

Greycells18 Media Limited

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GREYCELLS18 MEDIA PRIVATE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Greycells18 Media Private Limited, ("the company"), which comprises the Balance Sheet as at 31 March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing 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 disclosures in the financial statements. The procedures selected depend on the auditors' 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 and presentation 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 accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit/loss and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - 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.

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- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors of the Company as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
 - g. With respect to the other matters to be included in the Auditor’s report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Mohan L Jain & Co**
Chartered Accountants
Firm Registration No. **005345N**

Mohan Lal Jain
Partner
Membership No. 084190

Place: New Delhi
Date: 11th April, 2016

Annexure to the Independent Auditor's Report

To the Members of Greycells18 Media Private Limited

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016.

On the basis of such checks as we considered appropriate and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) *Fixed assets:*
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) As explained to us, fixed assets have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The Company does not have any immovable properties. Accordingly, the provision of paragraph 3 (i) (c) of the Order is not applicable to the Company.
- (ii) *Inventories:*
 - (a) The Company does not have any inventory at any time during the year. Accordingly, the provisions of paragraph 3 (ii) of the Order are not applicable to the Company.
- (iii) *Granting of loans to certain parties:*
 - (a) According to the information and explanation given to us, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered by Section 2(76) of the Companies Act, 2013; and therefore paragraph 3(iii) of the Order is not applicable.
- (iv) *Loans and investments:*
 - (a) According to the information and explanation given to us, the Company has not made any loan, investment, and guarantees to any person specified under section 185 and section 186 of the Companies Act, 2013; and therefore paragraph 3(iv) of the Order is not applicable.
- (v) *Acceptance of Deposits:*
 - (a) In our opinion and according to the information and explanation given to us, the Company has not received any public deposits during the year.
- (vi) *Maintenance of cost records:*
 - (a) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.
- (vii) *Deposit of statutory dues:*
 - (a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, employees state insurance (ESI), Investor Education and Protection Fund, Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Sales Tax, value added tax (VAT), Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities.
 - (b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, sales tax, VAT, Cess and other material statutory dues in arrears / were outstanding as at 31 March, 2016 for a period of more than six months from the date they became payable.

(viii) *Default in repayment of dues:*

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

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

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

(x) *Fraud reporting:*

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

(xi) *Managerial remuneration:*

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

(xii) *Nidhi Company:*

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

(xiii) *Related party transactions:*

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

(xiv) *Preferential allotment/private placement:*

- (a) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable.

(xv) *Non-cash transactions:*

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

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

For Mohan L Jain & Co.

Chartered Accountants

(Firm Registration No: 005345N)

Mohan Lal Jain

Partner

Membership No: 084190

Place: New Delhi

Date: 11th April, 2016

“ANNEXURE – A” TO THE INDEPENDENT AUDITOR’S REPORT

“ANNEXURE – A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENT OF GREYCELLS18 MEDIA PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Greycells18 Media Private Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Mohan L Jain & Co**
Chartered Accountants
Firm Registration No. **005345N**

Mohan Lal Jain
Partner
Membership No. 084190

Place: New Delhi
Date: 11th April, 2016

Balance sheet as at 31st March 2016

	Notes	As at 31st March 2016	(Amounts in Rs) As at 31st March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	116,380,050	116,380,050
(b) Reserves and surplus	4	(169,250,260)	(107,507,675)
(a) Other long term liabilities	5	7,620,683	7,620,683
(b) Long-term provisions	6	1,292,203	1,141,968
Current liabilities			
(a) Short term borrowings	7	70,500,000	10,000,000
(b) Trade payables	8	17,204,805	20,602,215
(c) Other current liabilities	9	12,927,587	7,199,820
(d) Short-term provisions	10	3,383,349	8,374,078
Total		60,058,417	63,811,139
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	2,990,576	2,869,485
(ii) Intangible assets	12	8,926,860	5,770,336
Current assets			
(a) Current Investments	13	-	4,835,353
(c) Trade receivables	14	9,344,432	14,102,671
(d) Cash and Bank Balances	15	4,020,510	1,949,229
(e) Short-term loans and advances	16	28,551,189	29,114,065
(f) Other current assets	17	6,224,850	5,170,000
Total		60,058,417	63,811,139
See accompanying notes forming part of the financial statements	1-29		

