

e-Eighteen.com Limited

Independent Auditor's Report

To the Members of e-Eighteen.com Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of e-Eighteen.com Limited (the 'Company'), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company; 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

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. 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.
5. 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 standalone financial statements are free from material misstatement.
6. 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 controls 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. 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 31 March 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015 ("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.
10. 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 purpose 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 standalone financial statements 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 (as amended);
- e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act;
- f. 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 does not have any pending litigations which would impact its standalone financial position
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **B P Singh**
Partner
Membership No.: 70116

Place: Noida
Date: 13 April 2015

Independent Auditor's Report

Annexure to the Independent Auditor's Report of even date to the members of e-Eighteen.com Limited, on the financial statements for the year ended 31 March 2015

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company 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) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.
- (iv) Owing to the nature of its business, the Company does not maintain any physical inventories or sell any goods. Accordingly, clause 3(iv) of the Order with respect to purchase of inventories and sale of goods is not applicable. In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's services and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
 - (b) There are no dues in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess that have not been deposited with the appropriate authorities on account of any dispute.
 - (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder. Accordingly, the provisions of clause 3(vii)(c) of the Order are not applicable.
- (viii) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (ix) The Company has no dues payable to a financial institution or a bank or debenture-holders during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

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- (x) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable.
- (xi) The Company did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.
- (xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **B P Singh**
Partner
Membership No.: 70116

Place : Noida
Date : 13 April 2015

Balance sheet as at 31 March 2015

	Notes	As at 31 March 2015	All amounts in Rs. As at 31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	54,040,000	54,040,000
Reserves and surplus	3	289,128,025	180,606,915
Non-current liabilities			
Long-term provisions	4	19,834,587	8,091,978
Current liabilities			
Trade payables	5	122,825,443	58,265,192
Other current liabilities	6	82,525,919	82,528,327
Short-term provisions	7	716,928	230,459
Total		569,070,902	383,762,871
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	8	11,560,052	7,768,871
Intangible assets		1,356,257	2,446,560
Non-current investments	9	320,000	320,000
Deferred tax assets, net	10	16,735,021	14,948,002
Long-term loans and advances	11	3,616,538	8,173,524
Current assets			
Trade receivables	12	203,739,377	162,423,455
Cash and bank balances	13	288,415,314	17,420,667
Short-term loans and advances	14	28,736,122	157,254,200
Other current assets	15	14,592,221	13,007,592
Total		569,070,902	383,762,871

Notes 1 to 29 form an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date.

For **Walker Chandiook & Co LLP**
Chartered Accountants

per **B P Singh**
Partner

Place:
Date:

For and on behalf of Board of Directors
e-Eighteen.com Limited

Sanjiv Kulshreshtha
Director
DIN

Chintan Dixit
Company Secretary

Kshipra Jatana
Director
DIN

Statement of profit and loss for the year ended 31 March 2015

	Notes	Year ended 31 March 2015	All amounts in Rs. Year ended 31 March 2014
Revenue			
Revenue from operations	16	586,371,637	511,743,325
Other income	17	1,744,305	571,969
		<u>588,115,942</u>	<u>512,315,294</u>
Expenses			
Employee benefit expenses	18	210,082,416	203,703,529
Depreciation and amortisation	8	3,360,010	4,673,825
Other expenses	19	202,483,615	246,819,369
		<u>415,926,041</u>	<u>455,196,723</u>
Profit before exceptional items and tax		172,189,901	57,118,571
Exceptional items	20	6,072,591	5,518,967
Profit before tax		166,117,310	51,599,604
Tax expense			
Current tax		58,992,088	13,950,645
Tax earlier years		391,131	3,448,548
Deferred tax		(1,787,019)	(14,948,002)
Total tax expense		57,596,200	2,451,191
Profit for the year		108,521,110	49,148,413
Earnings per share (Basic and diluted)	21	20.08	9.09

Notes 1 to 29 form an integral part of the financial statements.

