

**AETN18 MEDIA PRIVATE LIMITED**  
**ANNUAL ACCOUNTS - FY : 2016-17**

## Independent Auditor's Report

### To The Members of AETN18 Media Private Limited

#### Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of AETN18 Media Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS financial statements based on our audit.

In conducting 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 of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

#### Opinion

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

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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.
  - 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting
  - g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in the Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm’s Registration No. 117366W/W-100018)

**Abhijit A. Damle**  
(Partner)  
(Membership No. 102912)

Mumbai, April 15, 2017

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

### **Report on the Internal Financial Controls Over Financial Reporting 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 AETN18 MEDIA PRIVATE LIMITED (“the Company”) as of March 31, 2017 in conjunction with our audit of the Ind AS 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.

#### **Auditor’s 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

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

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Abhijit A. Damle**  
(Partner)  
(Membership No. 102912)

**Mumbai**, April 15, 2017

**Annexure B to the Independent Auditors' Report**

(Referred to in paragraph 2, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

- i. In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. 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 of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.
- ii. The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- iii. The Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. The Company has not granted loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of clause (v) of paragraph 3 of the CARO 2016 are not applicable to the Company.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) (d) of the Companies Act, 2013 and are of the opinion that, *prima facie*, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. In respect of statutory dues:
  - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues, where applicable, have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2017 for a period of more than six months from the date of becoming payable.
  - b) There are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2017 on account of disputes.
- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable.
- x. In our opinion and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Abhijit A. Damle**  
(Partner)  
(Membership No. 102912)

**Mumbai, April 15, 2017**

## Balance Sheet as at 31st March, 2017

₹ in Lakhs

	Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, plant and equipment	1	446.43	213.27	238.78
(b) Intangible assets	1	2,602.93	1,266.38	1,457.25
(c) Intangible assets under development	1	347.26	343.26	243.19
(d) Financial Assets				
(i) Other financial assets	2	22.55	20.18	20.18
(e) Other non-current assets	3	691.80	672.67	418.24
<b>Total Non-current assets</b>		<b>4,110.97</b>	<b>2,515.76</b>	<b>2,377.64</b>
<b>(2) Current assets</b>				
(a) Financial Assets				
(i) Investments	4	680.33	-	-
(ii) Trade receivables	5	1,137.29	2,904.28	3,293.13
(iii) Cash and cash equivalents	6	226.90	1,451.46	641.63
(iv) Loans	7	0.12	-	-
(v) Other Financial Assets	8	1.46	4.77	27.60
(b) Other Current Assets	9	924.84	574.49	821.22
<b>Total Current assets</b>		<b>2,970.94</b>	<b>4,935.00</b>	<b>4,783.58</b>
<b>Total Assets</b>		<b>7,081.91</b>	<b>7,450.76</b>	<b>7,161.22</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	10	5,143.41	4,961.60	4,961.60
(b) Other Equity	11	(2,478.20)	(1,701.18)	(1,765.79)
<b>Total Equity</b>		<b>2,665.21</b>	<b>3,260.42</b>	<b>3,195.81</b>
<b>Liabilities</b>				
<b>(1) Non-current liabilities</b>				
(a) Provisions	12	42.33	31.64	29.70
<b>Total Non-current Liabilities</b>		<b>42.33</b>	<b>31.64</b>	<b>29.70</b>
<b>(2) Current liabilities</b>				
(a) Financial Liabilities				
(i) Trade payables	13	2,866.50	3,329.20	2,988.80
(ii) Other financial liabilities	14	1,140.84	495.66	565.05
(b) Other current liabilities	15	365.98	332.25	380.43
(c) Provisions	16	1.05	1.59	1.43
<b>Total Current Liabilities</b>		<b>4,374.37</b>	<b>4,158.70</b>	<b>3,935.71</b>
<b>Total Equity and Liabilities</b>		<b>7,081.91</b>	<b>7,450.76</b>	<b>7,161.22</b>

Significant Accounting Policies and accompanying Notes (1 to 38) are part of the Financial Statements

As per our Report of even date

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

**Abhijit A. Damle**

Partner

Place: Mumbai

Date: 15th April 2017

For and on behalf of the Board of Directors

**Kshipra Jatana**

Director

Place: Noida

Date: 15th April 2017

**Gagan Kumar**

Director

**Punit Kumar Chellaramani**

Company Secretary



## Statement of Profit and Loss for the year ended 31st March, 2017

			₹ in Lakhs	
Particulars	Note No.	2016-17	2015-16	
<b>Income</b>				
<b>I</b> Revenue from operations	17	6,612.75	6,491.54	
<b>II</b> Other income	18	235.02	102.30	
<b>III Total Income (I+II)</b>		<b>6,847.77</b>	<b>6,593.84</b>	
<b>IV Expenses</b>				
(a) Employee benefits expense	19	1,304.99	1,034.41	
(b) Marketing distribution and promotional expenses	21A	4,507.26	2,590.85	
(c) Finance costs	20	3.24	1.82	
(d) Depreciation and amortization expense	1	1,684.88	1,287.23	
(e) Other expenses	21	1,933.48	1,590.48	
<b>Total Expenses (IV)</b>		<b>9,433.85</b>	<b>6,504.79</b>	
<b>V Profit/ (Loss) Before Tax (III-IV)</b>		<b>(2,586.08)</b>	<b>89.05</b>	
<b>VI Tax expense</b>				
(a) Current tax		-	-	
<b>Net tax expense</b>		<b>-</b>	<b>-</b>	
<b>VII Profit/ (Loss) for the year (V-VI)</b>		<b>(2,586.08)</b>	<b>89.05</b>	
<b>VIII Other Comprehensive Income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurements of the defined benefit plans		(9.12)	(24.44)	
<b>Other Comprehensive Income for the year</b>		<b>(9.12)</b>	<b>(24.44)</b>	
<b>IX Total Comprehensive Income for the year (VII + VIII)</b>		<b>(2,595.20)</b>	<b>64.61</b>	
<b>X Earnings per equity share of face value of Rs. 10 each</b>				
Basic and Diluted (in Rs.)	27	(5.14)	0.18	

Significant Accounting Policies and accompanying Notes (1 to 38) are part of the Financial Statements

As per our Report of even date

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Abhijit A. Damle**  
Partner  
Place: Mumbai  
Date: 15th April 2017

For and on behalf of the Board of Directors

**Kshipra Jatana**  
Director  
Place: Noida  
Date: 15th April 2017

**Gagan Kumar**  
Director  
**Pumit Kumar Chellaramani**  
Company Secretary

## Statement of Changes in Equity for the year ended 31st March, 2017

### A. Equity Share Capital

₹ in Lakhs

Balance as at 1st April 2015	Changes in equity share capital during the year 2015-16	Balance as at 31st March 2016	Changes in equity share capital during the year 2016-17	Balance as at 31st March 2017
4,961.60	-	4,961.60	181.81	5,143.41

