

## DIRECTORS' REPORT

To  
The Members of  
PNC Wellness Ltd

Your Directors submit to the shareholders the 16<sup>th</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)	45.99	41.78
Profit before tax	41.46	(180.51)
Exceptional and extraordinary items	0.00	218.43
Profit before tax	41.46	37.92
Provision for tax	(29.07)	12.89
Profit after tax	12.39	50.81

### PRESENT ECONOMIC SITUATION AND PERFORMANCE OF THE COMPANY

PNC Wellness Limited

There has been no material change in the nature of the business of the Company. During the year, the Company operated only in one business segment, i.e. wellness segment. Although there was no revenue generation, the Company owns the wellness brand 'Moksh' and sub brands like Power Yoga, Passion Yoga, Cool Yoga, Couple Yoga, etc. The Company is in the process of realigning its business through the digital medium and is in an ongoing dialogue with others in the wellness segment to develop a non-rental model which delivers wellness services to customers without depending on the uncertainty of increasing costs relating to rental premises. The company has obtained a valuation report from M/s Dharmendra Molani & Co, Chartered Accountants, valuing the business enterprise at Rs. 216.30 lakh. The Holding Company is facilitating and supporting the revival of our Company's business.

### DIVIDEND

Your directors do not recommend any dividend.

### TRANSFER TO RESERVE

Your 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 Wellness Ltd**

Registered Office: 87/88, Mittal Chambers, Nariman Point, Mumbai 400 021



## **DIRECTORS**

Nabankur Gupta and Pallab Bhattacharya retire 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 25, 2015, July 24, 2015, November 09, 2015 and February 02, 2016.

## **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.

## **AUDITOR'S REPORT**

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

## **AUDITORS**

At the Annual General Meeting held on September 21, 2015, K R Khare & Co, Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office from the conclusion of that Annual General Meeting till the conclusion of the forthcoming four Annual General Meetings, concluding four years of his terms. In terms of the first proviso to section 139 of the Companies Act, 2013, such 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 Auditors of the Company, is placed for ratification by the shareholders.

**PNC Wellness Ltd**

Registered Office: 87/88, Mittal Chambers, Nariman Point, Mumbai 400 021





## **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 under review.

## **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 on an arm's length basis and in the ordinary course of business. Details of Related Party Transactions are disclosed in note no. 20 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 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 Wellness Ltd**

Registered Office: 87/88, Mittal Chambers, Nariman Point, Mumbai 400 021



A handwritten signature in blue ink is written over a circular blue stamp. The stamp contains the text "PNC WELLNESS LIMITED" around the top edge and "MUMBAI" in the center. There is a small star symbol at the bottom of the stamp.

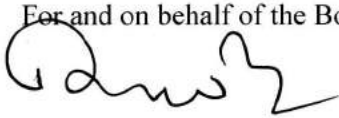
**PERSONNEL**

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

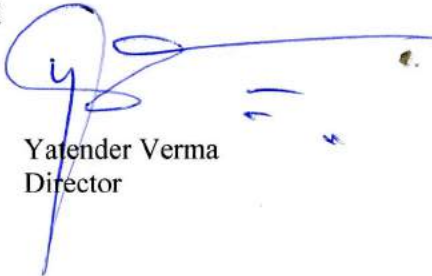
**ACKNOWLEDGEMENT**

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

For and on behalf of the Board



Pallab Bhattacharya  
Director



Yatender Verma  
Director

Mumbai, May 26, 2016



**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 –U55100MH1999PLC120196
- ii) Registration Date : April 04, 1999
- iii) Name of the Company – PNC Wellness Limited
- iv) Category / Sub-Category of the Company – Company Limited by shares
- v) Address of the Registered office and contact details –  
PNC Wellness 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 : N.A

**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	Operation & Maintenance of Gymnasium and fitness centre	92411	100%

