

**GREYCELLS18 MEDIA LIMITED**  
**ANNUAL ACCOUNTS - FY : 2016-17**

## Independent Auditor's Report

### TO THE MEMBERS OF GREYCELLS18 MEDIA LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of GREYCELLS18 MEDIA LIMITED ('the Company'), which comprise the Balance Sheet as at 31 March 2017, 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (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') specified 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

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

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 these financial statements are free from material misstatement.

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

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2017, and its profit/loss (financial performance including other comprehensive income), 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 the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - 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 financial statements dealt with by this report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the Company 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".
  - g. With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (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 material foreseeable losses on long term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The company, as detailed in Note 7 to the financial statements, has made requisite disclosures in these financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the company.

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

**Ankush Jain**  
Partner  
Membership No. 540194

Place: New Delhi  
Date: 15-Apr-17

## Annexure to the Independent Auditor's Report

### To the Members of Greycells18 Media Limited

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2017.

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

**(i) Fixed assets:**

- (a)** The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b)** As explained to us, fixed assets have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c)** The Company does not have any immovable properties. Accordingly, the provision of clause 3 (i) (c) of the Order is not applicable to the Company.

**(ii) Inventories:**

- (a)** The Company does not have any inventory at any time during the year. Accordingly, the provisions of clause 3 (ii) of the Order are not applicable to the Company.

**(iii) Granting of loans to certain parties:**

- (a)** According to the information and explanation given to us, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered by Section 2(76) of the Companies Act, 2013; and therefore clause 3(iii) of the Order is not applicable.

**(iv) Loans and investments:**

- (a)** According to the information and explanation given to us, the Company has not made any loan, investment, and guarantees to any person specified under section 185 and section 186 of the Companies Act, 2013; and therefore clause 3(iv) of the Order is not applicable.

**(v) Acceptance of Deposits:**

- (a)** In our opinion and according to the information and explanation given to us, the Company has not received any public deposits during the year.

**(vi) Maintenance of cost records:**

- (a)** According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.

**(vii) Deposit of statutory dues:**

- (a)** According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, employees state insurance (ESI), Investor Education and Protection Fund, Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Sales Tax, value added tax (VAT), Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities.
- (b)** According to the information and explanations given to us, there are no dues in respect of Income-tax, Custom Duty, Excise Duty, sales tax, VAT, Cess and other material statutory dues that have not been deposited with the appropriate authorities on account of any dispute.

(viii) *Default in repayment of dues:*

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

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

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

(x) *Fraud reporting:*

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

(xi) *Managerial remuneration:*

- (a) The Company has not paid any managerial remuneration. Accordingly, the provisions of clause 3(xi) of the Order are not applicable

(xii) *Nidhi Company:*

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

(xiii) *Related party transactions:*

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

(xiv) *Preferential allotment/private placement:*

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

(xv) *Non-cash transactions:*

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

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

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

**Ankush Jain**  
Partner  
Membership No: 540194

Place: New Delhi  
Date: 15-Apr-17

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

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

We have audited the internal financial controls over financial reporting of Greycells18 Media Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditors’ Responsibility**

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

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

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

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

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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 **Mohan L. Jain & Co.**  
Chartered Accountants  
Firm Registration No: 005345N

**Ankush Jain**  
Partner  
Membership No: 540194

Place: New Delhi  
Date: 15-Apr-17

## Balance Sheet as at 31st March, 2017

₹ in Lakh

	Note No.	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1	21.11	29.91	28.70
Intangible assets	2	53.04	89.27	57.70
Intangible assets under development	2	0.16	-	-
Financial assets				
- Other financial assets	3	-	-	0.84
Other non-current assets	4	105.37	119.00	129.32
<b>Current assets</b>				
Financial assets				
- Investments	5	-	-	48.35
- Trade receivables	6	183.23	93.44	141.03
- Cash and cash equivalents	7	13.79	40.21	19.49
- Other financial assets	8	51.00	62.25	51.70
Other current assets	9	165.18	166.51	160.98
<b>Total Assets</b>		<b>592.88</b>	<b>600.59</b>	<b>638.11</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	10	1,163.80	1,163.80	1,163.80
Other Equity	11	(2,076.26)	(1,692.50)	(1,075.08)
<b>Non-current liabilities</b>				
Provisions	12	13.53	12.92	11.42
<b>Current liabilities</b>				
Financial Liabilities				
- Borrowings	13	740.00	705.00	100.00
- Trade payables	14	578.25	287.49	371.01
- Other financial liabilities	15	115.33	35.71	1.59
Other current liabilities	16	58.04	87.94	65.15
Provisions	17	0.19	0.23	0.22
<b>Total Equity and Liabilities</b>		<b>592.88</b>	<b>600.59</b>	<b>638.11</b>