### B. Other Equity

₹ in Lakhs

	Reserves and Surplus		Remeasurements of the defined benefit plans	Total
	Securities premium account	Retained Earnings		
<b>For the year 2015-16</b>				
Opening balance as at 1st April 2015	8,807.07	(10,572.86)	-	(1,765.79)
Total Comprehensive Income for the year	-	89.05	(24.44)	64.61
<b>Balance at the end of 31st March 2016</b>	<b>8,807.07</b>	<b>(10,483.81)</b>	<b>(24.44)</b>	<b>(1,701.18)</b>
<b>For the year 2016-17</b>				
Balance at the beginning of the reporting period	8,807.07	(10,483.81)	(24.44)	(1,701.18)
Total Comprehensive Income for the year	-	(2,586.08)	(9.12)	(2,595.20)
Amount received during the reporting period	1,818.18	-	-	1,818.18
<b>Balance at the end of the reporting period</b>	<b>10,625.26</b>	<b>(13,069.89)</b>	<b>(33.56)</b>	<b>(2,478.20)</b>

As per our Report of even date

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

**Abhijit A. Damle**  
PartnerPlace: Mumbai  
Date: 15th April 2017

For and on behalf of the Board of Directors

**Kshipra Jatana**  
DirectorPlace: Noida  
Date: 15th April 2017**Gagan Kumar**  
Director**Punit Kumar Chellaramani**  
Company Secretary

## Cash Flow Statement for the year ended 31st March, 2017

		₹ in Lakhs	
Particulars		2016-17	2015-16
<b>A. Cash flow from operating activities</b>			
Profit/ (Loss) for the year as per Statement of Profit and Loss		(2,586.08)	89.05
Adjusted for :			
- Depreciation and amortisation expense		1,684.88	1,287.23
- Loss on sale/ discard of Property, plant and equipment (net)		-	0.62
- Provision for doubtful debt written back		(108.18)	(31.00)
- Net gain on sale of investments		(43.44)	-
- Net gain arising on financial assets classified as at FVTPL		(24.87)	-
- Interest income on bank deposits		(22.28)	(66.74)
- Interest income on income tax refund		(34.58)	(4.45)
- Dividend income		(1.64)	-
- Bad debts and provision for doubtful trade and other receivable, loans and advances (net)		50.70	54.12
- Effect of exchange rate change		(22.02)	7.64
<b>Operating profit before working capital changes</b>		<b>(1,110.75)</b>	<b>1,336.47</b>
Trade and Other Receivables		1,387.30	648.86
Trade and Other Payables		(321.60)	192.01
<b>Cash generated from operations</b>		<b>(45.05)</b>	<b>2,177.34</b>
Taxes paid (Net)		(21.11)	(257.92)
<b>Net cash flow from operating activities</b>	<b>(A)</b>	<b>(66.16)</b>	<b>1,919.42</b>
<b>B. Cash flow from investing activities</b>			
Payment for Property, Plant and Equipment		(2,576.85)	(1,171.54)
Purchase of current investments		(1,880.00)	-
Proceeds from sale of investments		1,267.98	-
Interest received		25.59	61.97
Dividend received		1.64	-
<b>Net cash flow (used in) investing activities</b>	<b>(B)</b>	<b>(3,161.64)</b>	<b>(1,109.57)</b>
<b>C. Cash flow from financing activities</b>			
Proceeds from issue of equity share capital		2,000.00	-
Interest Paid		3.24	-
<b>Net cash flow from financing activities</b>	<b>(C)</b>	<b>2,003.24</b>	<b>-</b>
Net (Decrease)/ Increase in Cash and Cash equivalents		(1,224.56)	809.85
Cash and cash equivalents as at the beginning of the year		1,451.46	641.61
<b>Cash and cash equivalents as at the end of the year</b>		<b>226.90</b>	<b>1,451.46</b>
(Refer Note No.6)			
* Comprises:			
(a) Cash on hand		0.02	0.01
(b) Balances with banks			
(i) In current accounts		126.88	1,151.45
(ii) In deposit accounts		100.00	300.00
		<b>226.90</b>	<b>1,451.46</b>

Significant Accounting Policies and accompanying Notes (1 to 38) are part of the Financial Statements

As per our Report of even date

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Abhijit A. Damle**  
Partner

Place: Mumbai  
Date: 15th April 2017

For and on behalf of the Board of Directors

**Kshipra Jatana**  
Director

Place: Noida  
Date: 15th April 2017

**Gagan Kumar**  
Director

**Pumit Kumar Chellaramani**  
Company Secretary

## Notes to the Financial Statements for the year ended 31 March, 2017

### A CORPORATE INFORMATION

AETN18 Media Private Limited (“the Company”) is a company/ listed company incorporated in India. It is a Joint venture between A&E Television Networks, LLC and RVT Media Private Limited.

The address of its registered office situated at First Floor, Empire Complex, 414 Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, Maharashtra.

### B ACCOUNTING POLICIES

#### B.1 BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which have been measured at fair value amount.

The financial statements of the Company have been prepared to comply with the Indian Accounting standards (‘Ind AS’), including the Accounting Standards notified under the relevant provisions of the companies Act, 2013.

Upto the year ended March 31, 2016, the Company has prepared its financial statements in accordance with the requirement of Indian GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as “Previous GAAP”.

These financial statements are the Company’s first Ind AS financial statements.

Company’s financial statements are presented in Indian Rupees (₹), which is its functional currency.

#### B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (a) Property, plant and equipment:

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and arrangements arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow the entity and the cost can be measured reliably.

Depreciation on property, plant and equipment is provided using straight line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

##### (b) Intangible assets:

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebate less accumulated amortisation/ depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate assets, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Company and cost can be measured reliably.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Computer Softwares are being amortised over its estimated useful life of 5 years. Programming costs are being amortised over

## Notes to the Financial Statements for the year ended 31 March, 2017

2 years for all programs purchased from A&E Television Networks, LLC, over the license period for programs purchased from others and over 5 years for all programs produced by the Company. Website development costs are capitalised and amortised over their estimated useful life of 2 years.

### (c) Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**Leased assets:** Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

### (d) Finance Cost

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

### (e) Impairment of non-financial assets - property, plant and equipment and intangible assets:

The Company assesses at each reporting dates as to whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such indication exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any.

An impairment loss is recognized in the Statement of the Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### (f) Provisions and Contingencies

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

## Notes to the Financial Statements for the year ended 31 March, 2017

### (g) Employee Benefits

#### Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

#### Long Term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability as at the Balance Sheet date on the basis of actuarial valuation.

#### Post-Employment Benefits

##### Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions towards Provident Fund, Employee State Insurance and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

##### Defined Benefit Plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/ superannuation. The gratuity is paid @ 15 days salary for the every completed year of service as per the Payment of Gratuity Act, 1972.

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment and other long term benefits are charged to the Other Comprehensive Income.