**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 Chamber, Nariman Point, Mumbai 400021(India)	L22120MH1993PLC074214	Holding Company	100%	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	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
g) Individual/HUF	0	0	0	0	0	0	0	0	0
h) Central Govt		0	0	0		0	0	0	0
i) State Govt (s)	0	0	0	0	0	0	0	0	0
j) Bodies Corp.	0	660,000	660,000	100	0	660,000	660,000	100	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	660,000	660,000	100	0	660,000	660,000	100	0
(2) <b>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	660,000	660,000	100	0	660,000	660,000	100	0
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	0	660,000	660,000	100	0	660,000	660,000	100	0
<b>B. Public Shareholding</b>									
1. <b>Institutions</b>									
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
<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 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
<b>Sub-total (B)(2):-</b>	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	660,000	660,000	100	0	660,000	660,000	100	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	660,000	660,000	100	0	660,000	660,000	100	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	Pritish Nandy Communications Limited	660,000	100	0	660,000	100	0	0
	Total	660,000	100	0	660,000	100	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
	<b>For Each of the Top 10 Shareholders</b>				
	At the beginning of the year	It is a 100% wholly owned subsidiary company.			
	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
	<b>For Each of the Directors and KMP</b>				
	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 /	0	0	0	0





	transfer / bonus/ sweat equity etc):				
	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>				
<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
	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
	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 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

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## **Independent Auditors' Report**

To  
The Members of PNC Wellness Ltd

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

We have audited the accompanying financial statements of PNC Wellness 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 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 of 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 there under.

We conducted our audit of financial statements 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, 2016, and its profit for the year ended on that date.

### **Emphasis of matter**

We draw attention to the Note No. 8.1 on the financial statements which relates to the retaining of deferred tax assets at Rs 8,004,278 created against the accumulated losses in the books, in view of the plans of revival of business as described in the note.

Our opinion is not modified in respect of these matters.

### **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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no 22 to the financial statements;
- 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.



For K R Khare & Co.  
Chartered Accountants  
FRN 105104W

*K R Khare*

Kishor R Khare  
Proprietor  
M No 032993

Place: Mumbai  
Date: May 26, 2016

**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)**

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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 fixed assets were fully disposed of by the company during the previous year and hence reporting under clause (i) of the said Order is not applicable.
- (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 3(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) According to information and explanation 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) The Company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Customs Duty, Excise Duty, 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, 2016





undisputed statutory dues as mentioned above in arrears as at 31st March, 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 of Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory which have not been deposited on account of any dispute.
- (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 money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable
- (x) Based upon the audit procedures performed and information and explanations given by the management, we report that we have not come across any instances of fraud by the company or any fraud on the company by its officers or employees that have been noticed or reported during the year nor have been informed of such a case by management.
- (xi) The company has not paid or provided any managerial remuneration during the year.
- (xii) The company is not a Nidhi company.
- (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 Note No.17 on 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.
- (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/her.





(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 of Independent Auditors' Report on standalone 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 Wellness Ltd ("the Company") as of March 31, 2016 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, 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.