Significant Accounting Policies

See accompanying Notes to the Financial Statements 1 to 28

As per our Report of even date

**For Mohan L. Jain & Co.**

Chartered Accountants

Firm Registration No. 005345N

**Ankush Jain**

Partner

Membership No. 540194

Place: New Delhi

Date : 15-Apr-17

**For and on behalf of the Board of Directors****Kshipra Jatana**

Director

Place: Noida

Date : 15-Apr-17

**Gagan Kumar**

Director



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

		₹ in Lakh	
	Note No.	2016-17	2015-16
<b>I. Income</b>			
Revenue from operations	18	596.25	380.01
Other income	19	14.56	10.84
<b>Total Income</b>		<b>610.81</b>	<b>390.85</b>
<b>II. Expenses</b>			
Employee benefits expense	20	411.77	411.99
Finance costs	21	88.52	37.92
Depreciation and amortisation expense		61.94	60.45
Other expenses	22	435.05	499.80
<b>Total Expenses</b>		<b>997.26</b>	<b>1,010.16</b>
<b>III. Loss before tax (I-II)</b>		<b>(386.47)</b>	<b>(619.31)</b>
<b>IV. Tax expense</b>			
Current tax	26	-	-
Deferred tax	26	-	-
<b>Total Tax expense</b>		<b>-</b>	<b>-</b>
<b>V. Loss for the year (III-IV)</b>		<b>(386.47)</b>	<b>(619.31)</b>
<b>VI Other Comprehensive Income</b>			
– Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		2.71	1.89
<b>VII Total comprehensive income for the year (V + VI)</b>		<b>(383.76)</b>	<b>(617.42)</b>
<b>VIII Earnings per equity share of face value of ₹ 10 each</b>			
Basic and diluted (in ₹)	24	(3.32)	(5.32)

Significant Accounting Policies

See accompanying notes to the Financial Statements 1 to 28

As per our Report of even date

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

**Ankush Jain**  
Partner  
Membership No. 540194

Place: New Delhi  
Date : 15-Apr-17

**For and on behalf of the Board of Directors**

**Kshipra Jatana**  
Director

Place: Noida  
Date : 15-Apr-17

**Gagan Kumar**  
Director

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

### A. Equity Share Capital

₹ in Lakh

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
1,163.80	-	1,163.80	-	1,163.80

### B. Other Equity

₹ in Lakh

Particulars	Reserves and Surplus		Remeasurements of the defined benefit plans	Total
	Securities premium account	Retained Earnings		
<b>As on 31st March 2016</b>				
<b>Balance at the beginning of 1st April 2015</b>	3,890.73	(4,965.81)	-	<b>(1,075.08)</b>
Total Comprehensive Income for the year	-	(619.31)	1.89	<b>(617.42)</b>
<b>Balance at the end of 31st March 2016</b>	<b>3,890.73</b>	<b>(5,585.12)</b>	<b>1.89</b>	<b>(1,692.50)</b>
<b>As on 31st March 2017</b>				
<b>Balance at the beginning of the reporting period i.e. 1st April 2016</b>	3,890.73	(5,585.12)	1.89	<b>(1,692.50)</b>
Total Comprehensive Income for the year	-	(386.47)	2.71	<b>(383.76)</b>
<b>Balance at the end of the reporting period i.e. 31st March 2017</b>	<b>3,890.73</b>	<b>(5,971.59)</b>	<b>4.60</b>	<b>(2,076.26)</b>