### (h) Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity.

#### i Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.

#### ii Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

### (i) Foreign currencies transactions and translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

## Notes to the Financial Statements for the year ended 31 March, 2017

### (j) Revenue recognition

Revenue from sale of goods, is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

Revenue from rendering of services is recognised when the performance of agreed contractual task been completed.

Revenue from operations includes sale of goods and services measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and excluding taxes or duties collected on behalf of the government.

Sale of services includes advertisement revenue, subscription revenue, revenue from sale of content, mobile and digital revenue.

#### Interest income

Interest Income from a financial asset is recognised using effective interest rate method.

#### Dividend income

Dividend income is recognised when the Company's right to receive the payment is established.

### (k) Financial instruments

#### I Financial Assets

##### (i) Initial recognition and measurement:

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

##### (ii) Subsequent measurement:

###### - Financial assets carried at amortised cost (AC)

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### - Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### - Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are fair valued through profit or loss.

##### (iii) Impairment of financial assets

In accordance with Ind AS 109, the Company use 'Expected Credit Loss' (ECL) model, for evaluating impairment assessment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivable. Further the Company uses historical default rates to determine impairment loss on the portfolio of the trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

## Notes to the Financial Statements for the year ended 31 March, 2017

For other assets, the Company uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

### II Financial liabilities

#### (i) Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of loans net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

#### (ii) Subsequent measurement:

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### C Critical accounting judgements and key sources of estimation uncertainty:

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### a) Depreciation and useful lives of property, plant and Equipment and intangible assets:

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Intangible assets are amortised over its estimated useful lives. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/ amortisation for future periods is adjusted if there are significant changes from previous estimates.

#### b) Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

#### c) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

### D First time adoption of Ind AS:

The Company has adopted Ind AS with effect from 1st April 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the opening Reserves as at 1st April 2015 and all the periods presented have been restated accordingly.

#### Exemptions from retrospective application:

##### Fair value as deemed cost exemption:

The Company has elected to measure any item of property, plant and equipment at its carrying value at the transition date.



## Notes to the Financial Statements for the year ended 31 March, 2017

₹ in Lakhs

### 1 . Property, Plant and Equipment

Particulars	Gross Block					Depreciation/Amortisation					Net Block		
	Opening As at 1st April, 2015	Additions / Adjustment	Deduction/ Adjustment	As at 1st April, 2016	As at 31st March, 2017	Opening As at 1st April, 2015	Additions / Adjustment	Deduction/ Adjustment	As at 1st April, 2016	For the year 2017	As at 31st March, 2017	As at 31st March, 2016	Opening As at 1st April, 2015
<b>1 (a) Tangible Assets:</b>													
Plant and Machinery	442.85	13.81	13.82	442.84	853.46	232.54	32.09	13.74	250.89	192.21	410.36	191.95	210.31
Computer hardwares	84.68	6.41	3.11	87.98	124.38	56.21	13.03	2.58	66.66	22.20	35.52	21.32	28.47
Furniture and fixtures	-	-	-	-	0.58	-	-	-	-	0.03	0.55	-	-
<b>Total (a)</b>	<b>527.53</b>	<b>20.22</b>	<b>16.93</b>	<b>530.82</b>	<b>978.42</b>	<b>288.75</b>	<b>45.12</b>	<b>16.32</b>	<b>317.55</b>	<b>214.44</b>	<b>446.43</b>	<b>213.27</b>	<b>238.78</b>
<b>1 (b) Intangible assets</b>													
Computer Softwares	54.04	0.15	-	54.19	55.60	35.93	10.44	-	46.37	6.76	2.47	7.82	18.11
Programming Cost*	3,039.15	1,065.05	1,219.32	2,884.88	4,277.26	1,600.01	1,231.67	1,205.36	1,626.32	1,460.84	2,595.66	1,258.56	1,439.14
Website Cost	5.53	-	-	5.53	13.17	5.53	-	-	5.53	2.84	4.80	-	-
<b>Total (b)</b>	<b>3,098.72</b>	<b>1,065.20</b>	<b>1,219.32</b>	<b>2,944.60</b>	<b>4,346.03</b>	<b>1,641.47</b>	<b>1,242.11</b>	<b>1,205.36</b>	<b>1,678.22</b>	<b>1,470.44</b>	<b>2,602.93</b>	<b>1,266.38</b>	<b>1,457.25</b>
<b>Total (a+b)</b>	<b>3,626.25</b>	<b>1,085.42</b>	<b>1,236.25</b>	<b>3,475.42</b>	<b>5,324.45</b>	<b>1,930.22</b>	<b>1,287.23</b>	<b>1,221.68</b>	<b>1,995.77</b>	<b>1,684.88</b>	<b>3,049.36</b>	<b>1,479.65</b>	<b>1,696.03</b>
<b>Intangible assets under development</b>											<b>347.26</b>	<b>343.26</b>	<b>243.19</b>

During the year the Set Top Boxes have been capitalized and depreciated at 100%, whereas the same were being expensed off in Previous year.

\* Includes programme license cost of Rs. 1,405.55 Lakh (Previous year Rs. 1,205.35 Lakh) reduced on expiry of the license period.

## Notes to the Financial Statements for the year ended 31 March, 2017

₹ in Lakhs

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>2 OTHER FINANCIAL ASSETS - NON-CURRENT</b>			
Security deposits	22.55	20.18	20.18
<b>Total</b>	<b>22.55</b>	<b>20.18</b>	<b>20.18</b>

₹ in Lakhs

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>3 OTHER NON- CURRENT ASSETS (Unsecured and considered good)</b>			
Capital advances	2.01	38.56	46.51
Advance income tax	689.79	634.11	371.73
<b>Total</b>	<b>691.80</b>	<b>672.67</b>	<b>418.24</b>

₹ in Lakhs

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>4 CURRENT INVESTMENTS</b>			
<b>Investment Classification at Fair Value through Profit &amp; Loss (FVTPL)</b>			
<b>In Mutual Fund- Quoted</b>			
UTI Floating Rate Fund-Short Term-Growth (No. of units 8,898.25, previous year -Nil and as on 01.04.2015- Nil)	236.25	-	-
UTI Short Term Income Fund- Institutional Plan-Growth (No. of units - 1,055,874.32, previous year -Nil and as on 01.04.2015- Nil)	210.53	-	-
HDFC High Interest Fund-Short Term-Growth (No. of units 714,032.12, previous year -Nil and as on 01.04.2015 - Nil)	233.55	-	-
<b>Total Current Investments</b>	<b>680.33</b>	<b>-</b>	<b>-</b>
Aggregate amount of quoted investments	680.33	-	-
Market value of quoted investment	680.33	-	-

## Notes to the Financial Statements for the year ended 31 March, 2017

₹ in Lakhs

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Category wise current investments</b>			
Financial assets measured at fair value through profit & loss (FVTPL)	680.33	-	-

