

DIRECTORS' REPORT

To
The Members of
PNC Wellness Ltd

Your Directors submit to the shareholders the 17th Annual Report on the business and operations of the Company and the audited financial accounts for the year ended March 31, 2017.

OPERATIONS

	In Rs. Lakh	
	Year ended 31.03.2017	Year ended 31.03.2016
Total income (including other income)	0	45.99
Profit before tax	(5.77)	41.46
Provision for tax	16.00	29.07
Profit after tax	(21.78)	12.39

PRESENT ECONOMIC SITUATION AND PERFORMANCE OF THE COMPANY

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. Our Company owns the wellness brand 'Moksh' and sub brands like Power Yoga, Passion Yoga, Cool Yoga, Couple Yoga, etc. Our Company is exploring avenues to commercialize it's afore said brands. We are in the process of realigning our business by making efforts to commercialize and lease our various brands through collaborative arrangements with other parties. There is ongoing dialogue in connection with commercial exploitation of the intellectual property rights owned by the Company. Such efforts have not translated into revenue generation in the year under review. Consequently, the deferred tax asset has been written down by 1/5th of its value. This asset will be reviewed periodically and provision, if any, will be made their against. Our Holding Company is facilitating and supporting the revival of our Company's business.

DIVIDEND

Your directors do not recommend any dividend.

TRANSFER TO RESERVE

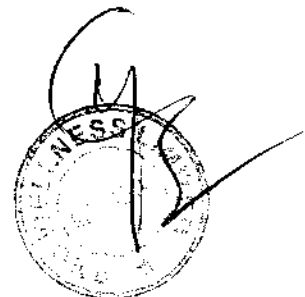
Your Company has not transferred any amount to general reserve.

PUBLIC DEPOSITS

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

PNC Wellness Ltd

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



DIRECTORS

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

Vishnu Kanhere and Pritish Nandy have resigned from the Board with effect from May 26, 2016.

NUMBER OF MEETING OF THE BOARDS

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

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

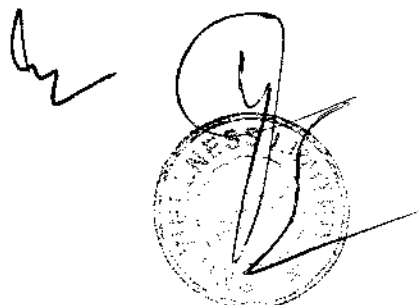
The auditor's report does not contain any qualifications, reservations or adverse remarks.

AUDITORS

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

PNC Wellness Ltd

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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. 14 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

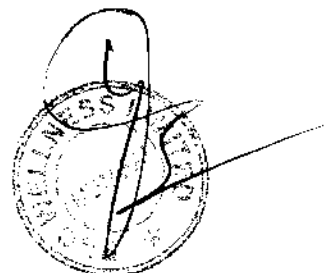
Under section 92(3) of the Act, the extract of annual return is given in Annexure in the prescribed form MGT-9, which forms part of the report.

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

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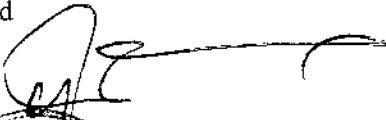

PERSONNEL

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

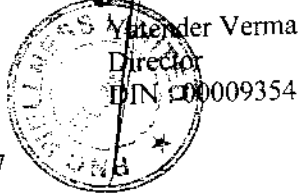
ACKNOWLEDGEMENT

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

For and on behalf of the Board



Pallab Bhattacharya
Director
DIN : 00008277



Mumbai, May 24, 2017

PNC Wellness Ltd

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

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2017

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN –U55100MH1999PLC120196

ii) Registration Date : June 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 Chambers, Nariman Point, Mumbai 400021

Tel: 91-22-42130000

Fax: 91-22-42130033

Website: www.pritishnandycom.com

vi) Whether listed company - No

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : N.A


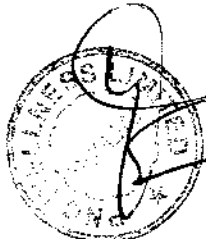
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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 –