As per our Report of even date

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

**Ankush Jain**  
Partner  
Membership No. 540194

Place: New Delhi  
Date : 15-Apr-17

For and on behalf of the Board of Directors

**Kshipra Jatana**  
Director

Place: Noida  
Date : 15-Apr-17

**Gagan Kumar**  
Director

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

Particulars	₹ in Lakh	
	2016-17	2015-16
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before tax	(386.47)	(619.31)
Adjusted for:		
Depreciation / Amortisation expense	61.94	60.45
Dividend income	-	(1.03)
Interest income	(0.88)	(0.41)
Sundry balances written off	-	4.02
<b>Operating loss before working capital changes</b>	<b>(325.41)</b>	<b>(556.28)</b>
Adjusted for:		
Trade and other receivables	(85.49)	16.94
Trade and other payables	343.76	(23.21)
<b>Cash used in operations</b>	<b>(67.14)</b>	<b>(562.55)</b>
Taxes paid (net)	21.91	21.70
<b>Net cash used in Operating Activities</b>	<b>(45.23)</b>	<b>(540.85)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for Property, Plant and Equipment (PPE)	(17.15)	(93.23)
Purchase of investments	-	(128.24)
Proceeds from disposal of PPE	0.08	-
Proceeds from sale of investments	-	176.59
Dividend received	-	1.03
Interest received	0.88	0.41
<b>Net cash used in Investing Activities</b>	<b>(16.19)</b>	<b>(43.44)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from current borrowings	35.00	605.00
<b>Net cash flow from Financing Activities</b>	<b>35.00</b>	<b>605.00</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(26.42)</b>	<b>20.72</b>
Cash and cash equivalents as at the beginning of the year	40.21	19.49
<b>Cash and cash equivalents as at the end of the year</b>	<b>13.79</b>	<b>40.21</b>
(Refer Note No. 7)		

As per our Report of even date

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

**Ankush Jain**  
Partner  
Membership No. 540194

Place: New Delhi  
Date : 15-Apr-17

**For and on behalf of the Board of Directors**

**Kshipra Jatana**  
Director

Place: Noida  
Date : 15-Apr-17

**Gagan Kumar**  
Director

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

### A CORPORATE INFORMATION

Greycells18 Media Limited (“the Company”) is a company incorporated in India. The address of its registered office and principal place of business is First floor, 414, Empire complex, Senapati Bapat Marg, Lower Parel, Mumbai - 400013.

The principal activity of the company is providing education through TV channel and Electronic Media.

### 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 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 and as covered by Ind AS 101 - First time adoption of Indian Accounting Standards.

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) 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.

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.

##### (c) Intangible assets:

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation and impairment loss, if any. The cost comprises 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.

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.

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

The cost of intangible asset is amortized over a period of its useful life from the date of its acquisition.

Computer software is being depreciated over a period of 5 years.

**(d) Borrowings 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**

At each Balance Sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit and Loss.

**(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.

**(g) Employee Benefits**

**(i) 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.

**(ii) 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.

**(iii) 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. 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 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) Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or 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.

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

### 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 profit or 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.

### (j) **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue is recognised only if following condition are satisfied:

- The Company has transferred risks and rewards incidental to ownership to the customer;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold or services rendered;
- It is probable that the economic benefit associated with the transaction will flow to the Company; and
- it can be reliably measured and it is reasonable to expect ultimate collection

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.

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 and subscription revenue from providing education through TV channel and Electronic Media

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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

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

### (k) Financial instruments

#### (I) Financial Assets

##### 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. Regular way purchase and sale of financial assets are recognised using trade date accounting.

##### Subsequent measurement:

#### i) 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.

#### ii) 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.

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

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

##### Impairment of financial assets

The Company assesses impairment based on expected credit loss (ECL) model to the following:

- a) Financial assets at amortised cost
- b) Financial assets measured at fair value through Other Comprehensive income

The Company follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses historical loss experience to determine the impairment loss allowance on the portfolio of trade receivables. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

#### (II) Financial liabilities

##### Initial recognition and measurement:

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

##### Subsequent measurement:

Financial liabilities are subsequently 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.

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

### 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.

#### i) Estimated useful lives of tangible 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.

#### ii) 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.

#### iii) 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. There are no adjustments on translation of the financial results in accordance with Ind AS from the previous Indian GAAP for the corresponding period ended 31st March, 2016 and opening balance as at 1st April, 2015.

#### Exemptions from retrospective application:

##### i) 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.

##### ii) Leases exemption:

The Company do not have any arrangements containing a lease as defined under Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, as of the transition date and hence this exemption is not applicable to us.