₹ in Lakhs

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>5 TRADE RECEIVABLES (UNSECURED)</b>			
Trade Receivables			
- considered good	1,137.29	2,904.28	3,293.13
- considered doubtful	88.38	84.86	61.74
Less: Allowance for doubtful receivables	(88.38)	(84.86)	(61.74)
	<u>1,137.29</u>	<u>2,904.28</u>	<u>3,293.13</u>

₹ in Lakhs

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>5.1 Movement in expected credit loss allowance</b>			
At the beginning of the year	84.86	61.74	
Movement in expected credit loss allowance during the year	3.52	23.12	
<b>Total</b>	<u>88.38</u>	<u>84.86</u>	<u>61.74</u>

₹ in Lakhs

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>6 CASH AND CASH EQUIVALENTS</b>			
Cash on hand [see note (a) below]	0.02	0.01	0.07
Balances with banks			
i. in current accounts	126.88	1,151.45	641.56
ii. in deposit accounts [Refer note (b) ]	100.00	300.00	-
	<u>226.90</u>	<u>1,451.46</u>	<u>641.62</u>

### Notes:

- (a) Please refer note No. 32 for details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016.
- (b) Includes deposits of ₹ 100 Lakh (Previous year ₹ NIL Lakh, Opening as at 1st April, 2015- Nil) with maturity of more than 12 months.

## Notes to the Financial Statements for the year ended 31 March, 2017

₹ in Lakhs

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>7 LOANS</b> (Unsecured and considered good)			
- Loans others	0.12	-	-
	<u>0.12</u>	<u>-</u>	<u>-</u>

₹ in Lakhs

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>8 OTHER FINANCIAL ASSETS</b>			
Interest accrued on deposits and advances	1.46	4.77	-
Security deposits	-	-	27.60
\	<u>1.46</u>	<u>4.77</u>	<u>27.60</u>

₹ in Lakhs

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>9 OTHER CURRENT ASSETS</b> (Unsecured and considered good)			
Advances to employees	0.40	13.09	2.46
Prepaid expenses	35.82	18.06	11.00
Balance with government authorities - Service tax credit receivable	842.70	536.65	763.33
Advances to vendors	45.92	6.69	44.43
	<u>924.84</u>	<u>574.49</u>	<u>821.22</u>

## Notes to the Financial Statements for the year ended 31 March, 2017

₹ in Lakhs

Particulars	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Number of Shares	₹ in Lakhs	Number of Shares	₹ in Lakhs	Number of Shares	₹ in Lakhs
<b>10 EQUITY SHARE CAPITAL</b>						
(a) <b>Authorised Share Capital:</b>						
Equity shares of Rs. 10 each	9,00,00,000	9,000.00	9,00,00,000	9,000.00	6,00,00,000	6,000.00
(b) <b>Issued, Subscribed and fully paid up</b>						
Equity shares of Re. 10 each fully paid up	5,14,34,139	5,143.41	4,96,15,958	4,961.60	4,96,15,958	4,961.60
<b>Total</b>	<b>5,14,34,139</b>	<b>5,143.41</b>	<b>4,96,15,958</b>	<b>4,961.60</b>	<b>4,96,15,958</b>	<b>4,961.60</b>

**10.1** The Company has only one class of equity share having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### 10.2 Details of shares held by the holding company:

Particulars	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Number of Shares	₹ in Lakhs	Number of Shares	₹ in Lakhs	Number of Shares	₹ in Lakhs
RVT Media Private Limited, the holding company	2,62,31,411	2,623.14	2,53,04,139	2,530.41	2,53,04,139	2,530.41
	<b>2,62,31,411</b>	<b>2,623.14</b>	<b>2,53,04,139</b>	<b>2,530.41</b>	<b>2,53,04,139</b>	<b>2,530.41</b>

### 10.3 Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Number of Shares	₹ in Lakhs	Number of Shares	₹ in Lakhs	Number of Shares	₹ in Lakhs
RVT Media Private Limited, the holding company	2,62,31,411	51.00	2,53,04,139	51.00	2,53,04,139	51.00
A&E Television Networks, LLC	2,52,02,728	49.00	2,43,11,819	49.00	2,43,11,819	49.00
	<b>5,14,34,139</b>	<b>100.00</b>	<b>4,96,15,958</b>	<b>100.00</b>	<b>4,96,15,958</b>	<b>100.00</b>

## Notes to the Financial Statements for the year ended 31 March, 2017

### 10.4 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Number of Shares	₹ in Lakhs	Number of Shares	₹ in Lakhs	Number of Shares	₹ in Lakhs
Equity Shares opening balance	4,96,15,958	4,961.60	4,96,15,958	4,961.60	4,82,68,466	4,826.85
Add : Shares issued during the year	18,18,181	181.81	-	-	13,47,492	134.75
Equity Shares closing balance	<u>5,14,34,139</u>	<u>5,143.41</u>	<u>4,96,15,958</u>	<u>4,961.60</u>	<u>4,96,15,958</u>	<u>4,961.60</u>

### 10.5 Rights Issue Note

On 2<sup>nd</sup> March 2017, the Board of Directors passed the resolution for right issue of 1,818,181 equity shares of face value of ₹ 10 each at a premium of ₹ 100 per equity share, aggregating to ₹ 2000 lakhs, to the existing equity shareholders of the Company. Such offer being valid for a period of 15days i.e., from April 1, 2017 to April 15, 2017, the details of which are as under:

Sr. No	Name of the Allottees	No. of Equity shares allotted	Issue Price (per share) (in ₹)	Total consideration (in ₹ Lakhs)
1	A&E Television Networks, LLC	8,90,909	110	980
2	RVT Media Private Limited	9,27,272	110	1,020
	TOTAL	<u>18,18,181</u>	<u>-</u>	<u>2,000</u>

₹ in Lakhs

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>11 OTHER EQUITY</b>			
<b>(a) Securities premium account</b>			
Opening balance	8,807.07	8,807.07	
Add: Received during the year	1,818.18	-	
	<u>10,625.26</u>	<u>8,807.07</u>	<u>8,807.07</u>
<b>(b) Retained Earnings</b>			
Opening balance	(10,483.81)	(10,572.86)	
Add : Profit/ (Loss) for the year	(2,586.08)	89.05	
	<u>(13,069.89)</u>	<u>(10,483.81)</u>	<u>(10,572.86)</u>
<b>(c) Other Comprehensive Income (OCI)</b>			
As per last Balance Sheet	(24.44)	-	
Add : Movement in OCI (Net) during the year	(9.12)	(24.44)	
	<u>(33.56)</u>	<u>(24.44)</u>	<u>-</u>
<b>Total Other Equity</b>	<u>(2,478.20)</u>	<u>(1,701.18)</u>	<u>(1,765.79)</u>

## Notes to the Financial Statements for the year ended 31 March, 2017

	₹ in Lakhs		
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>12 PROVISIONS</b>			
<b>Provision for employee benefits (See note 25)</b>			
Provision for compensated absences	16.52	11.28	9.79
Provision for gratuity	25.81	20.36	19.91
	<u>42.33</u>	<u>31.64</u>	<u>29.70</u>

	₹ in Lakhs		
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>13 TRADE PAYABLES</b>			
Micro, Small and Medium Enterprises	-	-	-
Others	2,866.50	3,329.20	2,988.80
	<u>2,866.50</u>	<u>3,329.20</u>	<u>2,988.80</u>

According to the records available with the Company, there were no dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 during the period. Hence disclosures, if any, relating to amounts unpaid as at the year end together with the interest paid / payable as required under the said Act have not been given.