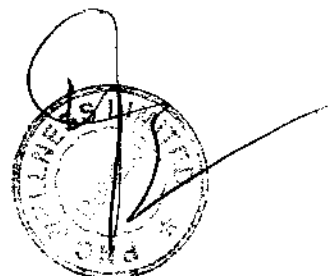
S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Pritish Nandy Communications Limited Address: 87/88 Mittal Chambers, Nariman Point, Mumbai 400021 (India)	L22120MH1993PLC074214	Holding Company	100%	2(87)

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

i) Category-wise Share Holding


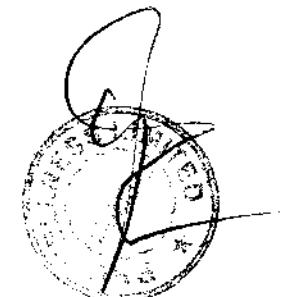
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
g) Individual/HUF	0	0	0	0	0	0	0	0	0
h) Central Govt		0	0	0		0	0	0	0
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
Sub-total (A) (1):-	0	660,000	660,000	100	0	660,000	660,000	100	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	0	660,000	660,000	100	0	660,000	660,000	100	0
B. Public Shareholding									
I. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital	0	0	0	0	0	0	0	0	0

Funds i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	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	PritishNandy Communications	660,000	100	0	660,000	100	0	0


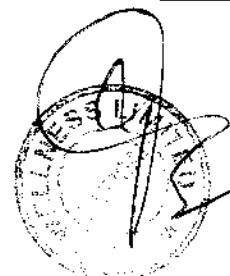
	Limited							
	Total	660,000	100	0	660,000	100	0	0

(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
	For Each of the Top 10 Shareholders				
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the				

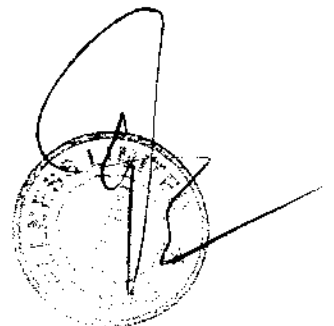



	year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	It is a 100% wholly owned subsidiary company.
	At the End of the year (or on the date of separation, if separated during the year)	

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	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

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V. INDEBTEDNESS

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

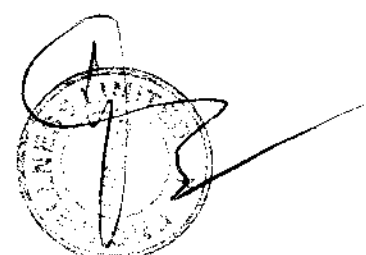
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	425,750	0	425,750
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	425,750	0	425,750
Change in Indebtedness during the financial year				
□ Addition	0	573,425	0	573,425
□ Reduction	0	0	0	0
Net Change	0	573,425	0	573,425
Indebtedness at the end of the financial year				
i) Principal Amount	0	999,175	0	999,175
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	999,175	0	999,175

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	0	0	0	0	0

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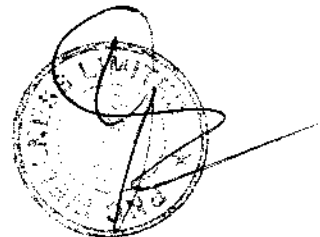


	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
2.	Stock Option	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0
4.	Commission - as % of profit - others, specify...	0	0	0	0	0
5.	Others, please specify	0	0	0	0	0
	Total (A)	0	0	0	0	0
	Ceiling as per the Act	0	0	0	0	0

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 = 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	0	0	0	0	0

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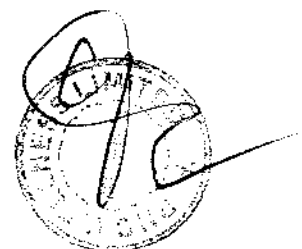


	<input type="checkbox"/> Commission <input type="checkbox"/> Others, please specify					
	Total (2)	0	0	0	0	0
	Total (B)=(1+2)	0	0	0	0	0
	Total Managerial Remuneration	0	0	0	0	0
	Overall Ceiling as per the Act	0	0	0	0	0

C. Remuneration to key managerial personnel other than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
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

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5.	Others, please Specify	0	0	0	0
	Total	0	0	0	0