This is the Statement of Profit and Loss referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **B P Singh**
Partner

Place:
Date:

For and on behalf of Board of Directors
e-Eighteen.com Limited

Sanjiv Kulshreshtha
Director
DIN

Kshipra Jatana
Director
DIN

Chintan Dixit
Company Secretary

Cash flow statement for the year ended 31 March, 2015

	Year ended 31 March 2015	Year ended 31 March 2014
<i>All Amounts in Rs.</i>		
A) Cash flows from operating activities		
Profit before taxation	166,117,310	51,599,604
Adjustments for:		
Depreciation and amortisation	3,360,010	4,673,825
Provision for doubtful debts	2,783,276	1,962,040
Interest income	(1,736,305)	(571,969)
Unrealized foreign exchange loss (net)	(818,869)	1,053,691
Operating profit before working capital changes	169,705,422	58,717,191
Adjustments for :		
(Increase) /decrease in trade receivables and unbilled revenue	(44,864,959)	23,703,354
Decrease / (Increase) in loans and advances	129,616,436	(56,192,839)
Increase in current liabilities and provisions	75,903,408	5,997,726
Cash generated from operations	330,360,307	32,225,432
Income tax paid	(55,924,590)	(18,515,726)
Net cash flow from operating activities	274,435,717	13,709,706
B) Cash flows from investing activities		
Purchase of fixed assets (including intangible under development)	(5,177,375)	(9,520,079)
Interest received	1,736,305	571,969
Net cash used in investing activities	(3,441,070)	(8,948,110)
C) Cash flows from financing activities		
Net cash used in financing activities	-	-
Net increase in cash and cash equivalents	270,994,647	4,761,596
Cash and cash equivalents, as at the beginning of the year	17,420,667	12,659,071
Cash and cash equivalents, as at the end of the year	288,415,314	17,420,667
	270,994,647	4,761,596

Notes 1 to 29 form an integral part of the financial statements.

This is the Cash Flow Statement referred to in our report of even date.

For Walker Chandiook & Co LLP
Chartered Accountants

per B P Singh
Partner

Place:
Date:

For and on behalf of Board of Directors
e-Eighteen.com Limited

Sanjiv Kulshreshtha
Director
DIN

Chintan Dixit
Company Secretary

Kshipra Jatana
Director
DIN

Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March, 2015

1. Significant accounting policies

a. Basis of preparation

The financial statements have been prepared under historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India and to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The accounting policies have been consistently applied by e-Eighteen.com Limited the ('Company').

b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognized in the current and future periods.

c. Revenue

The Company derives its revenues primarily from online advertising and subscriptions.

Revenue from sale of services is recognised to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.

Revenue from advertisement and sponsorships is recognised proportionately over the contractual period of advertisement, commencing when the advertisement is placed on the website unless the Company has to meet performance conditions in which case revenue is recognised using the proportionate completion method.

Revenue from subscription and content licensing services is recognized proportionately over the period of the subscription.

Transactions that involve the exchange of goods or services for other goods or services are accounted for in accordance with Guidance Note on Accounting for Dot-com Companies issued by the Institute of Chartered Accountants of India (ICAI). Barter transactions are recorded at fair value, being the value at which the transactions are agreed between the parties and comparable with similar transactions with other parties.

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

d. Fixed assets

Tangible and intangible fixed assets are stated at cost of acquisition less accumulated depreciation/ amortisation and accumulated impairment losses. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Website development costs that provide additional functions or features to the Company's website are capitalized. Maintenance expenses or costs that do not result in new features or functions are expensed off as and when incurred.

e. Depreciation/ amortisation

Depreciation on tangible fixed assets is provided on straight line basis as per Schedule II of the Act

Asset category	Useful life
Lease hold improvements	Over lease period
Furniture and fixtures	10 years
Office equipments	5 years
Computers	
Server and networks	6 years
Computer equipments	3 years
Computer software	3 years
Mobile Applications	3 years
Domain name	5 years

f. Impairment of fixed assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset

Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March, 2015

or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the statement of profit and loss.

g. Investments

Investments which are readily realisable and intended to be held for not more than a year from the date on which investment made are classified as current investments. All other investments are classified as non-current investments.