**The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Principal amount due and remaining unpaid	-	-	-
Interest due on above and the unpaid interest	-	-	-
Interest paid	-	-	-
Payment made beyond the appointed day during the year	-	-	-
Interest due and payable for the period of delay	-	-	-
Interest accrued and remaining unpaid	-	-	-
Amount of further interest remaining due and payable in succeeding years	-	-	-

## Notes to the Financial Statements for the year ended 31 March, 2017

₹ in Lakhs

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>14 OTHER FINANCIAL LIABILITIES</b>			
Creditors for capital expenditure	1,140.84	495.66	565.05
	<b>1,140.84</b>	<b>495.66</b>	<b>565.05</b>

₹ in Lakhs

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>15 OTHER CURRENT LIABILITIES</b>			
Revenue received in advance (Unearned revenue)	100.12	44.82	53.37
Other payables			
i) Statutory dues	75.36	92.51	259.76
ii) Advances from customers	7.18	86.53	25.46
iii) Others	183.32	108.39	41.84
	<b>365.98</b>	<b>332.25</b>	<b>380.43</b>

₹ in Lakhs

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>16 PROVISIONS</b>			
<b>Provision for employee benefits (See note 25)</b>			
Provision for compensated absences	0.44	0.96	0.87
Provision for gratuity	0.61	0.63	0.56
	<b>1.05</b>	<b>1.59</b>	<b>1.43</b>

₹ in Lakhs

	2016-17	2015-16
<b>17 REVENUE FROM OPERATIONS</b>		
<b>Sale of services</b>		
i) Advertisement and subscription revenue	6,561.86	6,472.44
ii) Sale of content	15.93	2.31
iii) Mobile and Digital Revenue	34.96	16.79
	<b>6,612.75</b>	<b>6,491.54</b>



## Notes to the Financial Statements for the year ended 31 March, 2017

	₹ in Lakhs	
	2016-17	2015-16
<b>18 OTHER INCOME</b>		
Interest income on		
- Deposit accounts with banks	22.28	66.74
- Income tax refund	34.58	4.45
- Others	0.03	0.01
Dividend income	1.64	-
Net gain arising on sale of investment	43.44	-
Net gain arising on financial assets classified as at FVTPL	24.87	-
Liabilities / provisions no longer required written back	108.18	31.00
Miscellaneous income	-	0.10
	<u>235.01</u>	<u>102.30</u>
		₹ in Lakhs
	2016-17	2015-16
<b>19 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	1,212.98	899.78
Contribution to provident and other fund	53.11	36.13
Gratuity expense (Refer note 25.2)	10.11	6.63
Staff welfare expenses	28.79	91.87
	<u>1,304.98</u>	<u>1,034.41</u>
		₹ in Lakhs
	2016-17	2015-16
<b>20 FINANCE COSTS</b>		
Interest expense on		
- Others	0.01	0.01
Other borrowing costs	3.23	1.81
	<u>3.24</u>	<u>1.82</u>

## Notes to the Financial Statements for the year ended 31 March, 2017

	₹ in Lakhs	
	2016-17	2015-16
<b>21 OTHER EXPENSES</b>		
Studio and equipment hire charges	3.64	34.19
Telecast and uplinking fees	526.05	407.95
Content and franchise expenses	543.64	483.64
Media professional fees	235.74	103.22
Other production expenses	138.64	91.96
Net loss on foreign currency transactions and translations	16.92	46.86
<u>Repairs and maintenance</u>		
- Plant & Equipment	12.05	14.71
Electricity expenses	9.14	11.48
Insurance	19.98	11.59
Travelling and conveyance	141.37	109.67
Vehicle running and maintenance	37.33	37.10
Communication expenses	26.59	21.91
Legal and professional expenses (See note below)	43.52	68.66
Others Repairs	5.21	1.54
Rent including lease rentals	36.89	36.98
Directors sitting fees	1.11	1.70
Loss on fixed assets sold / scrapped / written off (net)	-	0.62
Bad debts and provision for doubtful trade and other receivable, loans and advances (net)	50.70	54.12
Other Establishment expenses	84.96	52.58
	<b>1,933.48</b>	<b>1,590.48</b>
<b>Note:</b>		
<b>Payments to the auditors comprises (net of service tax, where applicable):</b>		
<b>(a) To statutory auditors</b>		
For Statutory audit fees	12.00	12.00
For other services (including limited reviews, certifications)	9.25	9.25
Reimbursement of expenses	0.13	0.46
	<b>21.25</b>	<b>21.71</b>
<b>(b) To cost auditors for cost audit</b>	1.50	1.50
	<b>22.75</b>	<b>23.21</b>

## Notes to the Financial Statements for the year ended 31 March, 2017

	₹ in Lakhs	
	As at 31st March 2017	As at 31st March 2016
<b>22 CAPITAL COMMITMENTS</b>		
Estimated amount of contracts remaining to be executed		
Tangible assets	78.02	109.50
Intangible assets	415.00	80.00
	<u>493.03</u>	<u>189.50</u>

### 23 UNHEDGED FOREIGN CURRENCY EXPOSURE

The company does not use foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to firm commitments and forecasted transactions.

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Currency	Currency Foreign	₹ in Lakhs Value
Receivables as at 31st March 2017	USD	38,608	25.03
Receivables as at 31st March 2016	USD	35,765	23.72
Receivables as at 1st April 2015	USD	45,503	28.48
Payables as at 31st March 2017	USD	2,021,379	1,310.66
Payables as at 31st March 2016	USD	1,530,294	1,015.09
	EURO	17,578	13.25
Payables as at 1st April 2015	USD	1,158,423	725.06

### 24 SEGMENT INFORMATION

The Company is engaged in the business of broadcasting of television programmes primarily in India. Accordingly, the Company operates in a single operating and geographical segment as per Ind AS 108 "Operating Segments".

25 As per Indian Accounting Standard 19 "Employee benefits", the disclosures as defined are given below :

#### 25.1 DEFINED CONTRIBUTION PLANS

The Company's defined contribution plans are Provident fund, Employee State Insurance and Employees' pension scheme. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs.

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

	₹ in Lakhs	
Particulars	2016-17	2015-16
Employer's Contribution to Provident Fund	46.02	36.10

## Notes to the Financial Statements for the year ended 31 March, 2017

### 25.2 DEFINED BENEFIT PLANS

The Company provides gratuity (which is unfunded) as employee benefit schemes to its employees.