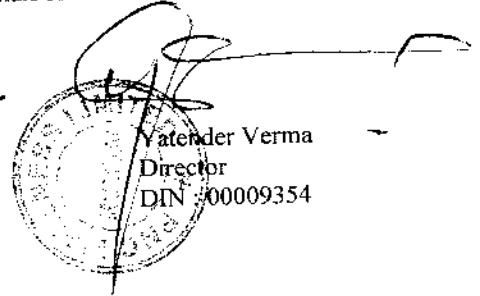
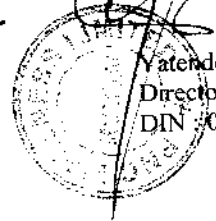
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board



Pallab Bhattacharya
 Director
 DIN:00008277

Yatender Verma
 Director
 DIN :00009354

Mumbai, May 24, 2017



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, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its loss and its cash flow for the year ended on that date.

Emphasis of matter

We draw attention to the Note No. 18 to the financial statements which relates to the retaining of deferred tax assets at Rs 6,403,422 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no 20 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.
 - iv. the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company – Refer Note 9.1.



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

K. R. Khare

Kishor R Khare
Proprietor
M No 032993

Place: Mumbai
Date: May 24, 2017

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

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

- (i) The 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) We are informed by the company that provisions of Section 148 (1) of the Act as regards maintenance of cost records are not applicable to the company.
- (vii) (a) 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, 2017 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there were no dues of Income Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, 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 the financial statements as required by the applicable Accounting Standards – Refer Note 14.
- (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.



Place: Mumbai
Date: May 24, 2017

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

Kishor R Khare
Proprietor
Membership No 032993

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our Report 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, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting


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

Opinion

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



Place: Mumbai
Date: May 24, 2017

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

Kishor R Khare
Proprietor
Membership No 032993

PNC WELLNESS LTD

BALANCE SHEET

AS AT MARCH 31, 2017

Particulars	Note No	March 31, 2017 Rupees	March 31, 2016 Rupees
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
a. Share capital	2	6,600,000	6,600,000
b. Reserves and surplus	3	1,990,306	4,168,360
		<u>8,590,306</u>	<u>10,768,360</u>
2. Current liabilities			
a. Short-term borrowings	4	999,175	425,750
b. Trade payables	5	67,667	110,928
c. Other current liabilities	6	5,011	0
		<u>1,071,853</u>	<u>536,678</u>
		<u><u>9,662,159</u></u>	<u><u>11,305,038</u></u>
II. ASSETS			
1. Non-current assets			
a. Fixed assets			
i. Tangible assets		0	0
b. Deferred tax assets (net)	7	6,403,422	8,004,278
c. Long term loans and advances	8	3,000,000	3,000,000
		<u>9,403,422</u>	<u>11,004,278</u>
2. Current assets			
a. Cash and bank balances	9	10,661	4,618
b. Short term loans and advances	10	248,076	296,142
		<u>258,737</u>	<u>300,760</u>
		<u><u>9,662,159</u></u>	<u><u>11,305,038</u></u>
Significant accounting policy and Note on financial statement	1 to 21		

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

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



Authenticated by us
PNC Wellness Ltd

Pallab Bhattacharya
Pallab Bhattacharya
Director
DIN : 00008277

Atender Verma
Atender Verma
Director
DIN : 00009354

Mumbai, May 24, 2017

PNC WELLNESS LTD

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

Particulars	Note No.	March 31, 2017 Rupees	March 31, 2016 Rupees
Revenue from operations		0	0
Other income	11	0	4,599,931
Total revenue		<u>0</u>	<u>4,599,931</u>
Expenses			
Other expenses	12	577,198	453,005
Total expenses		<u>577,198</u>	<u>453,005</u>
Profit/ (loss) before exceptional and extra ordinary items and tax		(577,198)	4,146,926
Tax expense			
Current tax		0	0
Deferred tax		1,600,856	2,907,109
Profit/ (loss) from continuing operation		(2,178,054)	1,239,817
Earning per equity share			
i. Basic and diluted	13	(3.30)	1.88
Significant accounting policy and Note on financial statement	1 to 21		