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

₹ in Lakh

### 1 Property, Plant & Equipment

	Plant & Equipments	Furniture & Fixtures	Computer Hardware	Office equipments	Vehicles	Total
<b>Gross Block</b>						
<b>Balance as at 1st April 2015</b>	38.54	17.33	60.26	1.22	3.81	121.16
Additions	-	-	16.40	-	-	16.40
Deductions / adjustments	-	-	-	-	-	-
<b>Balance as at 31st March 2016</b>	38.54	17.33	76.66	1.22	3.81	137.56
Additions	6.23	-	1.23	0.03	-	7.49
Deductions / adjustments	-	-	0.44	-	-	0.44
<b>Balance as at 31st March 2017</b>	44.77	17.33	77.45	1.25	3.81	144.61
<b>Accumulated Depreciation</b>						
<b>Balance as at 1st April 2015</b>	33.00	13.59	41.15	0.91	3.81	92.46
Charge for the year	0.73	0.54	13.85	0.07	-	15.19
Deductions / adjustments	-	-	-	-	-	-
<b>Balance as at 31st March 2016</b>	33.73	14.13	55.00	0.98	3.81	107.65
Charge for the year	0.79	0.54	14.81	0.07	-	16.21
Deductions / adjustments	-	-	0.36	-	-	0.36
<b>Balance as at 31st March 2017</b>	34.52	14.67	69.45	1.05	3.81	123.50
<b>Net Block</b>						
<b>Balance as at 1st April 2015</b>	5.54	3.74	19.11	0.31	0.00	28.70
<b>Balance as at 31st March 2016</b>	4.81	3.20	21.66	0.24	0.00	29.91
<b>Balance as at 31st March 2017</b>	10.25	2.66	8.00	0.20	0.00	21.11

### 2 Intangible assets

₹ in Lakh

	Web Site	Syndicated Programmes	Computer softwares	Episode Tape	Web Live Classes	Total
<b>Gross block</b>						
<b>Balance as at 1st April 2015</b>	15.60	23.79	13.45	97.25	-	150.09
Additions	-	5.00	2.67	69.16	-	76.83
Deductions / adjustments	-	-	-	-	-	-
<b>Balance as at 31st March 2016</b>	15.60	28.79	16.12	166.41	-	226.92
Additions	0.12	-	2.59	0.91	5.88	9.50
Deductions / adjustments	-	-	-	-	-	-
<b>Balance as at 31st March 2017</b>	15.72	28.79	18.71	167.32	5.88	236.42
<b>Accumulated amortisation</b>						
<b>Balance as at 1 April 2015</b>	11.04	12.81	11.73	56.81	-	92.39
Charge for the year	2.54	6.01	1.07	35.64	-	45.26
<b>Balance as at 31st March 2016</b>	13.58	18.82	12.80	92.45	-	137.65
Charge for the year	1.98	5.68	1.61	35.43	1.03	45.73
<b>Balance as at 31st March 2017</b>	15.56	24.50	14.41	127.88	1.03	183.38
<b>Net Block</b>						

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

₹ in Lakh

	Web Site	Syndicated Programmes	Computer softwares	Episode Tape	Web Live Classes	Total
Balance as at 1st April 2015	4.56	10.98	1.72	40.44	-	57.70
Balance as at 31st March 2016	2.02	9.97	3.32	73.96	-	89.27
Balance as at 31st March 2017	0.16	4.29	4.30	39.44	4.85	53.04
<b>2 Intangible assets under development</b>						
Balance as at 1st April 2015	-	-	-	-	-	-
Balance as at 31st March 2016	-	-	-	-	-	-
Balance as at 31st March 2017	0.16	-	-	-	-	0.16

₹ in Lakh

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>3 Other financial assets (Unsecured and considered good)</b>			
Security Deposit	-	-	0.84
<b>Total</b>	<u>-</u>	<u>-</u>	<u>0.84</u>

₹ in Lakh

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>4 Other non-current assets (Unsecured and considered good)</b>			
Advance income tax (net of provision)	105.37	119.00	129.32
<b>Total</b>	<u>105.37</u>	<u>119.00</u>	<u>129.32</u>

₹ in Lakh

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>5 Investments</b>			
<b>Investments carried at cost</b>			
<b>In Mutual Fund- Unquoted</b>			
HDFC Liquid Fund - Dividend Reinvestment Plan	-	-	48.35
<b>Total</b>	<u>-</u>	<u>-</u>	<u>48.35</u>
<b>Aggregate amount of unquoted investments</b>	<u>-</u>	<u>-</u>	<u>48.35</u>

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

₹ in Lakh			
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>6 Trade receivables (Unsecured and considered good)</b>			
Trade Receivables	183.23	93.44	141.03
<b>Total</b>	<b>183.23</b>	<b>93.44</b>	<b>141.03</b>

₹ in Lakh			
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>7 Cash and cash equivalents</b>			
Cash on hand [refer note (b) below]	-	0.32	0.40
Balance with banks			
– in current accounts	12.42	38.89	18.09
– in deposit accounts [refer note (a) below]	1.37	1.00	1.00
<b>Total</b>	<b>13.79</b>	<b>40.21</b>	<b>19.49</b>

**Notes:**

- (a) Deposits are given as lien to sales tax authorities  
 (b) Details of specified Bank Note (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 is as under.