In terms of our report attached

For **Mohan L. Jain & Co.**
Chartered Accountants
Firm Registration No. 005345N

Mohan Lal Jain
Partner
Membership No. 084190

Place: New Delhi
Date: 11th April, 2016

For and on behalf of the Board

Kshipra Jatana
Director

Rashmi Gupta
Chief Financial Officer

Gagan Kumar
Director

Yug Samrat
Company Secretary

Statement of profit and loss for the year ended 31st March 2016

	Notes	Period ended 31st March 2016	(Amounts in Rs) Year ended 31st March 2015
I. Revenue			
Revenue from operations	18	38,001,076	54,037,133
Other income	19	1,084,202	1,726,731
Total		39,085,278	55,763,864
II. Expenses			
Production and other direct expenses	20	15,492,250	13,372,999
Purchases of traded goods		-	-
(Increase)/decrease in inventories of finished goods		-	-
Employee benefits expense	21	41,010,822	41,956,100
Finance costs	22	3,792,473	176,802
Depreciation and amortization expense	23	6,045,211	7,920,240
Other expenses	24	34,487,107	25,991,452
Total		100,827,862	89,417,593
Profit/(loss) before exceptional items and tax		(61,742,584)	(33,653,729)
Exceptional Items			
Inventory written off		-	2,020,240
Sundry Assets Written off		-	3,238,123
Profit/(loss) before tax			
Tax expense			
Current tax		-	-
Deferred tax		-	-
Total Tax expense		-	-
Profit/(loss) for the year		(61,742,584)	(38,912,092)
Earnings per equity share [nominal value of share Rs. 10]	26		
(a) Basic		(5.31)	(3.34)
(b) Diluted		(5.31)	(3.34)
See accompanying notes to the financial statements	1-29		

In terms of our report attached

For and on behalf of the Board

For **Mohan L. Jain & Co.**
Chartered Accountants
Firm Registration No. 005345N

Kshipra Jatana
Director

Gagan Kumar
Director

Mohan Lal Jain
Partner
Membership No. 084190

Rashmi Gupta
Chief Financial Officer

Yug Samrat
Company Secretary

Place: New Delhi
Date: 11th April, 2016

Cash Flow Statement for the year ended 31st March 2016

	Notes	Period ended 31st March 2016	(Amounts in Rs) Year ended 31st March 2015
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit after tax		(61,742,584)	(38,912,092)
Adjustments for:			
Prior period adjustment		-	-
Loss on sale/disposal of assets		-	-
Employee stock compensation expenses			
Bad Debts		-	29,068
Amortisation of intangibles		4,526,579	988,863
Depreciation		1,518,631	1,250,652
Foreign exchange loss / (gain)			
Dividend income			
Profit on sale of long term investments			
Profit on sale of short term investments			
Dividend Income		(102,699)	(279,164)
Interest income		(41,498)	(15,223)
Excess Provision Written back		-	(1,431,344)
Sundry Balances w/off		401,856	177,911
Provision for Retirement Benefits		-	970,105
Inventory W/off		-	2,020,240
Tangible Assets w/off		-	3,009,532
Other Asset w/off		-	228,591
Operating profit before working capital changes		(55,439,716)	(31,962,860)
Adjustments for:			
Decrease/(Increase) in Current assets		3,864,409	368,300
Increase/(Decrease) in Current liabilities		(2,510,137)	11,782,599
Cash generated from/ (used in) operations		(54,085,444)	(19,811,962)
Tax paid (including Fringe benefit tax)			
Net cash from/ (used in) operating activities		(54,085,444)	(19,811,962)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(1,639,722)	(1,344,702)
Investments purchased			
– in subsidiary/affiliates (including share application money)			
Investments sold			
– in subsidiary/affiliates			
– in mutual funds and others (net)			

Cash Flow Statement for the year ended 31st March 2016 (Continued)

	Notes	(Amounts in Rs)	
		Period ended 31st March 2016	Year ended 31st March 2015
Purchase of Intangibles		(7,683,102)	(509,612)
Purchase of Investments		(12,823,735)	(9,500,000)
Sale of investments		17,659,087	17,905,260
Sale of fixed assets		-	-
Dividend Received		102,699	6,587
Interest received		41,498	15,223
Dividend received		-	-
Income from sale of ibn18 shares by ibn18 trust		-	-
Net cash from/ (used in) investing activities		(4,343,275)	6,572,756
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Share Application money		-	-
Proceeds from issue of shares (net)		-	-
Increase / (Decrease) in loans		60,500,000	10,000,000
Net cash from/ (used in) financing activities		60,500,000	10,000,000
Net increase/ (decrease) in cash and cash equivalents		2,071,281	(3,239,206)
Cash and cash equivalents as at the beginning of the period		1,949,229	5,188,435
Cash and cash equivalents as at the end of the period		4,020,510	1,949,229

Cash and cash equivalents includes amount under lien with banks

Notes:

1. The above Cash flow statement has been prepared under the indirect method set out in AS-3
2. Figures in brackets indicate cash outflow.

In terms of our report attached
For Mohan L. Jain & Co.
Chartered Accountants
Firm Registration No. 005345N

Mohan Lal Jain
Partner
Membership No. 084190

Place: New Delhi
Date: 11th April, 2016

For and on behalf of the Board

Kshipra Jatana
Director

Rashmi Gupta
Chief Financial Officer

Gagan Kumar
Director

Yug Samrat
Company Secretary

Notes to financial statements for the year ended 31st March 2016

1 Corporate information

Greycells18 Media Limited was promoted to carry on the business of media and media related services. The company was incorporated in the name of RK FINHOLD PRIVATE LIMITED on June 22nd, 2006. Further the name of the company was changed to Greycells18 Media Private Limited on July 07, 2007. The Company was converted into a public limited company on 20th March 2009 u/s 44 of the Companies Act 1956 and a fresh Certificate of Incorporation was issued on 8th April, 2009.