Current investments are stated at lower of cost or fair value. Non-current investments are stated at cost. However, provision for diminution in their value is made to recognize a decline, other than temporary, in the value of investment.

h. Foreign currency transactions

Income and expense in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date. Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

i. Employee benefits

Employee benefits in the form of Provident Fund and Employee State Insurance Scheme are defined contribution plans and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds

Short term employee benefits (medical, leave travel allowance etc.) expected to be paid in exchange for the services rendered are recognised on undiscounted basis.

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date. The defined benefit obligation is calculated at the balance sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of profit and loss in the year in which such gains or losses are determined.

Benefits comprising long term compensated absences constitute other long term employee benefits. The liability for compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognized immediately in the statement of profit and loss.

j. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares).

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

k. Income tax

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income Tax Act, 1961 as applicable to the financial year. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situation, where the company has unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March, 2015

Minimum alternative tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future years. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified year.

l. Provisions and contingent liabilities

The Company makes a provision when there is a present obligation as a result of a past event and where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company; or
- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- present obligation, where a reliable estimate cannot be made.

Where there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

m. Leases

Operating lease

Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the period of lease term.

n. Cash and cash equivalent

Cash and cash equivalent comprise cash at bank and in hand and short term bank deposits with an original maturity of three months or less.

All amounts in Rs.

2. Share capital	As at 31 March 2015	As at 31 March 2014
a. Authorized shares capital		
10,000,000 (Previous year 10,000,000) equity shares of Rs. 10 each	100,000,000	100,000,000
	100,000,000	100,000,000
b. Issued, subscribed and fully paid-up capital		
5,404,000 (Previous year 5,404,000) equity shares of Rs. 10 each fully paid up	54,040,000	54,040,000
	54,040,000	54,040,000

c. Reconciliation of the shares outstanding

There is no movement in equity share capital during the current and previous year.

d. Description of the rights, preferences and restrictions attached to class of shares

The Company has only one class of equity shares having the par value of Rs 10 per share. Each holder of equity share is entitled to one vote per share. All shareholders are equally entitled to dividends. The Company declares and pays dividend in Indian Rupees which is proposed by the Board of Directors and is subject to the approval of the shareholders in the coming Annual General Meeting. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive remaining assets of the Company, after settlement of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March, 2015

e. Details of shares held by Holding Company

Name of the entity	Nature of relationship	31 March 2015		31 March 2014	
		No of shares	% of holding	No of shares	% of holding
E-18 Limited, Cyprus	Holding company	4,968,894	91.95%	4,968,894	91.95%

As per the records of the Company, including its register of shareholders/members and other declarations, if any, received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

f. Details of shareholders holding more than 5% shares in the Company

Name of the entity	31 March 2015		31 March 2014	
	No of shares	% of holding	No of shares	% of holding
E-18 Limited, Cyprus	4,968,894	91.95%	4,968,894	91.95%

As per the records of the Company, including its register of shareholders/members and other declarations, if any, received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

- g. No shares have been issued for consideration other than cash or as bonus shares in the current year and in the last five years immediately preceeding the current reporting period.

3. Reserve and surplus

	<i>All amounts in Rs.</i>	
	As at 31 March 2015	As at 31 March 2014
Capital reserve (arising on employee share based compensation)		
Balance at the beginning / end of the year	21,719,312	21,719,312
Securities premium account		
Balance at the beginning / end of the year	66,166,120	66,166,120
General reserve		
Balance at the beginning / end of the year	1,496,010	1,496,010
Surplus in the statement of profit and loss		
Balance at the beginning of the year	91,225,473	42,077,060
Profit for the year	108,521,110	49,148,413
Balance at the end of the year	<u>199,746,583</u>	<u>91,225,473</u>
	<u>289,128,025</u>	<u>180,606,915</u>

Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March, 2015

	<i>All amounts in Rs.</i>	
	As at 31 March 2015	As at 31 March 2014
4. Long-term provisions		
Provision for gratuity	7,097,432	5,863,413
Provision for compensated absences	2,359,439	2,228,565
Other long term provisions	10,377,716	-
	<u>19,834,587</u>	<u>8,091,978</u>
5. Trade payable		
Dues to micro and small enterprises *	-	-
Dues to others	122,825,443	58,265,192
	<u>122,825,443</u>	<u>58,265,192</u>

* The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro, small and medium enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA). Accordingly, the disclosure in respect of amounts payable to such enterprises as at 31 March 2015 has been made in the financial statements based on information received and available with the Company. Further in the view of the management the impact of interest, if any, that may be payable in accordance with the provisions of the MSMEDA is not expected to be material.

	<i>All amounts in Rs.</i>	
	As at 31 March 2015	As at 31 March 2014
6. Other current liabilities		
Unearned income	33,928,558	28,414,435
Statutory dues payable	4,360,360	3,046,488
Creditors for capital goods	2,036,843	1,153,330
Advance from customers	6,388,036	11,847,624
Payable to employees	35,812,122	38,066,450
	<u>82,525,919</u>	<u>82,528,327</u>
7. Short-term provisions		
Provision for gratuity	207,950	173,395
Provision for compensated absences	508,978	57,064
	<u>716,928</u>	<u>230,459</u>

Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March, 2015

All amounts in Rs.

8. Fixed assets

Particulars	Tangible assets					Intangible assets			
	Computers	Leasehold improvements	Office equipments	Furniture and fixtures	Total	Domain name	Computer software	Mobile application	Total
Gross block									
At 1 April 2013	56,158,817	-	725,433	204,346	57,088,596	388,125	16,233,950	1,582,500	18,204,575
Additions	8,183,960	-	99,449	-	8,283,409	-	-	2,390,000	2,390,000
Reversal on disposal of assets	(4,862,221)	-	-	-	(4,862,221)	-	-	-	-
At 31 March 2014	59,480,556	-	824,882	204,346	60,509,784	388,125	16,233,950	3,972,500	20,594,575
Additions	1,721,753	3,476,822	417,190	195,024	5,810,789	-	157,170	92,929	250,099
At 31 March 2015	61,202,309	3,476,822	1,242,072	399,370	66,320,573	388,125	16,391,120	4,065,429	20,844,674
Accumulated depreciation/ amortisation									
At 1 April 2013	53,671,668	-	658,489	204,346	54,534,503	369,465	15,585,880	587,476	16,542,821
Charge for the year	2,993,360	-	75,271	-	3,068,631	18,660	466,000	1,120,534	1,605,194
Reversal on disposal of assets	(4,862,221)	-	-	-	(4,862,221)	-	-	-	-
At 31 March 2014	51,802,807	-	733,760	204,346	52,740,913	388,125	16,051,880	1,708,010	18,148,015
Charge for the year	1,690,698	252,416	69,874	6,620	2,019,608	-	196,841	1,143,561	1,340,402
At 31 March 2015	53,493,505	252,416	803,634	210,966	54,760,521	388,125	16,248,721	2,851,571	19,488,417
Net block									
At 31 March 2014	7,677,749	-	91,122	-	7,768,871	-	182,070	2,264,490	2,446,560
At 31 March 2015	7,708,804	3,224,406	438,438	188,404	11,560,052	-	142,399	1,213,858	1,356,257

Pursuant to the enactment of the Companies Act, 2013 (the Act), the Company has, effective from 1 April 2014, reassessed the useful life of its fixed assets and has computed with reference to the useful life of assets as recommended in Schedule II to the Act. Consequently, depreciation for the year ended 31 March 2015 is lower by Rs 1,781,577 and net profit is higher by Rs.1,781,577. Further, based on the transitional provision provided in Schedule II, an amount of Rs.Nil has been adjusted with the opening reserves during the year ended 31 March 2015.

