Network18 Media & Investments Limited

Independent Auditor's Report

To the Members of Network18 Media & Investments Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Network18 Media & Investments Limited (the 'Company'), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143(3) of the Act, we report that:

    a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c. the standalone financial statements dealt with by this report are in agreement with the books of account;

    d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

    e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;

    f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 20 April 2016 as per Annexure II expressed unmodified opinion; and

    g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. as detailed in Note 34 to the standalone financial statements, the Company has disclosed the impact of pending litigations on its standalone financial position;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

        iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

Place : Noida
Date : 20 April 2016

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties are held in the name of the Company.

(ii) The entire inventory of the Company is lying with third parties for which written confirmations have been obtained by the management as at the year-end.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(v) In our opinion, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and services and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company has no loans or borrowings payable to a financial institution or government and no dues payable to debentures holders during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) In our opinion, the provisions of section 197 of the Act read with Schedule V to the Act is not applicable to the Company as the Company does not pay any remuneration to the directors. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the requisite details 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.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with them.

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

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

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

Place : Noida
Date : 20 April 2016

Annexure II to the Independent Auditor's Report

Annexure II to the Independent Auditor's Report of even date to the members of Network18 Media & Investments Limited on the standalone financial statements for the year ended 31 March 2016

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Act')

1. In conjunction with our audit of the standalone financial statements of Network18 Media & Investments Limited (the 'Company') as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company of as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors 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 (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing ('standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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.

5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR 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 IFCoFR 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

7. Because of the inherent limitations of IFCoFR, 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

IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

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

Place : Noida
Date : 20 April 2016

Balance Sheet as at 31 March 2016

	Notes	**As at 31 March 2016 Rs. in lakhs**	As at 31 March 2015 Rs. in lakhs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	**52,347.43**	52,342.43
Reserves and surplus	3	**210,058.50**	219,127.70
Non-current liabilities			
Long-term borrowings	4	**13.47**	47.82
Other long-term liabilities	5	**-**	29.32
Long-term provisions	6	**291.47**	307.25
Current liabilities			
Short-term borrowings	7	**64,623.34**	55,036.05
Trade payables	8		
Due to micro and small enterprises		**-**	-
Others		**2,830.11**	2,735.97
Other current liabilities	9	**1,429.41**	1,684.45
Short-term provisions	10	**21,793.34**	21,779.57
		353,387.07	353,090.56
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	**1,361.82**	985.22
Intangible assets	12	**1,036.53**	239.02
Intangible assets under development		**125.35**	147.71
Non-current investments	13	**326,568.58**	328,703.64
Long-term loans and advances	14	**18,344.73**	17,619.02
Other non-current assets	15	**822.81**	553.33
Current assets			
Current investments	16	**-**	-
Inventories	17	**70.48**	63.39
Trade receivables	18	**2,735.09**	2,054.49
Cash and bank balances	19	**637.86**	319.19
Short-term loans and advances	20	**1,196.65**	1,711.80
Other current assets	21	**487.17**	693.75
		353,387.07	353,090.56

Significant accounting policies
See accompanying notes forming part of these financial statements.

This is as per our report of even date.

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

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

Place: Noida
Date: 20 April 2016

For and on behalf of the Board of Directors of
Network18 Media & Investments Limited

Adil Zainulbhai
Chairman
DIN: 06646490

Rohit Bansal
Director
DIN: 02067348

Hariharan Mahadevan
Group Chief Financial Officer

Yug Samrat
Company Secretary
M No. FCS6118

Place: Mumbai
Date: 20 April 2016

Statement of Profit and Loss for the year ended 31 March 2016

	Notes	Year ended 31 March 2016 Rs. in lakhs	Year ended 31 March 2015 Rs. in lakhs
Revenue			
Revenue from operations	22	**6,729.93**	7,432.07
Other income	23	**900.99**	1,238.55
Total revenue		**7,630.92**	8,670.62
Expenses			
Cost of raw materials consumed	24	**200.73**	205.85
Employee benefits expense	25	**4,313.23**	3,399.40
Finance costs	26	**5,283.34**	5,752.52
Depreciation and amortisation expense	27	**583.47**	445.48
Other operating expenses	28	**6,346.25**	5,649.84
Total expenses		**16,727.02**	15,453.09
Loss before exceptional items		**(9,096.10)**	(6,782.47)
Exceptional items	29	**-**	61,972.70
Loss for the year		**(9,096.10)**	(68,755.17)
Earnings per share (Basic and diluted) (Face value of Rs.5 each)	30	**(0.87)**	(6.57)