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 (Accounting Standards) Rules, 2006 (as amended) ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act / 2013 Companies Act, as applicable.

The financial statements are prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reporting balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reporting amounts of income and expenses during the year. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes, foreseeable estimated contract losses and useful life of fixed and intangible assets. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from such estimates. Any revision to accounting estimates is recognised prospectively in the current and future years.

2.3 Inventories

- i) Inventory for final episode are stated at cost, which includes direct episode cost, other direct expenses like, media professional, editing charges, animation cost, pilot cost, salary and other expenses of content and production staff etc which has been added in the episode cost on pro-rata basis. The stock of episodes written off over its useful life of these episodes, which is estimated at three years.
- ii) Channel packaging are stated at cost and written off over its useful life of these packaging, which is estimated at three years.
- iii) Work in progress are stated at cost, which includes direct episode cost, other direct expenses like, media professional, Editing charges, Animation cost, Pilot cost, Salary and Other expenses of content and production staff etc. has been added in the episode cost on pro-rata basis.
- iv) Inventories of Raw material Stock (Retail pack/ DVDs/ CDs etc.) are valued at cost or estimated net realizable value whichever is lower.

2.4 Depreciation and amortisation

Depreciation has been provided on the useful life of its fixed assets as per the useful life prescribed in Schedule II to Companies Act, 2013. Pursuant to enactment of the Companies Act, 2013 (the Act) following assets are depreciated over the below mentioned useful life:

Plant & Machinery	15 years
Furniture & Fixture	10 years
Computer hardware	3 years
Communication Equipment	5 years

Intangible assets are amortised over their estimated useful life as follows:

Syndicated Programmes are amortized over a period of 36 months from the date of implementation.

Notes to financial statements for the year ended 31st March 2016

2.5 Revenue recognition

Income from services

- a) The company is in business of providing education through TV channel/ Electronic Media, in which company will receive subscription on periodic basis,
- b) Subscription revenue is recognized on accrual basis in accordance with the terms of the contract with the distribution and collection agency.
- c) Revenue from sale of advertising time, which is recognized on the accrual basis, when advertisements are telecast in accordance with contractual obligations.

2.6 Other income

- a) Interest income is accounted on accrual basis.
- b) Dividend income is accounted for when the right to receive it is established.

2.7 Tangible fixed assets

- a) Fixed assets, carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.
- b) At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss.

2.8 Intangible assets

- a) Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.
- b) Software and Syndicated Programme (License Fee) is capitalized as an Intangible asset on meeting recognition criteria.
- c) Program/episode rights etc. for broadcasting are considered as intangibles as per AS-26 Intangible Assets but shown under current assets as are realizable in the ordinary course of business along with Trading Inventory.

2.9 Investments

- a) Long-term investments are stated at cost. Provision for diminution in value of long-term investment is made, if the diminution is other than temporary.
- b) Current Investments are stated at cost or fair market value, whichever is lower.

2.10 Employee benefits

Employee benefits include provident fund, gratuity fund, compensated absences, and post-employment medical benefits.

Defined contribution plans

Provident Fund

The Company's contribution to provident fund is considered as defined contribution plans and is charged as an expense as they fall due based on the amount of contribution (presently, 12% of the employees' basic salary) as required to be made by both the employees and the employer. The company has no further obligations under the plan beyond its monthly contributions.

Defined benefit plans

Gratuity Plan

- a) In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit retirement plan covering eligible employees. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance sheet date using the projected unit credit method in accordance with Accounting Standard 15 'Employee Benefits'
- b) The gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is

Notes to financial statements for the year ended 31st March 2016

calculated on the basis of fifteen days salary (i.e. last drawn salary plus dearness allowance) for each completed year of service subject to completion of five years of service.

Compensated Absences

- a) The employees of the company are entitled to leave encashment. Liabilities with regard to Leave encashment are determined by actuarial valuation at each Balance sheet date
- b) The earned leave liability arises on retirement, withdrawal, resignation and death of employee. The aforesaid liability is calculated on the basis of yearly accrual of 15 days salary (i.e. last drawn salary) subject to maximum accumulation upto 45 days.

2.11 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares

2.12 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. The Company had incurred loss during the year therefore there is no tax liability. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets are reviewed at each Balance Sheet date for their realisability

Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

2.13 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

2.14 Share issues expenses

Share Issue Expense is being booked under Legal Expenses in the Profit and Loss account.