The following table sets out the status of the defined benefit scheme and the amount recognised in the financial statements:

#### i) Reconciliation of opening and closing balances of Defined Benefit Obligation:

Particulars	₹ in Lakhs	
	Gratuity (Unfunded)	
	2016-17	2015-16
Defined Benefit obligation at beginning of the year	20.99	20.48
Current Service Cost	8.43	4.99
Interest Cost	1.68	1.64
Actuarial (gain)/ loss arising on experience adjustment	9.12	24.44
Benefits paid	(13.79)	(30.56)
Defined Benefit obligation at year end	26.43	20.99

#### ii) Expenses recognised during the year:

Particulars	₹ in Lakhs	
	Gratuity (Unfunded)	
	2016-17	2015-16
<b>In Income Statement</b>		
Current Service Cost	8.43	4.99
Interest Cost	1.68	1.64
<b>Net Cost</b>	<b>10.11</b>	<b>6.63</b>
<b>In Other Comprehensive Income</b>		
Actuarial (gain)/ loss on defined benefit obligation	9.12	24.44
<b>Net (Income) /Expense recognized in OCI</b>	<b>9.12</b>	<b>24.44</b>

#### iii) Actuarial assumptions:

Particulars	₹ in Lakhs	
	Gratuity (Unfunded)	
	2016-17	2015-16
Mortality Table	IALM 2006-08	IALM 2006-08
Discount rate (per annum)	7.60%	8.00%
Rate of escalation in salary (per annum)	5.50%	5.50%

The discount rate is based on the prevailing market yields of Government of India Bonds as at the Balance Sheet date for the estimated term of the obligations.

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

## Notes to the Financial Statements for the year ended 31 March, 2017

### iv) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Particulars	₹ in Lakhs	
	Gratuity (Unfunded) As at 31st March	
	2017	2016
<b>a) Impact of the change in discount rate</b>		
Present value of obligation at the end of the period	26.43	20.99
i) Impact due to increase of 0.50%	(2.07)	(1.59)
ii) Impact due to decrease of 0.50%	2.29	1.75
<b>b) Impact of the change in salary increase</b>		
Present value of obligation at the end of the period	26.43	20.99
i) Impact due to increase of 0.50%	2.33	1.79
ii) Impact due to decrease of 0.50%	(2.11)	(1.63)

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

- (A) Investment risk – The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds; if the return on plan asset is below this rate, it will create a plan deficit.
- (B) Interest risk - A decrease in the discount rate will increase the plan liability.
- (C) Longevity risk – The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
- (D) Salary risk – The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

### 26 As per Ind AS 24, the disclosures of transactions with the related parties are given below:

- (i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

#### Sr. No. Name of the Related Party

Enterprises exercising control	
1	RVT Media Private Limited (Immediate Holding Company)
2	TV18 Broadcast Limited (Holding Company of RVT Media Private Limited)
3	Independent Media Trust
4	Adventure Marketing Private Limited #
5	Watermark Infratech Private Limited #
6	Colorful Media Private Limited #
7	RB Media Holdings Private Limited #
8	RB Mediasoft Private Limited #
9	RRB Mediasoft Private Limited #
10	RB Holdings Private Limited #
11	Network18 Media & Investments Limited
12	Teesta Retail Private Limited #

## Notes to the Financial Statements for the year ended 31 March, 2017

Sr. No.	Name of the Related Party
	<b>Beneficiary/ Protector of Independent Media Trust</b> §
13	Reliance Industries Limited
14	Reliance Industrial Investments and Holdings Limited
	<b>Company exercising significant influence</b>
15	A&E Television Networks, LLC, joint venture partner
	<b>Fellow subsidiaries</b>
16	Digital18 Media Limited
17	TV18 Home Shopping Network Limited
18	Panorama Television Private Limited
	<b>Joint Venture of TV18 Broadcast Limited</b>
19	Viacom18 Media Private Limited
20	Prism TV Privated Limited (merged with Viacom 18 Media Pvt. Ltd. w.e.f. April 1, 2015)
21	Indiacast Media Distribution Pvt Ltd
22	Indiacast Distribution Pvt Ltd (merged with Indiacast Media Distribution Pvt. Ltd. (w.e.f. April 1, 2015))

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

§ Entities exercising control

₹ in Lakhs

Particulars	Enterprises exercising control	Company exercising significant influence	Fellow Subsidiaries	JV of TV18 Broadcast Limited
<b>(ii) Transactions during the year with related parties:</b>				
<b>1 Purchase of Intangible assets</b>				
A&E Television Networks, LLC	-	680.10	-	-
	(-)	(521.98)	(-)	(-)
<b>Total</b>	<b>-</b>	<b>680.10</b>	<b>-</b>	<b>-</b>
	(-)	(521.98)	(-)	(-)
<b>2 Content and franchise expense</b>				
A&E Television Networks, LLC	-	535.29	-	-
	(-)	(479.11)	(-)	(-)
<b>3 Telecast and Uplinking Fees</b>				
TV18 Broadcast Limited	144.04	-	-	-
	(72.00)	(-)	(-)	(-)
<b>4 Distribution expense</b>				
TV18 Broadcast Limited	290.67	-	-	-
	(209.33)	(-)	(-)	(-)
Indiacast Distribution Pvt Ltd	-	-	-	52.54
	(-)	(-)	(-)	(28.85)
<b>Total</b>	<b>434.71</b>	<b>535.29</b>	<b>(-)</b>	<b>52.54</b>
	(281.33)	(479.11)	(-)	(28.85)

## Notes to the Financial Statements for the year ended 31 March, 2017

₹ in Lakhs				
Particulars	Enterprises exercising control	Company exercising significant influence	Fellow Subsidiaries	JV of TV18 Broadcast Limited
<b>5 Advertisement expenses</b>				
i Panorama Television Private Limited	-	-	3.26	-
	(-)	(-)	(-)	(-)
ii TV18 Broadcast Limited	13.83	-	-	-
	(-)	(-)	(-)	(-)
iii Viacom18 Media Private Limited	-	-	-	112.14
	(-)	(-)	(-)	(1.30)
<b>Total</b>	<b>13.83</b>	<b>-</b>	<b>3.26</b>	<b>112.14</b>
	(-)	(-)	(-)	(1.30)
<b>6 Reimbursement of expenses to</b>				
i Network18 Media & Investments Limited	3.60	-	-	-
	(24.25)	(-)	(-)	(-)
ii TV18 Broadcast Limited	641.20	-	-	-
	(736.03)	(-)	(-)	(-)
iii Viacom18 Media Private Limited	-	-	-	12.90
	(-)	(-)	(-)	(-)
iv Indiacast Media Distribution Pvt. Ltd.	-	-	-	3,502.71
	(-)	(-)	(-)	(1,922.33)
<b>Total</b>	<b>644.80</b>	<b>-</b>	<b>-</b>	<b>3,515.61</b>
	(760.28)	(-)	(-)	(1,922.33)
<b>7 Recovery of cost / advances from</b>				
A&E Television Networks, LLC	-	2.03	-	-
	(-)	(-)	(-)	(-)
<b>Total</b>	<b>-</b>	<b>2.03</b>	<b>-</b>	<b>-</b>
	(-)	(-)	(-)	(-)
<b>8 Income from operations</b>				
i TV18 Broadcast Limited	3,600.39	-	-	-
	(3,131.16)	-	-	-
ii Viacom18 Media Private Limited	-	-	-	16.44
	(-)	(-)	(-)	(1.90)
iii Indiacast Media Distribution Pvt Ltd	-	-	-	102.29
	(-)	(-)	(-)	(46.49)
<b>Total</b>	<b>3,600.39</b>	<b>-</b>	<b>-</b>	<b>118.73</b>
	(3,131.16)	(-)	(-)	(56.62)
<b>9 Advertisement revenue barter</b>				
Viacom18 Media Private Limited	-	-	-	2.84
	(-)	(-)	(-)	(-)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.84</b>
	(-)	(-)	(-)	(-)
<b>10 Receiving of services</b>				
i TV18 Broadcast Limited	-	-	-	-
	(12.42)	(-)	(-)	(-)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	(12.42)	(-)	(-)	(-)