Amount in ₹			
Particulars	SBNs	Other Denomination Notes	Total
<b>Closing cash in hand as on 08/11/2016</b>	-	7,281	7,281
(+) Permitted receipts	-	30,000	30,000
(-) Permitted payments	-	25,456	25,456
(-) Amount deposited in Banks	-	-	-
<b>Closing cash in hand as on 30/12/2016</b>	-	<b>11,825</b>	<b>11,825</b>

₹ in Lakh			
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>8 Other financial assets</b>			
Accrued income	51.00	62.25	51.70
<b>Total</b>	<b>51.00</b>	<b>62.25</b>	<b>51.70</b>

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

₹ in Lakh

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>9 Other current assets (Unsecured and considered good)</b>			
Balance with central excise authorities	141.17	165.93	154.82
Prepaid expenses	20.33	0.58	6.16
Advances to vendors	3.68	-	-
<b>Total</b>	<b>165.18</b>	<b>166.51</b>	<b>160.98</b>

₹ in Lakh

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>10 Equity Share Capital</b>			
<b>(a) Authorised Share Capital</b>			
20,000,000 (Previous year 20,000,000, balance as at 1st April 2015-20,000,000) Equity shares of ₹ 10 each	2,000.00	2,000.00	2,000.00
<b>(b) Issued, subscribed and paid-up capital</b>			
11,638,005 (Previous year 11,638,005, balance as at 1st April 2015- 11,638,005) Equity shares of ₹ 10 each	1,163.80	1,163.80	1,163.80
<b>Total</b>	<b>1,163.80</b>	<b>1,163.80</b>	<b>1,163.80</b>

### 10.1 Details of shareholders holding more than 5% shares of the Company:

Particulars	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015
	% held	No. of Shares	No. of Shares	No. of Shares	No. of Shares
RVT Finhold Private Limited (Holding Company)	72.71%	84,62,254	84,62,254	84,62,254	84,62,254
Educomp Solution Limited (Associate)	25.78%	29,99,749	29,99,749	29,99,749	29,99,749

### 10.2 Details of shares held by the Holding company, Associate and Others:

Particulars	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015
	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares
i. Shares held by the Holding Company	84,62,254	84,62,254	84,62,254	84,62,254	84,62,254
ii. Shares held by Associate	29,99,749	29,99,749	29,99,749	29,99,749	29,99,749
iii. Shares held by Others	1,76,002	176,002	176,002	176,002	176,002
	<b>1,16,38,005</b>	<b>1,16,38,005</b>	<b>1,16,38,005</b>	<b>1,16,38,005</b>	<b>1,16,38,005</b>

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

### 10.3 Reconciliation of the number of shares 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
	No. of Shares	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	1,16,38,005	1,16,38,005	91,73,361
Add : Shares issued during the year	-	-	24,64,644
Equity Shares at the end of the year	<u>1,16,38,005</u>	<u>1,16,38,005</u>	<u>1,16,38,005</u>

₹ in Lakh

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>11 Other Equity</b>			
<b>Reserves and surplus</b>			
<b>Securities premium account</b>			
As per last balance sheet	3,890.73	3,890.73	3,890.73
<b>Retained Earnings</b>			
Opening balance	(5,583.23)	(4,965.81)	(4,965.81)
Add: Loss for the year	(386.47)	(619.31)	-
Add: Other Comprehensive income for the year	2.71	1.89	-
<b>Closing balance</b>	<u>(5,966.99)</u>	<u>(5,583.23)</u>	<u>(4,965.81)</u>
<b>Total</b>	<u>(2,076.26)</u>	<u>(1,692.50)</u>	<u>(1,075.08)</u>

₹ in Lakh

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>12 Provisions</b>			
<b>Provision for employee benefits</b>			
Provision for gratuity (net) (Refer note no. 23)	7.15	6.08	4.57
Provision for compensated absences	6.38	6.84	6.85
<b>Total</b>	<u>13.53</u>	<u>12.92</u>	<u>11.42</u>

₹ in Lakh

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>13 Borrowings</b>			
Unsecured loan from related party *	740.00	705.00	100.00
<b>Total</b>	<u>740.00</u>	<u>705.00</u>	<u>100.00</u>
* Unsecured loan from Capital18 Fincap Private Limited	740.00	705.00	100.00

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

₹ in Lakh

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>14 Trade payables</b>			
Trade payables	578.25	287.49	371.01
<b>Total</b>	<b>578.25</b>	<b>287.49</b>	<b>371.01</b>

**Note:**

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 period end together with the interest paid / payable as required under the said Act have not been given.