2.15 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.16 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

2.17 Deferred tax

The company has carried out its tax computation in accordance with the mandatory standard on accounting, AS 22 - In view of accumulated losses, the company has not provided for deferred tax asset/liability at the year end

Notes to financial statements for the year ended 31st March 2016

	(Amounts in Rs)	
	As at 31st March 2016	As at 31st March 2015
3 Share capital		
Authorized shares capital		
20,000,000 equity shares of Rs. 10- each (Previous Year 200,000,000)	<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and paid-up capital		
11,638,005 (Prev. year 11,638,005) equity shares of Rs. 10- each	<u>116,380,050</u>	<u>116,380,050</u>
Total issued, subscribed and fully paid-up shares capital	<u>116,380,050</u>	<u>116,380,050</u>

DISCLOSURES

Reconciliation of the shares outstanding

a) Equity shares

	Numbers	Numbers
i. At the beginning of the period	<u>11,638,005</u>	9,173,361
ii. Issued during the period	-	2,464,644
Outstanding at the end of the period	<u>11,638,005</u>	<u>11,638,005</u>

b) Details of shares held within the Group

i. Shares held by the holding company	<u>8,462,254</u>	8,462,254
ii. Shares held by associates	<u>2,999,749</u>	2,999,749
iii. Others	<u>176,002</u>	176,002
	<u>11,638,005</u>	<u>11,638,005</u>

c) Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31st March 2016		As at 31st March 2015	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Name of the Shareholder				
Rvt Finhold Private Limited	8,462,254	72.71	8,462,254	72.71
Educomp Solution Limited	2,999,749	25.78	2,999,749	25.78
Total	11,462,003	98.49	11,462,003	98.49

Notes to financial statements for the year ended 31st March 2016

		(Amounts in Rs)	
		As at 31st March 2016	As at 31st March 2015
4	Reserve and surplus		
	a Securities premium account		
	Balance as per the last financial statements	389,072,950	389,072,950
	Add: premium on issue of equity shares	-	-
	Closing Balance	<u>389,072,950</u>	<u>389,072,950</u>
	b Surplus/(deficit) in the statement of profit and loss		
	Balance as per the last financial statements	(496,580,626)	(456,884,444)
	Depreciation charge as per Schedule II from retained earnings	-	(784,090)
	Profit/loss for the year	(61,742,584)	(38,912,091)
	Net surplus in the statement of profit and loss	<u>(558,323,210)</u>	<u>(496,580,625)</u>
	Total	<u>(169,250,260)</u>	<u>(107,507,675)</u>
5	Other Long Term Liabilities		
	Trade Payables *	7,620,683	7,620,683
	Total	<u>7,620,683</u>	<u>7,620,683</u>
	* Please refer Note 28.5		
6	Long Term Provisions		
	Provision for employee benefits		
	Provision for gratuity*	608,241	456,567
	Provision for leave benefits*	683,962	685,401
	Total	<u>1,292,203</u>	<u>1,141,968</u>
	* Disclosure required under AS 15 on 'Employees Benefits' has been made in Note 25		
7	Short Term Borrowings		
	Unsecured Loan from Related Party *	70,500,000	10,000,000
	Total	<u>70,500,000</u>	<u>10,000,000</u>
	* Capital18 Private Limited	70,500,000	10,000,000
8	Trade payable		
	Trade payables (Due within 1 year)		
	Sundry creditors		
	(a) Due to Micro and Small Enterprises	-	-
	(b) Due to Others *	17,204,805	20,602,215
	Total	<u>17,204,805</u>	<u>20,602,215</u>
	* Please refer Note 28.5		

Notes to financial statements for the year ended 31st March 2016

		(Amounts in Rs)	
		As at 31st March 2016	As at 31st March 2015
9	Other current liabilities		
a)	Income received in advance	5,092,558	5,495,202
b)	Statutory dues payable		
	– TDS payable	2,566,471	736,650
	– PF payable	278,925	283,556
	– PT payable	14,600	-
	– Bonus payable	841,148	-
c)	Creditors for other expenses	563,083	525,371
d)	Interest on Unsecured Loan Payable	3,570,802	159,041
	Total	<u><u>12,927,587</u></u>	<u><u>7,199,820</u></u>
10	Short Term-Provisions		
	Provision for employee benefits: Long Term		
	Provision for gratuity*	2,169	2,486
	Provision for leave benefits*	20,483	19,464
	Provision for Expenses	3,360,697	8,352,128
	Total	<u><u>3,383,349</u></u>	<u><u>8,374,078</u></u>

*Disclosure required under AS 15 on 'Employees Benefits' has been made in Note 25

