Rs 58,656,671	Rs 58,656,671

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

**Note 19**

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 20**

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

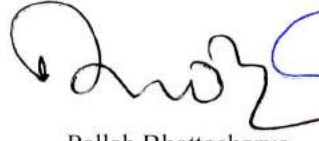
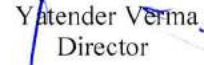
As per our attached Report of even date  
For K R Khare & Co  
Chartered Accountants  
Firm Registration No.105104W



Kishor R Khare  
Proprietor  
Membership No 032993

Mumbai, May 26, 2016

Authenticated by us  
For PNC Digital Ltd

  
Pallab Bhattacharya  
Director  
Yatender Verma  
Director

Mumbai, May 26, 2016