₹ in Lakh

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>15 Other financial liabilities</b>			
Interest payable on borrowings	115.33	35.71	1.59
<b>Total</b>	<b>115.33</b>	<b>35.71</b>	<b>1.59</b>

₹ in Lakh

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>16 Other current liabilities</b>			
Unearned revenue	43.98	50.93	54.95
Statutory dues payable	13.67	37.01	10.20
Others	0.39	-	-
<b>Total</b>	<b>58.04</b>	<b>87.94</b>	<b>65.15</b>

₹ in Lakh

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>17 Provisions</b>			
<b>Provision for employee benefits</b>			
Provision for gratuity (net) (Refer note no. 23)	0.02	0.02	0.02
Provision for compensated absences	0.17	0.21	0.20
<b>Total</b>	<b>0.19</b>	<b>0.23</b>	<b>0.22</b>

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

	₹ in Lakh	
	2016-17	2015-16
<b>18 Revenue from operations</b>		
Income from Services	596.25	380.01
<b>Total</b>	<b>596.25</b>	<b>380.01</b>
	₹ in Lakh	
	2016-17	2015-16
<b>19 Other income</b>		
Interest income on		
– Deposit accounts with banks	0.88	0.41
– From Others	8.80	5.92
Dividend income	-	1.03
Other non-operating income	4.88	3.48
<b>Total</b>	<b>14.56</b>	<b>10.84</b>
	₹ in Lakh	
	2016-17	2015-16
<b>20 Employee benefit expense</b>		
Salaries, wages and bonus	387.91	389.62
Contribution to provident fund and other funds	18.09	17.88
Gratuity and compensated absences (Refer note no. 23)	3.78	3.40
Staff welfare expenses	1.99	1.09
<b>Total</b>	<b>411.77</b>	<b>411.99</b>
	₹ in Lakh	
	2016-17	2015-16
<b>21 Finance costs</b>		
Interest expense on:		
– Borrowings	88.47	37.91
– Others	0.04	-
Other borrowing costs	0.01	0.01
<b>Total</b>	<b>88.52</b>	<b>37.92</b>

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

	₹ in Lakh	
	2016-17	2015-16
<b>22 Other expenses</b>		
<b>a) Production expenses</b>		
Telecast and uplinking charges	118.55	106.81
Call centre expenses	170.72	61.53
Web designing and hosting charges	29.28	24.17
Media professional charges	35.71	48.11
Electricity expenses	8.13	14.49
Other production expenses	6.49	-
<b>Total (a)</b>	<b>368.88</b>	<b>255.11</b>
<b>b) Selling and distribution expenses</b>		
Distribution, advertising and business promotion	11.93	6.99
Freight and forwarding charges	0.18	3.03
<b>Total (b)</b>	<b>12.11</b>	<b>10.02</b>
<b>c) Establishment expenses</b>		
Books and Periodicals	0.47	0.22
Collection charges	0.42	2.68
Director sitting fees	2.80	1.00
House keeping expenses	3.09	4.51
Security expenses	3.55	5.50
Rates and Taxes	1.89	0.89
Legal and professional fees	5.65	3.85
Insurance expenses	5.10	11.55
Payments to auditors (Refer note below)	2.33	3.09
Printing and stationery	0.91	0.49
Rent expenses	-	180.70
Repairs and maintenance	16.23	1.06
Sundry balances written off	-	4.02
Loss on Property, Plant & Equipment sold / scrapped / written off (net)	0.04	-
Communication	5.01	4.84
Travelling and conveyance	5.16	1.73
Other establishment expenses	1.41	8.54
<b>Total (c)</b>	<b>54.06</b>	<b>234.67</b>
<b>Total (a+b+c)</b>	<b>435.05</b>	<b>499.80</b>
<b>Payments to the auditors comprises:</b>		
<b>As Auditors:</b>		
Statutory audit fees	1.00	1.00
Tax audit fees	0.50	0.50
For other services	0.83	1.59
<b>Total</b>	<b>2.33</b>	<b>3.09</b>