Notes to financial statements for the year ended 31st March 2016

11 Tangible assets	(Amounts in Rs)					
	Plant & Equipments	Furniture & Fixtures	Vehicles	Computer Hardware	Communi- cation Equipments	Total
Cost or valuation						
At 1 April 2014	4,190,692	1,732,709	380,570	4,380,800	85,984	10,770,755
Additions	-	-	-	1,308,398	36,304	1,344,702
Disposals	-	-	-	-	-	-
Other adjustments	(336,496)	-	-	336,496	-	-
At 31 March 2015	3,854,196	1,732,709	380,570	6,025,694	122,288	12,115,457
Additions	-	-	-	1,639,722	-	1,639,722
Disposals	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-
At 31 March 2016	3,854,196	1,732,709	380,570	7,665,416	122,288	13,755,179
Depreciation						
At 1 April 2014	1,136,728	499,062	237,668	2,309,930	18,310	4,201,698
Depreciation charged to retained earnings				747,710	36,380	784,090
Charge for the year	135,373	100,340	25,104	981,540	8,296	1,250,652
Disposals	2,028,286	759,466	117,797	75,532	28,451	3,009,532
At 31 March 2015	3,300,387	1,358,867	380,570	4,114,713	91,436	9,245,973
Depreciation charged to retained earnings	-	-	-	-	-	-
Charge for the year	72,572	54,049	-	1,385,284	6,726	1,518,631
Disposals	-	-	-	-	-	-
At 31 March 2016	3,372,959	1,412,917	380,570	5,499,996	98,162	10,764,603
Net Block						
At 31 March 2015	553,809	373,842	0	1,910,981	30,852	2,869,485
At 31 March 2016	481,237	319,792	-	2,165,420	24,126	2,990,576

Notes to financial statements for the year ended 31st March 2016

12 Intangible assets

(Amounts in Rs)

	Web Site	Syndicated Programme	Computer Software	Episode Tape	Total
Gross block					
At 1 April 2014	1,560,000	1,878,502	1,335,600	7,059,836	11,833,938
Purchase	-	500,000	9,612	2,665,063	3,174,675
Internal development	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2015	1,560,000	2,378,502	1,345,212	9,724,899	15,008,613
Purchase	-	500,000	266,871	6,916,231	7,683,102
Disposals	-	-	-	-	-
At 31 March 2016	1,560,000	2,878,502	1,612,083	16,641,130	22,691,715
Amortisation					
At 1 April 2014	850,869	631,539	1,086,281	-	2,568,689
Charge for the year	252,876	649,301	86,685	5,680,725	6,669,588
Disposals	-	-	-	-	-
At 31 March 2015	1,103,745	1,280,841	1,172,966	5,680,725	9,238,277
Charge for the year	253,569	601,027	107,492	3,564,491	4,526,579
Disposals	-	-	-	-	-
At 31 March 2016	1,357,314	1,881,868	1,280,458	9,245,216	13,764,856
Net Block					
At 31 March 2015	456,255	1,097,661	172,246	4,044,174	5,770,336
At 31 March 2016	202,686	996,634	331,625	7,395,915	8,926,860

(Amounts in Rs)

13 Investments

	As at 31st March 2016	As at 31st March 2015
HDFC Liquid Fund - Dividend Reinvestment Plan	-	4,835,353
Total	-	4,835,353

Notes to financial statements for the year ended 31st March 2016

		(Amounts in Rs)	
		As at 31st March 2016	As at 31st March 2015
14	Trade receivables		
a.	Trade receivables outstanding for a period less than six months		
	Secured, considered good	-	-
	Unsecured, considered good	4,639,437	9,874,165
	Unsecured, considered doubtful	-	-
	Less: Provision for doubtful debts	-	-
		<u>4,639,437</u>	<u>9,874,165</u>
b.	Trade receivables outstanding for a period exceeding six months		
	Secured, considered good	-	-
	Unsecured, considered good	4,704,995	4,228,506
	Unsecured, considered doubtful	-	-
	Less: Provision for doubtful debts	-	-
	Less: Bad debts	-	-
		<u>4,704,995</u>	<u>4,228,506</u>
	Total	<u>9,344,432</u>	<u>14,102,671</u>
15	Cash and Bank Balance		
(a)	Cash and Cash Equivalents		
	Cash in hand	31,762	40,627
	Balance with bank		
	In Current Account	3,888,748	1,808,602
(b)	Other Bank Balance		
	Fixed Deposits with sales tax	100,000	100,000
	Total	<u>4,020,510</u>	<u>1,949,229</u>
	Notes:		
	Fixed Deposits refers to the amount deposited to the sales tax authorities		
16	Loans and advances		
a.	Security Deposits		
	Unsecured, considered good	-	84,000
		<u>-</u>	<u>84,000</u>
b.	Other Loans and Advances		
	Deposit with Revenue Authorities	11,900,388	12,931,871
	Service Tax Recoverable	16,592,955	15,482,376
	Prepaid expenses	57,846	615,818
		<u>28,551,189</u>	<u>29,030,065</u>
	Total	<u>28,551,189</u>	<u>29,114,065</u>
17	Other current assets		
	Unbilled Income	6,224,850	5,170,000
	Total	<u>6,224,850</u>	<u>5,170,000</u>