All amounts in Rs.

9. Non-current investments (Non trade, unquoted)

Investments in subsidiary (valued at cost)

	As at 31 March 2015	As at 31 March 2014
Moneycontrol Dot Com India Limited	320,000	320,000
500,000 (previous year 500,000) equity shares of Re 1 each fully paid up	<u>320,000</u>	<u>320,000</u>
Aggergate amount of unquoted investments	<u>320,000</u>	320,000

Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March, 2015

	As at 31 March 2015	As at 31 March 2014
<i>All amounts in Rs.</i>		
10. Deferred tax asset, net		
Deferred tax asset arising on account of		
Provision for employee benefits	3,521,153	2,700,215
Provision for bad and doubtful receivables	5,987,298	7,862,133
Disallowance of Income tax	8,924,279	5,141,068
	<u>18,432,730</u>	<u>15,703,416</u>
Deferred tax liability arising on account of		
Timing difference on depreciation/amortisation of fixed Assets	(1,697,708)	(755,414)
	<u>(1,697,708)</u>	<u>(755,414)</u>
Deferred tax assets	<u>16,735,021</u>	<u>14,948,002</u>
11. Long-term loans and advances <i>(Unsecured, considered good)</i>		
Income tax paid {Net of provision of tax of Rs 81,889,145 (previous year Rs. 64,017,616)}	3,506,757	6,965,386
Security deposits	-	500,000
Advances recoverable in cash and kind or for value to be received	-	708,138
	<u>3,616,538</u>	<u>8,173,524</u>
12. Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	46,112,964	30,951,367
Unsecured, considered doubtful	17,299,328	24,232,189
Less: Provision for doubtful receivables	(17,299,328)	(24,232,189)
	<u>46,112,964</u>	<u>30,951,367</u>
Other receivables		
Unsecured, considered good	157,626,413	131,472,088
	<u>157,626,413</u>	<u>131,472,088</u>
	<u>203,739,377</u>	<u>162,423,455</u>
13. Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
in current accounts	4,705,539	5,346,492
in deposit accounts	283,709,714	12,041,501
Cash in hand	61	32,674
	<u>288,415,314</u>	<u>17,420,667</u>

Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March, 2015

	As at 31 March 2015	As at 31 March 2014
		<i>All amounts in Rs.</i>
14. Short-term loans and advances		
Loans and advances to related parties		
Unsecured, considered good	19,905,118	121,666,596
	<u>19,905,118</u>	<u>121,666,596</u>
Other loans and advances		
(Unsecured, considered good)		
Cenvat credit recoverable	4,105,182	27,940,032
Advances recoverable in cash or kind	4,725,822	7,647,572
	<u>28,736,122</u>	<u>157,254,200</u>
15. Other current assets		
Unbilled revenue	14,592,221	13,007,592
	<u>14,592,221</u>	<u>13,007,592</u>
		<i>All amounts in Rs.</i>
	Year ended 31 March 2015	Year ended 31 March 2014
16. Revenue from operations		
Income from advertisement and sponsorships	530,997,304	459,160,041
Income from subscription and content licensing	55,374,333	51,707,284
Other operating revenue	-	876,000
	<u>586,371,637</u>	<u>511,743,325</u>
17. Other income		
Interest income on		
bank deposits	1,720,079	565,790
others	16,226	6,179
Miscellaneous income	8,000	-
	<u>1,744,305</u>	<u>571,969</u>
18. Employee benefit expense		
Salaries, wages and bonus	192,067,353	191,835,455
Contribution to provident fund and other defined contribution funds	5,815,752	3,857,176
Staff welfare expenses	7,791,054	4,817,576
Employee benefits	4,408,257	3,193,322
	<u>210,082,416</u>	<u>203,703,529</u>

Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March, 2015

	<i>All amounts in Rs.</i>	
	Year ended 31 March 2015	Year ended 31 March 2014
19. Other expenses		
Advertisement serving costs	5,498,352	3,353,425
Content and royalty expense	13,156,708	8,967,821
Bandwidth charges	24,638,819	20,978,155
Rack space expenses	8,287,590	10,255,035
Event expenses	265,413	9,606,104
Advertising and business promotions	28,621,352	34,766,760
Exchange fluctuation loss (net)	730,926	72,281
Rates and taxes	19,249,520	25,580,028
Rent	46,171,174	11,447,156
Electricity charges	2,642,301	3,055,486
Repairs to machinery	5,237,755	2,977,243
Provision for doubtful debts	2,783,276	1,962,040
Communication expenses	2,762,170	1,792,413
Insurance	1,042,443	1,072,350
Travelling and conveyance	6,062,452	4,199,967
Legal and professional charges*	16,928,727	83,579,817
Short messaging service expense	6,187,864	16,978,558
Miscellaneous expenses	12,216,773	6,174,730
	<u>202,483,615</u>	<u>246,819,369</u>
Payment to statutory auditor*		
Statutory audit fee	1,000,000	1,000,000
Reimbursement of expenses	435,718	102,289
	<u>1,435,718</u>	<u>1,102,289</u>
	Year ended	Year ended
	31 March 2015	31 March 2014
20. Exception Item.		
Provision of doubtful debt	6,072,591	-
Severance pay under restructuring activity	-	5,518,967
	<u>6,072,591</u>	<u>5,518,967</u>
21. Obligation on long term, non cancellable operating leases		
The Company has taken office premise under operating lease agreement. The term of this lease is 5 years .There are no sub leases or restrictions imposed by lease arrangements. There are certain lease agreements with escalation clauses during the initial lease term. Lease payments during the period recognised in the statement of profit and loss amount to - Rs.46,171,174 (Rs.11,447,156)		
Particulars		
Payable not later than one year	95,524,453	-
Payable later than one year but not later than five years	352,767,859	-
Payable later than five years	-	-
	<u>448,292,312</u>	<u>-</u>

Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March, 2015

22. Earnings per share			
Profit after tax attributable to equity shareholders		108,521,110	49,148,413
Weighted average number of equity shares outstanding during the year		5,404,000	5,404,000
Nominal value of equity shares		10	10
Earnings per share (basic and diluted)		20.08	9.09
23. Unhedged foreign currency exposure			
Particulars		2015	2014
Included in trade receivables	USD	387,282	410,372
	Rs.	24,240,029	24,664,026
	GBP	-	1,269
	Rs.	-	126,683
24. Expenditure and earnings in foreign currency (accrual basis)			
Expenditure			
Advertisement and business promotion		212,100	541,019
Miscellaneous expenses (Equipment hire charges)		2,217,656	
		2,429,756	541,019
Earnings			
Income from banner advertising and subscription fees		131,655,390	129,901,616
Income from content licensing		915,855	-
		132,571,245	129,901,616

25. Barter transactions

During the year ended 31 March 2015, the Company had entered into barter transactions with various parties. These transactions were recorded at the fair value of consideration receivable or payable. The statement of profit and loss for the year ended 31 March 2015 has been grossed up to reflect revenue from barter transactions of Rs.10,897,704 (previous year Rs. 5,892,100) and expenditure of Rs. 8,334,062 (previous year Rs. 5,626,672) being the fair value of barter transactions provided and received.

All amounts in Rs.

26. Employee benefits

26.1 Defined benefit plan (gratuity) and other long-term employee benefit (compensated absences)

Amount recognized in statement of profit and loss

Particulars	Gratuity		Compensated absences	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Current service cost	1,125,852	767,649	776,052	423,164
Interest cost on benefit obligation	513,129	562,090	194,278	221,539
Net actuarial loss recognised in the year	1,530,209	1,056,067	268,738	162,812
Expense of the year	3,169,190	2,385,806	1,239,068	807,515

Movement in liability recognized in balance sheet

Particulars	Gratuity		Compensated absences	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Opening defined benefit obligation	6,036,807	6,612,829	2,285,629	2,606,336
Acquisition adjustment	1,259,980		843,344	
Current service cost	1,125,852	767,649	776,052	423,164
Interest cost	513,129	562,090	194,278	221,539
Benefits paid	(3,160,595)	(2,961,828)	(1,499,624)	(1,128,222)
Actuarial losses on obligation	1,530,209	1,056,067	268,738	162,812
Closing defined benefit obligation	7,305,382	6,036,807	2,868,417	2,285,629

Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March, 2015

All amounts in Rs.