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

23 As per Indian Accounting Standard 19 “Employee benefits”, the disclosures as defined are given below :

### 23.1 Defined contribution plans

The Company makes Provident Fund contributions to the relevant authorities, which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

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

Particulars	₹ in Lakh	
	2016-17	2015-16
Employer’s Contribution to Provident Fund	8.70	7.56
Employer’s Contribution to Pension Fund	7.54	8.58

### 23.2 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 Lakh	
	Gratuity (Unfunded)	
	2016-17	2015-16
Defined Benefit obligation at beginning of the year	6.10	4.59
Current Service Cost	3.29	3.03
Interest Cost	0.49	0.37
Actuarial (gain)/ loss	(2.71)	(1.89)
Benefits paid	-	-
Defined Benefit obligation at year end	7.17	6.10

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

Particulars	₹ in Lakh	
	Gratuity (Unfunded)	
	2016-17	2015-16
<b>In Income Statement</b>		
Current Service Cost	3.29	3.03
Interest Cost	0.49	0.37
<b>Net Cost</b>	<b>3.78</b>	<b>3.40</b>
<b>In Other Comprehensive Income</b>		
Actuarial (gain)/ loss on defined benefit obligation	(2.71)	(1.89)
<b>Net (Income) /Expense recognized in OCI</b>	<b>(2.71)</b>	<b>(1.89)</b>

#### iii) Actuarial assumptions:

Particulars	Gratuity (Unfunded)	
	2016-17	2015-16
Mortality Table (IALM)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount rate (per annum)	7.6%	8.0%
Rate of escalation in salary (per annum)	5.50%	5.50%

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

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.

- iv) The expected contributions for Defined Benefit Plan for the current financial year will be in line with financial year 2015-16.

v) **Sensitivity Analysis of the defined benefit obligation :**

Particulars	₹ in Lakh	
	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	7.17	6.10
i) Impact due to increase of 0.50%	(0.59)	(0.52)
ii) Impact due to decrease of 0.50%	0.66	0.58
<b>b) Impact of the change in salary increase</b>		
Present value of obligation at the end of the period	7.17	6.10
i) Impact due to increase of 0.50%	0.67	0.59
ii) Impact due to decrease of 0.50%	(0.60)	(0.53)

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.

	2016-17	2015-16
<b>24 Earnings per share (EPS)</b>		
Net loss after tax as per Profit and Loss Statement attributable to Equity Shareholders (₹ in Lakhs)	(386.45)	(619.31)
Weighted average number of equity shares used as denominator for calculating Basic EPS	1,16,38,005	1,16,38,005
Weighted average number of equity shares used as denominator for calculating Diluted EPS	1,16,38,005	1,16,38,005
Basic Earnings per Share (₹)	(3.32)	(5.32)
Diluted Earnings per Share (₹)	(3.32)	(5.32)
Face value per Equity Share (₹)	10	10

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

### 25 Related party disclosures

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

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

Sl. No.	Name of Company	Relationship
1	Independent Media Trust	Enterprises exercising Control
2	Adventure Marketing Private Limited*	
3	Watermark Infratech Private Limited*	
4	Colorful Media Private Limited*	
5	RB Media Holdings Private Limited*	
6	RB Mediasoft Private Limited*	
7	RRB Mediasoft Private Limited*	
8	RB Holdings Private Limited*	
9	Teesta Retail Private Limited (formerly Shinano Retail Private Limited which has merged with Teesta Retail Private Limited w.e.f. 29.12.2016)*	
10	Network18 Media & Investments Limited	
11	Capital18 Fincap Private Limited	
12	RVT Finhold Private Limited	
13	Reliance Industries Limited (RIL)	Beneficiary/Protector of Independent Media Trust
14	Reliance Industrial Investments and Holdings Limited	
15	Educomp Solutions Limited	Company Exercising Significant Influence
16	e-Eighteen.com Limited	Fellow Subsidiaries
17	TV18 Broadcast Limited	
18	TV18 Home Shopping Network Limited	