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

K R Khare

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



Authenticated by us
PNC Wellness Ltd

Pallab Bhattacharya

Pallab Bhattacharya
Director
DIN : 00008277

Yatender Verma

Yatender Verma
Director
DIN : 00009354



Mumbai, May 24, 2017

P N C WELLNESS LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2017**

	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees
A Cash Flow from operating activities:		
Profit/ (loss) before taxes and prior years adjustments	(577,198)	4,146,926
Deposits (net) written back	0	(2,051,800)
Liabilities written back	0	(1,698,418)
Operating cash flow before working capital changes	(577,198)	396,708
Adjusted for:		580,374
Trade receivable	(43,261)	28,636
Trade payable	5,012	(1,438,104)
Other Current liabilities	48,065	(32,933)
Changes in short term loans and advances		
Cash generated from operations before prior period items:	(567,382)	(465,319)
Direct taxes paid	(567,382)	(465,319)
Net Cash from used in/ operating activities		
B Cash Flow from Investing activities:		
Net cash from/(used in) investing activities	0	0
C Cash flow from financing activities		
Short term borrowing net	573,425	425,750
Net cash used in financing activities	573,425	425,750
Net changes in cash and cash equivalents (A+B+C)	6,043	(39,569)
Cash and cash equivalents- opening balance	4,618	44,187
Cash and cash equivalents- closing balance	10,661	4,618

Notes:

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

As per our attached report of even date

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

Kishor R Khare
Kishor R Khare
Proprietor

M No 032993

Mumbai, May 24, 2017

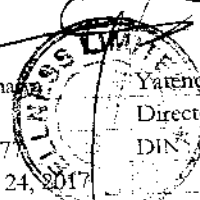


Authenticated by us
For PNC Wellness Ltd

Pallab Bhattacharya
Pallab Bhattacharya
Director
DIN : 0000827

Mumbai, May 24, 2017

Yatender Verma
Yatender Verma
Director
DIN : 00009354



Note 1

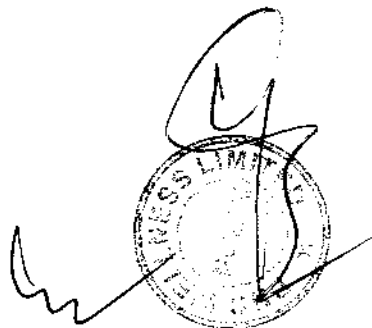
SIGNIFICANT ACCOUNTING POLICIES

- 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.



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- 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.



PNC WELLNESS LTD

Notes on Financial Statements for the year ended 31st March, 2017

	March 31, 2017 Rupees	March 31, 2016 Rupees
Note 2		
SHARE CAPITAL		
Authorised Share Capital	7,500,000	7,500,000
750,000 (L Y 750,000) Equity Shares of Rs 10 each		
Issued, subscribed and fully paid-up		
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, 2017		As at March 31, 2016	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
Opening balance as at April 1, 2016	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, 2017	<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, 2017		March 31, 2016	
	No. of shares	% held	No. of shares	% held
Pritish Nandy Communications Ltd	660,000	100	660,000	100

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

Securities premium reserve				
Opening balance as at April 1, 2016	22,500,000		22,500,000	
Additions during the year	0		0	
Deductions during the year	0		0	
Closing balance as at March 31, 2017	<u>22,500,000</u>	22,500,000	<u>22,500,000</u>	22,500,000
Surplus as per statement of profit and loss				
Opening balance as at April 1, 2016	(18,331,640)		(19,571,457)	
Net profit/ (loss) after tax during the year	(2,178,054)		1,239,817	
Closing balance as at March 31, 2017	<u>(20,509,694)</u>	(20,509,694)	<u>(18,331,640)</u>	(18,331,640)
		<u>1,990,306</u>		<u>4,168,360</u>