Particulars	Gratuity		Compensated absences	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Current portion of obligation as at the end of the year	207,950	173,395	508,978	57,064
Non-current portion of obligation as at the end of the year	7,097,432	5,863,413	2,359,439	2,228,565
	<u>7,305,382</u>	<u>6,036,808</u>	<u>2,868,417</u>	<u>2,285,629</u>

The principal assumptions used in determining gratuity and compensated absence benefit obligations for the Company's plan are shown below:

Particulars	Gratuity		Compensated absences	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Discount rate	8.00%	8.50%	8.00%	8.50%
Expected salary escalation rate	5.50%	6.00%	5.50%	6.00%
Mortality table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Withdrawal rate				
- upto 30 years	3.00%	3.00%	3.00%	3.00%
- from 31 to 44 years	2.00%	2.00%	2.00%	2.00%
- above 44 years	1.00%	1.00%	1.00%	1.00%

26.2 Defined contribution plans

Contribution to defined contribution plan, recognised as expense for the year are as under:

Particulars	31 March 2015	31 March 2014
Provident fund and employee state insurance fund	5,815,752	3,857,176

27. Related party disclosures

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below

27.1 List of related parties and relationship

Name of Related Party	Relationship
1 Independent Media Trust (w.e.f. 07.07.2014)	Enterprises exercising control
2 Adventure Marketing Private Limited (w.e.f. 07.07.2014)#	
3 Watermark Infratech Private Limited (w.e.f. 07.07.2014)#	
4 Colorful Media Private Limited (w.e.f. 07.07.2014)#	
5 RB Media Holdings Private Limited (w.e.f. 07.07.2014)#	
6 RB Mediasoft Private Limited (w.e.f. 07.07.2014)#	
7 RRB Mediasoft Private Limited (w.e.f. 07.07.2014)#	
8 RB Holdings Private Limited (w.e.f. 07.07.2014)#	
9 Network18 Media & Investments Limited	
10 E-18 Limited, Cyprus	
11 Reliance Industries Limited (RIL) (w.e.f. 07.07.2014)	Beneficiary/Protector of Independent Media Trust
12 Reliance Industrial Investments and Holdings Limited (w.e.f. 07.07.2014)	
13 Moneycontrol Dot Com India Limited	Subsidiary
14 TV18 Broadcast Limited	Fellow subsidiaries
15 TV18 Home shopping Network Limited	
16 Big Tree Entertainment Private Limited	
17 AETN18 Media Private Limited	
18 Digital18 Media Limited	
19 Greycells 18 Media Limited	
20 Web18 Software Services Limited	
21 IBN Lokmat News Private Limited	Joint Venture
22 Vidhi Kharbanda (upto 31 July 2014)	Key management personnel
23 Chintan Dixit (w.e.f. 30 March 2015)	

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

Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March, 2015

27.2 Related party transactions

b) The following transactions were carried out with related parties in the ordinary course of business