## Notes to the Financial Statements for the year ended 31 March, 2017

### (iii) Balance outstanding with related parties at year end

₹ in Lakhs			
Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>1 Trade receivables</b>			
i A&E Television Networks, LLC	2.33	-	-
ii TV18 Broadcast Limited	297.81	2,293.47	2,309.25
iii TV18 Home Shopping Network Limited	13.94	13.94	13.94
iv Viacom18 Media Private Limited	8.54	11.35	-
v Digital18 Media Limited	-	-	4.43
vi Indiacast Media Distribution Pvt Ltd	42.87	25.17	37.25
<b>Total</b>	<b>365.49</b>	<b>2,343.93</b>	<b>2,364.87</b>
<b>2 Trade payables</b>			
i Network18 Media & Investments Limited	1.76	2.01	-
ii TV18 Broadcast Limited	388.87	110.67	628.52
iii A&E Television Networks, LLC	1,136.01	818.01	582.03
iv Panorama Television Pvt Ltd	2.94	-	-
v Viacom18 Media Private Limited	88.72	66.33	9.20
vi Digital18 Media Limited	-	-	4.16
vii Indiacast Media Distribution Pvt Ltd	1,476.49	2,215.43	1,830.76
<b>Total</b>	<b>3,094.79</b>	<b>3,212.45</b>	<b>3,054.67</b>
<b>3 Security Deposit</b>			
i TV18 Broadcast Limited	22.55	20.18	20.18
<b>4 Advance from Customers</b>			
i Indiacast Media Distribution Pvt. Ltd.	-	11.60	-
<b>5 Share Capital</b>			
i RVT Media Private Limited			
Opening	2,530.41	2,530.41	2,461.69
Add: Issued during the year	92.73	-	68.72
<b>Closing</b>	<b>2,623.14</b>	<b>2,530.41</b>	<b>2,530.41</b>
ii A&E Television Networks, LLC			
Opening	2,431.18	2,431.18	2,365.15
Add: Issued during the year	89.09	-	66.03
<b>Closing</b>	<b>2,520.27</b>	<b>2,431.18</b>	<b>2,431.18</b>
<b>Total</b>	<b>5,143.41</b>	<b>4,961.59</b>	<b>4,961.59</b>

c. There is no provisions for doubtful debts or amount written off / written back in respect of dues from / to related parties

Note: Figures in bracket relate to previous year



## Notes to the Financial Statements for the year ended 31 March, 2017

### 27 Earnings Per Share (EPS) ₹ in Lakhs

Particulars	2016-17	2015-16
a. Net Profit /(Loss) after tax as per Statement of Profit and Loss ( ₹ In Lakh)	(2,586.08)	89.05
b. Weighted average number of equity shares used as denominator for calculating basic and diluted EPS	50,309,332	49,615,958
c. Basic and Diluted Earnings per share ( ₹)	(5.14)	0.18
d. Face value per equity share	10.00	10.00

### 28 Barter Transactions

During the current year, the Company has entered into barter transactions, which were recorded at the contract price of consideration receivable. The Statement of Profit and Loss for the year ended 31st March, 2017, reflects revenue from barter transactions of ₹ 2.84 Lakh, (Previous year NIL) being the contract price of barter transactions provided.

29 The accounts of the Company have been prepared on the basis that the Company is a going concern. However, having regard to the fact that the net worth of the Company has been significantly eroded due to accumulated losses, the ability of the Company to continue as a going concern is significantly dependent on the improvement of the Company's future operations & profitability and continued financial support from the Shareholders. The Shareholders have confirmed to provide such financial support as and when a need arises. The accounts do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

### 30 Operating Lease

The Company has taken office premises on operating lease, which are cancellable in nature. Operating lease charges amounting to ₹ 36.89 Lakh (Previous year: ₹ 36.98 Lakh) have been debited to the Statement of Profit and Loss during the year.

### 31 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. Since the law requires such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation of domestic and international transactions with the associated enterprises during the financial year and expects such records to be in existence latest by the due date under the Income Tax Act, 1961. The management is of the opinion that its domestic and international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

### 32 Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 is as under:

Particulars	Amount in Rs.		
	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08/11/2016	10,000.00	2,371.00	12,371.00
(+) Permitted receipts	-	25,000.00	25,000.00
(-) Permitted payments	-	14,616.00	14,616.00
(-) Amount deposited in Banks	10,000.00	4,000.00	14,000.00
<b>Closing cash in hand as on 30/12/2016</b>	<b>-</b>	<b>8,755.00</b>	<b>8,755.00</b>

## Notes to the Financial Statements for the year ended 31 March, 2017

### 33 Non Current Tax Assets (Net)

₹ in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
At start of year	634.11	371.73
Tax Paid during the year (Net)	55.67	262.38
At the end of the year	689.79	634.11

The company has dererred tax assets comprising of business losses & tax disallowances and deferred tax liability towards depreciation on difference. The company has not recognised deferred tax assets (net) considering the requirement of resonable/ virtual certainty as given by IND AS.