Place: Mumbai  
Date: May 26, 2016

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

*K. R. Khare*

Kishor R Khare  
Proprietor  
Membership No 032993


PNC WELLNESS LTD

BALANCE SHEET

AS AT MARCH 31, 2016

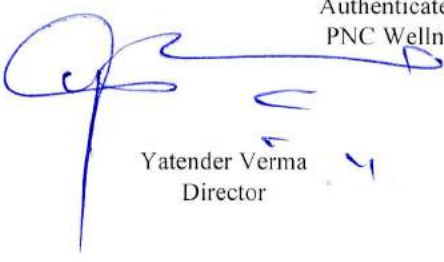
Particulars	Note No	March 31, 2016 Rupees	March 31, 2015 Rupees
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
a. Share capital	2	6,600,000	6,600,000
b. Reserves and surplus	3	4,168,360	2,928,543
		<u>10,768,360</u>	<u>9,528,543</u>
<b>2. Current liabilities</b>			
a. Short-term borrowings	4	425,750	0
b. Trade payables	5	110,928	82,292
c. Other current liabilities	6	0	5,188,323
		<u>536,678</u>	<u>5,270,615</u>
		<u>11,305,038</u>	<u>14,799,158</u>
<b>II. ASSETS</b>			
<b>1. Non-current assets</b>			
a. Fixed assets			
i. Tangible assets	7	0	0
b. Deferred tax assets (net)	8	8,004,278	10,911,387
c. Long term loans and advances	9	3,000,000	3,000,000
		<u>11,004,278</u>	<u>13,911,387</u>
<b>2. Current assets</b>			
a. Trade receivables	10	0	580,374
b. Cash and bank balances	11	4,618	44,187
c. Short term loans and advances	12	296,142	263,210
		<u>300,760</u>	<u>887,771</u>
		<u>11,305,038</u>	<u>14,799,158</u>
Significant accounting policy and Note on financial statement	1 to 24		

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  
PNC Wellness Ltd

  
Yatender Verma  
Director

  
Pallab Bhattacharya  
Director

Mumbai, May 26, 2016




PNC WELLNESS LTD

STATEMENT OF PROFIT AND LOSS

FOR THE PERIOD ENDED MARCH 31, 2016


Particulars	Note No.	March 31, 2016 Rupees	March 31, 2015 Rupees
Revenue from operations	13	0	3,077,541
Other income	14	4,599,931	1,100,504
Total revenue		<u>4,599,931</u>	<u>4,178,045</u>
Expenses			
Depreciation	7	0	2,870,252
Other expenses	15	453,005	19,358,747
Total expenses		<u>453,005</u>	<u>22,228,999</u>
Profit/ (loss) before exceptional and extra ordinary items and tax		4,146,926	(18,050,954)
Exceptional and extra ordinary items			
Waiver of advance from holding company - written back		0	21,843,002
Profit/ (loss) after exceptional and extra ordinary items and before tax		4,146,926	3,792,048
Tax expense			
Current tax		0	0
Deferred tax		2,907,109	(1,289,709)
Profit/ (loss) from continuing operation		1,239,817	5,081,757
Earning per equity share			
i. Basic and diluted	16	1.88	7.70
Significant accounting policy and Note on financial statement	1 to 24		

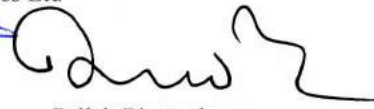
As per our attached report of even date  
For K R Khare & Co  
Chartered Accountants  
Firm Registration No 105104W

  
Kishor R Khare  
Proprietor  
Membership No 032993  
Mumbai, May 26, 2016



Authenticated by us  
PNC Wellness Ltd

  
Yatender Verma  
Director

  
Pallab Bhattacharya  
Director

Mumbai, May 26, 2016





## Note 1

### SIGNIFICANT ACCOUNTING POLICIES

- 1.1 Basis of accounting
- The financial statements have been prepared as per historical cost convention and in accordance with generally accepted accounting principles
  - 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.
  - 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 membership fee is recognised over the period of membership.
  - In respect of services rendered, income is recognized as and when services are rendered.
- 1.4 Fixed Assets
- 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
- 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
- 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.
  - 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.
  - Depreciation on improvement to leased premises including furniture and fixtures is provided over the period of leave and licence.
- 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.

A large, stylized handwritten signature in blue ink, written over the stamp of PNC Wellness Limited.

A circular blue ink stamp. The outer ring contains the text "PNC WELLNESS LIMITED" at the top and "MUMBAI" at the bottom, separated by two small stars.