Note 4				
SHORT TERM BORROWINGS				
Unsecured advance from Holding Company				
Pritish Nandy Communications Ltd				
			999,175	425,750
			999,175	425,750
Note 5				
TRADE PAYABLES				
Micro Small and Medium Enterprises				
			0	0
Others				
			67,667	110,928
			67,667	110,928
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				
			0	0
Other liabilities				
			5,011	0
			5,011	0
Note 7				
DEFERRED TAX ASSETS				
Opening balance as on April 1, 2016				
	8,004,278		10,911,387	
Less: Reversed during the current year				
	1,600,856		2,907,109	
		6,403,422		8,004,278
		6,403,422		8,004,278
Note 7.1				
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 7.2				
Particulars	As at April 1, 2016	Created during the year	Reversed during the year	As at March 31, 2017
Deferred tax asset				
Depreciation	0	0		0
Unabsorbed business loss	8,004,278	0	1,600,856	6,403,422
	8,004,278	0	1,600,856	6,403,422
Note 8				
LONG TERM LOANS AND ADVANCES				
(Unsecured, considered good)				
Deposits - Moksh Zip				
		3,000,000		3,000,000
		3,000,000		3,000,000
Note 9				
CASH AND BANK BALANCES				
Cash at bank - current account				
		10,252		4,209
Cash and imprest accounts				
		409		409
		10,661		4,618



NOTE 9.1
**DETAILS OF SPECIFIED BANK NOTES
(SBN) HELD AND TRANSACTED
DURING NOVEMBER 8, 2016 TO
DECEMBER 30, 2016**

	SBNs	Other denomination notes	Total
Closing cash on hand as on November 8, 2016	0	409	409
Add: permitted receipts	0	0	0
Less: permitted payments	0	0	0
Less: amount deposited in banks	0	0	0
Closing cash in hand as on December 30, 2016	0	409	409

**Note 10
SHORT TERM LOANS AND ADVANCES
(Unsecured, considered good)**

Service tax input credit unutilised	248,076		296,142
	<u>248,076</u>		<u>296,142</u>

**Note 11
OTHER INCOME**

Deposit and liabilities written back	0		4,599,931
	<u>0</u>		<u>4,599,931</u>

**Note 12
OTHER EXPENSES**

ROC filing fees	1,000		9,600
Legal fees and stamp duty	403,250		397,750
Office expenses	0		8,440
Service tax cenvat credit written off	108,554		-
Trademark registration expenses	20,000		0
Auditors' remuneration	28,750		28,625
General Expenses	15,644		8,590
	<u>577,198</u>		<u>453,005</u>

Note 12.1

Payment to Auditors as			
i. Statutory audit fees	28,750		28,625
ii. Fees for tax audit and other services	0		0
	<u>28,750</u>		<u>28,625</u>

Note 12.2

Expenditure in foreign currencies	Nil		Nil
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**Note 13
EARNING PER SHARE**

Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	(2,178,054)		1,239,817
Weighted average number of equity shares used as denominator for calculating EPS	660,000		660,000
Basic and diluted Earning per Share	(3.30)		1.88
Face value per Equity Share	10		10



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Note 14			
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			March 31, 2017
Opening Balance			
As on April 1, 2016 - Payable			425,750
Add : Received during the year			573,425
Closing Balance as on March 31, 2017 - Payable			999,175
Note: Related Party relationship is as identified by the Company and relied upon by the Auditors.			



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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Note 15

Particulars	2016-17	2015-16
Estimated amount of contracts to be executed on capital account. Net of capital advances)	Nil	Nil

Note 16

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

Note 17

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 18

Deferred tax asset was Rs. 8,004,278 as on March 31st 2016 (Refer Note No. 7). 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. The Company owns the wellness brand 'Moksh' and sub brands like Power Yoga, Passion Yoga, Cool Yoga, Couple Yoga, etc. The Company is exploring avenues to commercialize it's afore said brands. The Company is in the process of realigning its business by making efforts to commercialize and lease its various brands through collaborative arrangements with other parties. There is ongoing dialogue in connection with commercial exploitation of the intellectual property rights owned by the Company. Such efforts have not translated into revenue generation in the year under review. Consequently, the deferred tax asset has been reversed by 1/5th of its value amounting to Rs. 1,600,856 during the year. This asset has been retained at a value of Rs. 6,403,422 and will be reviewed periodically; and provision, if any, will be made their against.

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

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



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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 21

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

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

K R Khare

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

Authenticated by us
For PNC Wellness Ltd

Pallab Bhattacharya

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

Yatender Verma

Yatender Verma
Director
DIN : 00009354