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

#### 25.2 Transactions during the year with related parties

Transactions	₹ in Lakh	
	Enterprises exercising control	Fellow subsidiaries
<b>Interest expense on Borrowings</b>		
Capital 18 Fincap Private Limited.	88.47 (37.91)	- (-)
<b>Reimbursement of expenses paid</b>		
Network18 Media & Investment Limited	123.88 (20.72)	- (-)
E-Eighteen. Com Limited	- (-)	1.55 (249.14)
TV18 Broadcast Limited	- (-)	39.32 (34.81)
<b>Expenditure for services received</b>		
TV18 Broadcast Limited	- (-)	81.00 (72.00)
<b>Reimbursement of expenses receivable</b>		
Network18 Media & Investment Limited	4.25 (4.79)	- (-)
<b>Loan received</b>		
Capital 18 Fincap Private Limited.	35.00 (605.00)	- (-)

**25.3 Balance outstanding with related parties at year end**

₹ in Lakh

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>1 Trade receivables</b>			
TV 18 Home Shopping Network Limited	0.91	0.91	0.91
Network18 Media & Investment Limited	1.09	-	2.99
	<b>2.00</b>	<b>0.91</b>	<b>3.90</b>
<b>2 Borrowings including interest payable</b>			
Capital 18 Fincap Private Limited	855.33	740.71	101.59
<b>3 Trade payables</b>			
Network18 Media & Investment Limited	150.78	10.93	79.02
E-Eighteen. Com Limited	98.53	96.78	6.59
TV18 Broadcast Limited	208.51	56.97	110.93
	<b>457.82</b>	<b>164.68</b>	<b>196.54</b>

**26 Non-Current tax (net)**

₹ in Lakh

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Advance income tax (net)</b>			
At start of the year	119.01	129.32	99.82
Tax paid during the year (net)	(13.64)	(10.31)	29.50
<b>At end of the year</b>	<b>105.37</b>	<b>119.01</b>	<b>129.32</b>

**27 First time Ind AS adoption reconciliations****27.1 Reconciliation of Reserves between IndAS and Previous GAAP**

₹ in Lakh

Nature of adjustments	Year ended 31st March 2016	As at 31st March 2016	As at 1st April 2015
<b>Net Loss / Reserves as per Previous Indian GAAP</b>	(619.31)	(1,692.50)	(1,075.08)
Remeasurements of the defined benefit plans	1.89	-	-
<b>Total</b>	<b>1.89</b>	<b>-</b>	<b>-</b>
<b>Net Loss before OCI / Reserves as per Ind AS</b>	<b>(617.42)</b>	<b>(1,692.50)</b>	<b>(1,075.08)</b>

Note:

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.

**27.2 Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March 2016**

₹ in Lakh

	Year ended 31st March 2016		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
<b>INCOME</b>			
<b>Revenue from operations</b>			
Income from Services	380.01	-	380.01
Other Income	10.84	-	10.84
<b>Total Income</b>	<b>390.85</b>	<b>-</b>	<b>390.85</b>
<b>Expenses</b>			
Employee benefits expense	410.10	1.89	411.99
Finance costs	37.92	-	37.92
Depreciation and amortisation expense	60.45	-	60.45
Other expenses	499.80	-	499.80
<b>Total Expenses</b>	<b>1,008.27</b>	<b>1.89</b>	<b>1,010.16</b>
Loss Before Tax	(617.42)	(1.89)	(619.31)
<b>Tax Expenses</b>			
Deferred Tax	-	-	-
<b>Loss for the Year</b>	<b>(617.42)</b>	<b>(1.89)</b>	<b>(619.31)</b>

**28 Additional information to the financial statements****28.1 Previous year's figures**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure.

**28.2 Other disclosures**

- Professional charges pertains to the professional fees paid to the content developers.
- Content Episode Tapes includes finished episodes.
- Content Web Live Classes includes finished web live classes.

**28.3 Capitalization of expenditure**

₹ in Lakh

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Media professional charges	1.15	37.97	19.01
Episode cost	6.98	31.19	7.65
Other production expenses	-	-	0.04
<b>Total</b>	<b>8.13</b>	<b>69.16</b>	<b>26.70</b>

₹ in Lakh

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>28.4 Contingent liabilities and commitments</b>			
<b>Contingent liabilities:</b>			
There are no contingent liabilities existing as on 31st March, 2017.			
<b>Commitments:</b>			
Estimated amounts of contracts remaining to be executed on capital account	10.50	-	-

As per our Report of even date

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

**Ankush Jain**  
Partner  
Membership No. 540194

Place: New Delhi  
Date : 15-Apr-17

For and on behalf of the Board of Directors

**Kshipra Jatana**  
Director

Place: Noida  
Date : 15-Apr-17

**Gagan Kumar**  
Director