PNC WELLNESS LTD

Notes on Financial Statements for the year ended 31st March, 2016

	March 31, 2016 Rupees	March 31, 2015 Rupees
<b>Note 2</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>	7,500,000	7,500,000
750,000 ( L Y 750,000) Equity Shares of Rs 10 each		
<b>Issued, subscribed and fully paid-up</b>		
660,000 (L Y 660,000) Equity Shares of Rs 10 each ( Wholly owned by Pritish Nandy Communications Ltd - Holding Company )	6,600,000	6,600,000
	<u>6,600,000</u>	<u>6,600,000</u>

Note 2.1

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 April 1, 2015	660,000	6,600,000	660,000	6,600,000
Add: Issued during the year	0	0	0	0
Closing balance as at March 31, 2016	<u>660,000</u>	<u>6,600,000</u>	<u>660,000</u>	<u>6,600,000</u>

Note 2.2

Details of shareholders holding more than 5% shares:

Name of the shareholder	March 31, 2016	
	No. of shares	% held
Pritish Nandy Communications Ltd	660,000	100.00

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**

<b>Securities premium reserve</b>				
Opening balance as at April 1, 2015	22,500,000		22,500,000	
Additions during the year	0		0	
Deductions during the year	0		0	
Closing balance as at March 31, 2016	<u>22,500,000</u>	22,500,000	<u>22,500,000</u>	22,500,000
<b>Surplus as per statement of profit and loss</b>				
Opening balance as at april 1, 2015	(19,571,457)		(24,653,214)	
Net profit/ (loss) after tax during the year	1,239,817		5,081,757	
Closing balance as at March 31, 2016	<u>(18,331,640)</u>	<u>(18,331,640)</u>	<u>(19,571,457)</u>	<u>(19,571,457)</u>
		<u>4,168,360</u>		<u>2,928,543</u>





**Note 4****SHORT TERM BORROWINGS**

Unsecured advance from Holding Company  
Pritish Nandy Communications Ltd

425,750	0
425,750	0

**Note 5****TRADE PAYABLES**

Micro Small and Medium Enterprises  
Others

0	0
110,928	82,292
110,928	82,292

**Note 5.1**

The Company has not received any intimation from suppliers regarding the status under The Micro, Small And Medium Enterprises Development Act, 2006. Accordingly, disclosure as required by the said Act is made on that basis.

**Note 6****OTHER CURRENT LIABILITIES**

Deposits  
Other liabilities

0	2,493,000
0	2,695,323
0	5,188,323



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TANGIBLE ASSETS as at March 31, 2016	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As At	Additions	Deductions	As At	For the	Total	As at	As at	
	April 1, 2015			March 31, 2016	period		March 31, 2016	March 31, 2015	
Particulars									
Lease premises and fixtures	0	0	0	0	0	0	0	0	
Gym and other Equipments	0	0	0	0	0	0	0	0	
<b>Total Rs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
As on March 31, 2015	44,748,292	33,440	44,781,732	-	25,742,739	2,870,251	28,612,990	-	

Note 7





**Note 8**  
**DEFERRED TAX ASSETS**

Opening balance as on April 1, 2015	10,911,387		9,621,678	
Add: Adjustment for current year	(2,907,109)		1,289,709	
		8,004,278		10,911,387
		<u>8,004,278</u>		<u>10,911,387</u>

**Note 8.1**

The Company is expecting revenue to accrue from its wellness business which will be conducted through the digital medium. And hence deferred tax assets created is retained.

**Note 8.2**

Particulars	As at April 1, 2015	Created during the year	Reversed during the year	As at March 31, 2016
Deferred tax asset				
Depreciation	0	0		0
Unabsorbed business loss	10,911,387	0	2,907,109	8,004,278
	<u>10,911,387</u>	<u>0</u>	<u>2,907,109</u>	<u>8,004,278</u>

**Note 9**

**LONG TERM LOANS AND ADVANCES**

(Unsecured, considered good)

Deposits - Moksh Zip		3,000,000		3,000,000
		<u>3,000,000</u>		<u>3,000,000</u>

**Note 10**

**TRADE RECEIVABLE**

(Unsecured, considered good)

Over six months		0		580,374
Others		0		0
		<u>0</u>		<u>580,374</u>

**Note 11**

**CASH AND BANK BALANCES**

Cash at bank - current account

Cash and imprest accounts

Cash at bank - current account		4,209		30,372
Cash and imprest accounts		409		13,815
		<u>4,618</u>		<u>44,187</u>