Particulars	Enterprises exercising control	Fellow subsidiaries/ Subsidiaries	Entities under significant influence/ under control of KMP	Joint venture of the group	Key management personnel	Total
Income from banner advertisement and sponsorships						
Network 18 Media & Investments Limited	324,430 (302,601)	- -	- -	- -	- -	324,430 (302,601)
TV18 Broadcast Limited	- -	6,802,500	-	-	-	6,802,500
AETN18 Media Private Limited	- -	601,675	-	-	-	601,675
Digital18 Media Limited	- -	2,753,731 (1,568,654)	- -	- -	- -	2,753,731 (1,568,654)
Expenditure incurred for services received						
TV18 Broadcast Limited	-	929,922 (15,688,961)	- -	- -	- -	929,922 (15,688,961)
Network18 Media & Investments Limited	505,269 (13,960,966)	-	-	-	-	505,269 (13,960,966)
Digital18 Media Limited	-	1,856,000 (3,355,000)	- -	- -	- -	1,856,000 (3,355,000)
AETN18 Media Private Limited	- -	254,925	- -	- -	- -	254,925 -
Expense incurred by others on behalf of the company						
TV18 Home Shopping Network Limited	- -	232,000 (348,000)	- -	- -	- -	232,000 (348,000)
Network18 Media & Investment Limited	65,526,856 (108,022,012)	- -	- -	- -	- -	65,526,856 (108,022,012)
TV18 Broadcast Limited	- -	66,315,124 (58,320,835)	- -	- -	- -	66,315,124 (58,320,835)
Transaction during the year						
Expense incurred by Company on behalf of others						
Moneycontrol Dot Com India Limited	-	939,893 (1,368,750)	-	-	-	939,893 (1,368,750)
TV18 Broadcast Limited	-	- (430,195)	-	-	-	- (430,195)
TV18 Home Shopping Network Limited	-	947,358 (1,711,274)	-	-	-	947,358 (1,711,274)
Greycells 18 Media Limited	-	598,157 (185,053)	-	-	-	598,157 (185,053)
Digital18 Media Limited	-	5,447,662 (4,123,551)	-	-	-	5,447,662 (4,123,551)
Network18 Media & Investment Limited	66,434,791 (34,256,219)	-	-	-	-	66,434,791 (34,256,219)
Big Tree Entertainment Private Limited	-	1,193,616 (1,382,736)	-	-	-	1,193,616 (1,382,736)

Figures in the bracket represent previous year

Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March, 2015

Particulars	Holding company	Fellow subsidiaries/ Subsidiaries	Entities under significant influence / under control of KMP	Joint venture	Key management personnel	Total
	2015	2015	2015	2015	2015	
Balances at the end of the year						
Amount Receivable						
Moneycontrol Dot Com India Limited	-	1,586,729 (1,964,085)	-	-	-	1,586,729 (1,964,085)
Digital18 Media Limited		1,615,924				1,615,924
						-
Network18 Media & Investments Limited	15,938,240 (119,280,696)	-	-	-	-	15,938,240 (119,280,696)
Web18 Software Services Limited	-	2,453 (421,815)	-	-	-	2,453 (421,815)
Greycells 18 Media Limited	-	659,252 (87,290)	-	-	-	659,252 (87,290)
Big Tree Entertainment Private Limited	-	- (311,615)	-	-	-	- (311,615)
TV18 Home Shopping Network Limited	-	102,520 (4,730,417)	-	-	-	102,520 (4,730,417)
Amount payable						
Digital18 Media Limited	-	- (1,013,950)	-	-	-	- (1,013,950)
Ibn Lokmat News Private Limited	-	-	(97,026)	-	-	(97,026)
TV18 Broadcast Limited	-	8,113,745 (18,845,117)	-	-	-	8,113,745 (18,845,117)
Big Tree Entertainment Private Limited	-	16,682	-	-	-	16,682

Figures in the bracket represent previous year

28. Previous year figures have also been regrouped/recast wherever considered necessary.
29. The Company is in the business of operating websites and is located in India. As the Company operates in a single business and geographical segment, the reporting requirements for primary and secondary segment disclosures prescribed by Accounting Standard 17 (Segment Reporting), have not been provided in these financial statements.

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **B P Singh**
Partner

Place:
Date:

For and on behalf of Board of Directors
e-Eighteen.com Limited

Sanjiv Kulshreshtha
Director
DIN

Kshipra Jatana
Director
DIN

Chintan Dixit
Company Secretary