Significant accounting policies

See accompanying notes forming part of these financial statements.

This is as per our report of even date.

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

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

Place: Noida
Date: 20 April 2016

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Yug Samrat
Company Secretary
M No. FCS6118

Place: Mumbai
Date: 20 April 2016

Cash Flow Statement for the year ended 31 March 2016

		Year ended 31 March 2016 Rs. in lakhs	Year ended 31 March 2015 Rs. in lakhs
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Loss for the year	**(9,096.10)**	(68,755.17)
	Adjustments for:		
	Depreciation and amortisation expense	**583.47**	499.49
	Loss on disposal of fixed assets	**34.89**	2.14
	Reversal of employee stock compensation expenses	**-**	(36.69)
	Finance costs	**5,283.34**	5,752.52
	Bad debts /balances written off /provided for	**304.07**	110.23
	Excess provision/sundry balances written back	**(318.07)**	-
	Profit on sale of current investments	**-**	(126.29)
	Provision for diminution in value of Investment	**-**	20,810.95
	Fixed assets written off	**-**	458.97
	Provision for doubtful advances	**-**	39,886.77
	Interest income	**(324.37)**	(673.81)
	Operating loss before working capital changes	**(3,532.77)**	(2,070.89)
	Adjustments for:		
	Changes in assets other than fixed assets and investments	**(403.01)**	152.32
	Changes in liabilities other than borrowings	**94.07**	(1,742.54)
	Cash generated used in operations	**(3,841.72)**	(3,661.11)
	Taxes paid (net of refund)	**(278.81)**	(281.30)
	Cash used in operating activities (A)	**(4,120.53)**	(3,942.41)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets (including capital advances and intangible assets under development)	**(1,861.44)**	(739.42)
	Sale of fixed assets	**60.07**	3.76
	Sale of long-term investments:	**2,345.06**	2,740.00
	Sale of current investments	**-**	7,091.29
	Purchase of long term investments:	**(210.00)**	(6,155.43)
	Debenture application money paid	**(300.00)**	-
	(Investment in)/redemption of fixed deposits with banks	**(282.72)**	794.65
	(Increase)/decrease in other bank balances	**(1.65)**	13.43
	Interest received	**55.00**	414.32
	Cash flow from/(used in) investing activities (B)	**(195.68)**	4,162.60

Cash Flow Statement for the year ended 31 March 2016

	Year ended 31 March 2016 Rs. in lakhs	Year ended 31 March 2015 Rs. in lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	**(5,313.35)**	(8,377.46)
Proceeds from issue of equity shares (including securities premium)	**31.90**	114.57
Repayment of borrowings	**(63.25)**	(11,026.12)
Payment of unpaid dividend	**(4.42)**	(6.58)
Proceeds from/ (repayment) of unclaimed matured deposits	**112.34**	(678.58)
Proceeds from borrowings	**9,587.29**	14,020.29
Cash flow from/ (used in) financing activities (C)	**4,350.51**	(5,953.88)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**34.30**	(5,733.69)
Cash and cash equivalents as at the beginning of the year	**314.05**	6,047.74
Cash and cash equivalents as at the end of the year	**348.35**	314.05
Components of cash and bank balances		
Cash and cash equivalents		
Balance with banks		
in current accounts	**73.21**	313.85
in deposit accounts	**192.70**	-
Cheques on hand	**82.31**	-
Cash on hand	**0.13**	0.20
	348.35	314.05
Other bank balances		
Unpaid dividend accounts	**-**	1.36
Unpaid zero coupon partly convertible debenture accounts	**-**	3.08
Unpaid right issue money	**-**	0.70
Unpaid non-cumulative convertible redeemable preference shares account	**6.79**	-
Balance with bank towards deposits which remain unclaimed	**282.72**	-
	289.51	5.14
Cash and bank balances as per Note 19	**637.86**	319.19

Significant accounting policies

See accompanying notes forming part of these financial statements.