Notes to financial statements for the year ended 31st March 2016

	(Amounts in Rs)	
	Period ended 31st March 2016	Year ended 31st March 2015
18 Revenue from operations		
Income from media operations	38,001,076	54,037,133
Total	<u>38,001,076#</u>	<u>54,037,133</u>
19 Other income		
Interest income on		
Bank deposits (FDR)	41,498	15,223
Interest received from Revenue authorities	592,329	
Dividend income on		
Current investments	102,699	279,164
Others		
Sundry Balances written back	-	1,431,344
Miscellaneous Income	347,676	1,000
Total	<u>1,084,202</u>	<u>1,726,730</u>
20 Production and other direct expenses		
Media Professional Charges	4,810,774	2,854,532
Telecast and uplinking Charges	10,681,476	10,500,467
Sundry Production Expenses	-	18,000
Total	<u>15,492,250</u>	<u>13,372,999</u>
21 Employee benefit expense		
Salaries, wages and bonus	38,565,135	38,807,478
Staff welfare expenses	109,470	432,534
Contribution to provident fund and other funds	1,787,670	1,745,983
Retirement benefits	548,547	970,105
Total	<u>41,010,822</u>	<u>41,956,100</u>
22 Finance costs		
Bank Charges	1,625	90
Interest on Unsecured Loan	3,790,848	176,712
Total	<u>3,792,473</u>	<u>176,802</u>
23 Depreciation and amortization expenses		
Depreciation of tangible assets	2,480,719	1,250,652
Amortization of intangible assets	3,564,492	6,669,588
Total	<u>6,045,211</u>	<u>7,920,240</u>

Notes to financial statements for the year ended 31st March 2016

	(Amounts in Rs)	
	Period ended 31st March 2016	Year ended 31st March 2015
24 Other expenses		
Bad Debts	-	29,068
Books & Periodicals	21,758	82,478
Content Subscription	-	21,936
Call Centre Expenses	6,153,001	7,020,058
Digitization of tapes	-	300,000
Distribution, advertising and business promotion	699,233	544,304
Collection Charges	268,132	175,199
Director Sitting Fees	100,000	-
Electricity expenses	1,448,947	1,316,609
Freight and forwarding charges	302,544	174,065
House Keeping Expenses	451,330	530,327
Duties and Taxes	-	229,696
Legal and professional expenses	358,389	743,619
Insurance & Mediclaim	1,154,630	441,282
Payment to auditor (Refer details below)	309,456#	225,000
Postage and Courier Expenses	6,525	57,120
Printing and stationery	48,840	94,026
Prior Period Expenses	203,901	65,701
Rent 18,069,840	7,852,454	
Repairs and maintenance - Others	106,294	251,069
Sundry Balances w/off	401,856	177,911
Telephone & Communication Charges	477,820	597,431
Travelling, conveyance & Transportation	173,391	600,353
Web Designing & Hosting Charges	2,416,972	3,117,459
Miscellaneous expenses	1,314,248	1,344,287
Total	34,487,107	25,991,451
Payment to auditor		
As auditor:		
Statutory Audit fee	225,000	175,000
Tax audit fee	50,000	50,000
Reimbursement of expenses	34,456	-
	309,456	225,000

Notes to financial statements for the year ended 31st March 2016

25 Gratuity and other post-employment benefit plans

The Disclosures as defined in the Accounting Standard 15 "Employee benefits", are given below :

Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :

Particulars	2015-16	2014-15
Employer's Contribution to Provident Fund	758,121	828,542
Employer's Contribution to Superannuation Fund	NIL	NIL
Employer's Contribution to Pension Fund	851,351	741,360

Defined Benefit Plan

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for Compensated absences is recognised in the same manner as gratuity.

I) Reconciliation of opening and closing balances of Defined Benefit Obligation

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Defined Benefit obligation at beginning of the year	459,053	206,610	704,865	293,848
Add : Amalgamation				
Current Service Cost	303,554	317,686	361,557	510,807
Interest Cost	36,724	17,562	56,389	24,977
Actuarial (gain) / loss	(188,921)	(10,690)	(20,756)	109,763
Benefits paid	-	(72,115)	(397,610)	(234,530)
Defined Benefit obligation at year end	610,410	459,053	704,445	704,865

II) Reconciliation of opening and closing balances of fair value of Plan Assets

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Fair value of Plan assets at beginning of the year	-	-	-	-
Add : Amalgamation	-	-	-	-
Expected return on plan assets	-	-	-	-
Actuarial (gain) / loss	-	-	-	-
Employer contribution	-	-	-	-
Benefits paid	-	-	-	-
Fair value of Plan assets at year end	-	-	-	-
Actual Return on plan assets	-	-	-	-

Notes to financial statements for the year ended 31st March 2016

III) Reconciliation of fair value of assets and obligations

	Gratuity (Unfunded) As at 31st March		Compensated Absences (Unfunded) As at 31st March	
	2015-16	2014-15	2015-16	2014-15
Fair value of Plan assets				
Present value of obligation	-	459,053	-	704,865
Amount recognised in Balance Sheet	(610,410)	(459,053)	-	(704,865)