**Note 12**

**SHORT TERM LOANS AND ADVANCES**

(Unsecured, considered good)

Service tax input credit unutilised		296,142		263,210
		<u>296,142</u>		<u>263,210</u>

**Note 13**

**Revenue from operations**

Membership fees

Other operating revenue

Membership fees		0		2,932,836
Other operating revenue		0		144,705
		<u>0</u>		<u>3,077,541</u>

**Note 13.1**

Income in foreign currency

Nil

Nil



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**Note 14****OTHER INCOME**

Deposit and liabilities written back	4,599,931	0
Interest on income tax refund	0	28,308
Miscellaneous income	0	17,366
Sundry creditors balance written back	0	1,054,830
	<u>4,599,931</u>	<u>1,100,504</u>

**Note 15****OTHER EXPENSES**

Rent, rates and taxes	0	2,459,250
Electricity charges	0	747,873
Professional fees & remuneration	0	1,093,827
Repairs and maintenance	0	11,008
ROC filing fees	9,600	7,000
Legal fees and stamp duty	397,750	453,630
Office expenses	8,440	33,789
Parking charges	0	12,000
Printing and stationery	0	9,807
Security Charges	0	43,176
Loss on sale of assets	0	13,635,302
Property tax	0	639,244
Water charges	0	11,610
Advances written off	0	17,891
Auditors' remuneration	28,625	44,944
General Expenses	8,590	138,396
	<u>453,005</u>	<u>19,358,747</u>

## Note 15.1

## Payment to Auditors as

i. Statutory audit fees	28,625	33,708
ii. Fees for tax audit and other services	0	11,236
	<u>28,625</u>	<u>44,944</u>

## Note 15.2

Expenditure in foreign currencies	Nil	Nil
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**Note 16****EARNING PER SHARE**

Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	1,239,817	5,081,757
Weighted average number of equity shares used as denominator for calculating EPS	660,000	660,000
Basic and diluted Earning per Share	1.88	7.70
Face value per Equity Share	10	10

**Note 17****RELATED PARTY DISCLOSURE**

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

Holding Company: Pritish Nandy Communications Ltd

Details relating to holding company

		<u>March 31, 2016</u>	<u>March 31, 2015</u>
Holding Company	Advances received	425,750	Nil

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



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### Note 18

Particulars	2015-16	2014-15
Estimated amount of contracts to be executed on capital account. Net of capital advances)	Nil	Nil

### Note 19

There being no employees during the year, no provision for retirement benefits is made in the financial statement.

### Note 20

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 21

During the year, Company operated only in one business segment, i.e. Wellness Segment although there is no revenue generation. The company is in the process of realigning its business through the digital medium and is in an ongoing dialogue with the Times of India Group, a major media group which has recently started a wellness segment in all their editions all over India. The Company is also having ongoing discussions with well known bollywood celebrities to firm up their association with the wellness business of the Company. Hence deferred tax asset is retained at Rs 8,004,278.

### Note 22

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 23

All known liabilities have been provided in the books of account. Legal proceedings relating to dispute in respect of compliance and performance of the conditions of the license for the use of the premises from where Moksh Zip was operating are ongoing between the Company and the Licensor of the premises. The licensor is claiming Rs 9,025,000 being compensation from 1.4.2012 till 10.11.2013 in a suit filed with the Small Causes Court, Mumbai. The company has filed a suit in the Bombay High Court for compensation for an amount of Rs 17,053,133 on the grounds that the leave & license agreement stands vitiated by fraud by the licensor and be declared void ab initio and that the same is not enforceable against or binding upon the company. Pending the outcome of the aforesaid legal proceedings the impact on the financial statements of the Company cannot be ascertained.



**Note 24**


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 Wellness Ltd



Pallab Bhattacharya  
Director



Yatender Verma  
Director

Mumbai, May 26, 2016