### 34 First time Ind AS adoption reconciliations

#### 34.1 Effect of Ind AS adoption on the Balance Sheet as at 31st March, 2016 and 1st April, 2015

₹ in Lakhs

	As at 31st March 2016			As at 1st April 2015		
	Previous GAAP	Effect of transition	As per Ind AS	Previous GAAP	Effect of transition	As per Ind AS
<b>Assets</b>						
<b>Non-current assets</b>						
Property, Plant and Equipment	213.27	-	213.27	238.78	-	238.78
Intangible assets	1,266.38	-	1,266.38	1,457.25	-	1,457.25
Intangible assets under development	343.26	-	343.26	243.19	-	243.19
<b>Financial Assets</b>						
Other financial assets	20.18	-	20.18	20.18	-	20.18
Other non- current assets	672.67	-	672.67	418.24	-	418.24
	2,515.76	-	2,515.76	2,377.64	-	2,377.64
<b>Current assets</b>						
<b>Financial Assets</b>						
Trade receivables	2,904.28	-	2,904.28	3,293.13	-	3,293.13
Cash and cash equivalents	1,451.46	-	1,451.46	641.63	-	641.63
Loans	-	-	-	27.60	-	27.60
Other financial assets	4.77	-	4.77	-	-	-
Other Current Assets	574.49	-	574.49	821.22	-	821.22
	4,935.00	-	4,935.00	4,783.58	-	4,783.58
<b>Total Assets</b>	<b>7,450.76</b>	<b>-</b>	<b>7,450.76</b>	<b>7,161.22</b>	<b>-</b>	<b>7,161.22</b>

## Notes to the Financial Statements for the year ended 31 March, 2017

₹ in Lakhs

	As at 31st March 2016			As at 1st April 2015		
	Previous GAAP	Effect of transition	As per Ind AS	Previous GAAP	Effect of transition	As per Ind AS
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Equity Share capital	4,961.60	-	4,961.60	4,961.60	-	4,961.60
Other Equity	(1,701.18)	-	(1,701.18)	(1,765.79)	-	(1,765.79)
<b>Total equity attributable to owners of the company</b>	<b>3,260.42</b>	<b>-</b>	<b>3,260.42</b>	<b>3,195.81</b>	<b>-</b>	<b>3,195.81</b>
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
Provisions	31.64	-	31.64	29.70	-	29.70
	31.64	-	31.64	29.70	-	29.70
<b>Current liabilities</b>						
<b>Financial Liabilities</b>						
Trade payables	3,329.20	-	3,329.20	2,988.80	-	2,988.80
Other financial liabilities	495.66	-	495.66	565.05	-	565.05
Other Current liabilities	332.25	-	332.25	380.43	-	380.43
Provisions	1.59	-	1.59	1.43	-	1.43
	4,158.70	-	4,158.70	3,935.71	-	3,935.71
<b>Total equity and liabilities</b>	<b>7,450.76</b>	<b>-</b>	<b>7,450.76</b>	<b>7,161.22</b>	<b>-</b>	<b>7,161.22</b>

### 34.2 Reconciliation of Reserve between IndAS and Previous GAAP

₹ in Lakhs

Nature of adjustments	2015-16
<b>Net Profit as per Previous Indian GAAP</b>	<b>64.61</b>
Remeasurements of the defined benefit plans	24.44
<b>Net profit before OCI as per Ind AS</b>	<b>89.05</b>

Notes:

Remeasurements of the defined benefit plans:

Remeasurement i.e actuarial gains and loss on gratuity are recognised in other comprehensive income instead of profit and loss. Under the previous GAAP, these remeasurement were forming part of the profit and loss for the year.

## Notes to the Financial Statements for the year ended 31 March, 2017

### 34.3 Effect of Ind AS adoption on the statement of profit and loss for the year ended 31st March, 2016

₹ in Lakhs

	For the year ended 31st March,2016		
	As per Previous GAAP	Effect of transition to Ind AS	As per Ind AS
<b>INCOME</b>			
<b>Revenue from operations</b>			
Sale of Products			
Income from Services	6,491.54	-	6,491.54
Other Income	102.30	-	102.30
<b>Total Revenue</b>	<b>6,593.84</b>	<b>-</b>	<b>6,593.84</b>
<b>EXPENDITURE</b>			
Employee benefits expense	1,058.85	(24.44)	1,034.41
Marketing, distribution and promotional expenses	2,590.85	-	2,590.85
Finance costs	1.82	-	1.82
Depreciation and amortisation expense	1,287.23	-	1,287.23
Other expenses	1,590.48	-	1,590.48
<b>Total Expenses</b>	<b>6,529.23</b>	<b>(24.44)</b>	<b>6,504.79</b>
<b>Profit for the Year</b>	<b>64.61</b>	<b>24.44</b>	<b>89.05</b>

34.4 There are no material adjustment to the Statement of Cash Flow as reported under previous GAAP.

### 35 Financial Risk Management

The Company's activities exposes it mainly to credit risk and liquidity risk, The treasury team identifies and evaluates financial risk in close coordination with the Company's business teams. The Board provides guidance for overall risk-management, as well as policies covering specific areas such as credit risk, liquidity risk and investment of excess liquidity.

#### (a) Credit risk

Credit risk is the risk that customers or counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities and other financial instruments.

Customer credit risk is managed by each business team subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customers is assessed based on an extensive credit rating score card and individual credit limits are defined in accordance with this assessment. Outstanding customers receivables are regularly monitored.

An impairment analysis is performed at each reporting date for major customers. Receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company evaluates the concentration of risk with respect to receivables as low.

#### (b) Liquidity Risk

The Company closely monitors its risk of shortage of funds. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of term loans, commercial papers and cash credit/ overdrafts from banks. The Company assessed the concentration of risk with respect to its debt as low. As at reporting date, the Company does not have any term loan and all other financial liabilities of the Company are short term. Further, the Company believes that carrying value of all of its financial liabilities including debt approximates its fair value.

## Notes to the Financial Statements for the year ended 31 March, 2017

### 36 Fair Valuation Measurements

₹ in lakh

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Carrying Amount	Level of input used in Level 1    Level 2	Carrying Amount	Level of input used in Level 1    Level 2	Carrying Amount	Level of input used in Level 1    Level 2
<b>Financial Assets</b>						
<b>At Amortised Cost</b>						
Trade Receivables	1,137.29		2,904.28		3,293.13	
Cash and Bank Balances	226.90		1,451.46		641.63	
Loans	0.12		-		-	
Other Financial Assets	1.46		4.77		27.60	
<b>AT FVTPL</b>						
Investments	680.33	680.33	-		-	
<b>Financial Liabilities</b>						
<b>At Amortised Cost</b>						
Trade Payables	2,866.50		3,329.20		2,988.80	
Other Financial Liabilities	1,140.84		495.66		565.05	

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three level

Level 1: Inputs are Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs are other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

### 37 Events after the reporting period

There were no events after the reporting period which requires adjustments or disclosure to the financial statements, except in respect of Right issue of Equity shares subscribed by the equity shareholders on 15<sup>th</sup> April, 2017 (Refer note 10.5.)

### 38 Approval of Financial Statements

The Financials Statements were approved for issue by the Board of Directors on 15th April 2017.

As per our Report of even date

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Abhijit A. Damle**  
Partner

Place: Mumbai  
Date: 15th April 2017

For and on behalf of the Board of Directors

**Kshipra Jatana**  
Director

Place: Noida  
Date: 15th April 2017

**Gagan Kumar**  
Director

**Pumit Kumar Chellaramani**  
Company Secretary