IV) Expenses recognised during the year

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2016	2015	2016	2015
Current Service Cost	303,554	317,686	361,557	510,807
Interest Cost	36,724	17,562	56,389	24,977
Expected return on Plan assets	-	-		
Actuarial (gain) / loss	(188,921)	(10,690)	(20,756)	109,763
Other Transfer				
Net Cost	151,357	324,558	397,190	645,547

V) Actuarial assumptions

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Mortality Table	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount rate (per annum)	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets (per annum)	0.00%	0.00%	0.00%	0.00%
Rate of escalation in salary (per annum)	5.50	5.50	5.50	5.50

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other factors relevant including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of Plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

VI) Amounts recognised in current year and previous four years

Particular	As at 31st March				
	2016	2015	2014	2013	2012
Gratuity					
Defined benefit obligation	610,410	459,053	206,610	1,106,474	767,634
Fair value of plan assets	-	(459,053)	(206,610)	(1,106,474)	(767,634)
(Surplus) / Deficit in the plan					
Actuarial (gain) / loss on plan obligation	188,921	9,710	268,433	48,510	310,042
Actuarial (gain) / loss on plan assets					

Notes to financial statements for the year ended 31st March 2016

		(Amounts in Rs)	
		Period ended 31st March 2016	Year ended 31st March 2015
26 Earnings per share (EPS)			
	The following reflects the profit and share data used in the basic and diluted EPS computations:		
	Total operations for the year		
	Profit/(loss) after tax	(61,742,584)	(38,912,092)
	Less: Dividends on convertible preference share & tax thereon	-	-
	Net profit/(loss) for calculation of basic EPS	(61,742,584)	(38,912,092)
	Weighted average number of equity shares in calculating basic EPS	11,638,005	11,638,005
	Weighted average number of equity shares in calculating diluted EPS	11,638,005	11,638,005
	(a) Basic	(5.31)	(3.34)
	(b) Diluted	(5.31)	(3.34)

27. Related party disclosures

Names of related parties and related party relationship	
Enterprises exercising control	Independent Media Trust (w.e.f. 07 July 2014) Adventure Marketing Private Limited (w.e.f. 07 July 2014)# Watermark Infratech Private Limited (w.e.f. 07 July 2014)# Colorful Media Private Limited (w.e.f. 07 July 2014)# RB Media Holdings Private Limited (w.e.f. 07 July 2014)# RB Mediasoft Private Limited (w.e.f. 07 July 2014)# RRB Mediasoft Private Limited (w.e.f. 07 July 2014)# RB Holdings Private Limited (w.e.f. 07 July 2014)# Network18 Media & Investments Limited Capital 18 Fincap Private Limited RVT Finhold Private Limited
Beneficiary/Protector of Independent Media Trust	Reliance Industries Limited (RIL) (w.e.f. 07 July 2014) Reliance Industrial Investments and Holdings Limited (w.e.f. 07 July 2014)
Fellow subsidiaries	AETN18 Media Private Limited Big Tree Entertainment Private Limited Big Tree Entertainment Singapore Pte. Ltd. BK Holdings Limited (Amalgamated with Network18 Holdings Ltd w.e.f. 03 June 2014) Capital18 Limited, Mauritius (Amalgamated with Network18 Holdings Ltd w.e.f. 03 June 2014) Colosseum Media Private Limited Digital 18 Media Limited E - Eighteen.com Limited

Notes to financial statements for the year ended 31st March 2016

27. Related party disclosures (Continued)

Names of related parties and related party relationship	
Fellow subsidiaries	E-18 Limited, Cyprus Equator Trading Enterprise Limited Fantain Sports Private Limited (Wef February 2016) Ibn18 (Mauritius) Limited Infomedia Press Limited Moneycontrol Dot Com India Limited Network18 Holdings Limited NW 18 HSN Holdings Plc (formerly TV18 HSN Holdings Limited) Cyprus Panorama Entertainment Private Limited Prism TV Private Limited (up to 31st July 2015 by virtue of board control) Reed Infomedia India Private Limited Reliance Retail Limited (w.e.f. 07 July 2014)* Reliance Brands Limited (w.e.f. 07 July 2014)* Reliance Corporate IT Park Limited (w.e.f. 07 July 2014) RRB Investments Private Limited RRK Finhold Private Limited RVT Media Private Limited Setpro18 Distribution Limited Space Bound Web Labs Private Limited Stargaze Entertainment Private Limited (up to 23rd April 2015) Television Eighteen Mauritius Limited Television Eighteen Media and Investments Limited TV18 Broadcast Limited TV18 Home Shopping Network Limited Web 18 Holdings Limited, Cyprus Web 18 Software Services Limited
Joint ventures	IBN Lokmat News Private Limited Indiacast Media Distribution Pvt. Limited Indiacast Distribution Private Limited Prism TV Private Limited (wef 1 st August 2015) Ubona Technologies Private Limited Viacom 18 Media Private Limited
Associates	24X7 Learnings Private Limited Aeon Learnings Private Limited Eenadu Television Private Limited Wespro Digital Private Limited (up to 8th April 2015)

Control by Independent Media Trust of which RIL is the sole beneficiary.

* Subsidiary of RIL, the sole beneficiary of Independent Media Trust.

Notes to financial statements for the year ended 31st March 2016

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Transactions	Enterprises exercising control	Fellow subsidiaries	Key Managerial Personnel	Entity under significant influence
(A) Transactions during the year				
<u>Interest Expenses</u>				
Capital 18 Fincap Private Limited.	3,790,848	-	-	-
	(176,712)	(-)	(-)	(-)
<u>Loan taken</u>				
Capital 18 Fincap Private Limited.	60,500,000	-	-	-
	(10,000,000)	(-)	(-)	(-)
<u>Reimbursement of Expenses Paid</u>				
Network18 Media & Invest Ltd. Publishing	24,014	-	-	-
	(30,743)	(-)	(-)	(-)
Web18 Division of Network18	2,048,328	-	-	-
	(7,766,916)	(-)	(-)	(-)
E-Eighteen. Com Limited	-	24,914,277	-	-
	(-)	(598,157)	(-)	(-)
TV18 Broadcast Limited	-	3,481,476	-	-
	(-)	(3,183,800)	(-)	(-)
<u>Expenditure - for services received</u>				
TV18 Broadcast Limited	-	7,200,000	-	-
	(-)	(7,200,000)	(-)	(-)
<u>Reimbursement of Expenses Receivable</u>				
Network18 Media & Invest Ltd. Publishing	242,594	-	-	-
	(266,341)	(-)	(-)	(-)
Web18 Division of Network18	235,956	-	-	-
	(199,938)	(-)	(-)	(-)
(B) Balances at the Year end				
<u>Loan at the year end (Payable) including Interest</u>				
Capital 18 Fincap Private Limited.	74,070,802	-	-	-
	(10,159,041)	(-)	(-)	(-)
<u>Outstanding Balance (payable) at the year end</u>				
Network18 Media & Invest Ltd. Publishing	-	-	-	-
	(34,543)	(-)	(-)	(-)
Web18 Division of Network18	1,093,359	-	-	-
	(7,867,345)	(-)	(-)	(-)
E-Eighteen. Com Limited	-	9,677,964	-	-
	(-)	(659,252)	(-)	(-)
TV18 Broadcast Limited	-	5,696,593	-	-
	(-)	(11,092,612)	(-)	(-)
<u>Outstanding Balance (Receivable) at the year end</u>				
TV 18 Home Shopping Network Limited	-	90,577	-	-
	(-)	(90,577)	(-)	(-)
Network18 Media & Invest Ltd. Publishing	-	-	-	-
	(299,259)	(-)	(-)	(-)

Notes to financial statements for the year ended 31st March 2016

28 Additional information to the financial statements

28.1 Prior Year Comparatives

Previous year's figures are regrouped, rearranged, or recast wherever necessary to conform to this year's classification.

28.2 Other Disclosures

- Professional charges pertains to the professional fees paid to the content developers
- Content Episode Tapes includes finished episodes and incomplete episode covered under Work In Progress.
- The balance of Dish TV India Limited as Creditor is subject to confirmation.

	Amount In Rs	
	Year Ended 31st March 2016	Year Ended 31st March 2015
28.3 Capitalization of expenditure		
Professional Charges	3,797,429	1,900,930
Sundry Production Expenses	-	3,570
Media Professional Charges	-	-
Episode cost	3,118,802	765,377
Animations	-	-
Total	6,916,231	2,669,877

28.4 Contingent Liabilities & Commitments

There are no contingent liabilities existing as on 31st March, 2016

28.5 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is Rs. Nil (Previous year Rs. Nil) and no interest has been paid or is payable under the terms of the MSMED Act, 2006

28.6 Other Disclosure

During the period the Company has changed its Corporate Office from Delhi to Mumbai. According to sub rule (5A) of Rule 4 of Service Tax Rules, an assessee is required to intimate the Department all details of changes. Hence, same has been done & ST-2 has been obtained on 25th August'2015.

29 Disclosure on Exceptional Item

During the year, based on a review of the current and non-current assets, the Company has accounted for (a) obsolescence/impairment in the value of certain inventory to the extent of Rs. Nil (Previous Year Rs. 2,020,240) and tangible asset of Rs. Nil (Previous Year Rs. 3,009,532) (b) write-off provisions of non-recoverable receivables to the extent of Rs. Nil (Previous Year Rs. 228,591).

In terms of our report attached

For **Mohan L. Jain & Co.**
Chartered Accountants
Firm Registration No. 005345N

Mohan Lal Jain
Partner
Membership No. 084190

Place: New Delhi
Date: 11th April, 2016

For and on behalf of the Board

Kshipra Jatana
Director

Rashmi Gupta
Chief Financial Officer

Gagan Kumar
Director

Yug Samrat
Company Secretary