This is as per our report of even date.

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

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

Place: Noida
Date: 20 April 2016

For and on behalf of the Board of Directors of
Network18 Media & Investments Limited

Adil Zainulbhai
Chairman
DIN: 06646490

Rohit Bansal
Director
DIN: 02067348

Hariharan Mahadevan
Group Chief Financial Officer

Yug Samrat
Company Secretary
M No. FCS6118

Place: Mumbai
Date: 20 April 2016

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

1. Basis of preparation

The financial statements have been prepared under historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India and to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The accounting policies have been consistently applied by Network18 Media & Investments Limited (the 'Company').

1.1 Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India ('Indian GAAP') requires judgments, estimates and assumptions to be made that effect the reported amount of assets and liabilities, disclosure of contingent liabilities and the reported amount of income and expenses during the year. Difference between the actual results and estimates are recognised in the period in which the results are known / materialise.

b. Revenue recognition

i. Advertising and sponsorship revenue from websites is recognised proportionately over the contractual period of advertisement, commencing when the advertisement is placed on the website, unless the Company has to meet performance conditions in which case revenue is recognised using the proportionate completion method. Advertising revenue from magazines is recognised in the period in which the magazines are delivered and are accounted net of commission and discounts. Revenue from sponsorships of event is recognised after the completion of event.

ii. Revenue from mobile short messaging and other related services are recognised based on usage of services by the mobile subscribers and share of revenue agreed with the mobile network operators.

iii. Sale of magazines includes revenue from circulation of magazines and subscription of magazines. Revenue from circulation of magazines includes sales to retail outlets/ newsstands, which are subject to returns. The Company records these retail sales upon delivery, net of estimated returns. These estimated returns are based on historical return rates and are revised as necessary based on actual returns. Revenue from subscription of magazines is recognised on delivery of magazines to subscribers.

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

v. Revenue from sale of stalls at exhibitions organised by the Company is recognised after completion of exhibition.

vi. Business support service income is recognised after rendering of services.

vii. Dividend income is accounted for when the right to receive dividend is established.

viii. Profit / loss on sale of investments are computed on the basis of weighted average cost on date of disposal of investments.

ix. Interest income is recognised on time proportionate basis, taking into account the amount outstanding and the rate applicable.

c. Fixed assets

Tangible assets

Tangible assets are stated at their original cost of acquisition and installation less accumulated depreciation and accumulated impairment, if any. All direct expenses attributable to acquisition and installation of assets are capitalised.

Intangible assets

Acquired brands/domain names and computer software are capitalised at cost of acquisition and disclosed as intangible assets and are stated at their original cost less accumulated amortisation and accumulated impairment, if any.

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

d. Depreciation / amortisation

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

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

e. Inventory

Inventory is valued as follows:

Raw materials: Lower of cost and net realisable value. Cost of raw materials consists of purchase cost and non-cenvatable taxes. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

Work-in-progress and finished goods: Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

f. Impairment of tangible and intangible assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is revered if there has been a change in the estimate of recoverable amount.

g. Investments

Current investments are carried at lower of cost and quoted / fair value. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

h. Leases

Operating lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis, over the lease term.

i. Employee benefits

Provident Fund

The Company’s Employees Provident Fund scheme is a defined contribution plan. The Company’s contribution to the Employees’ Provident Fund is charged to the Statement of Profit and Loss during the period in which the employee renders the related service.

Gratuity

The Company provides for gratuity, a post-employment defined benefit plan covering eligible employees.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit credit method performed by an independent actuarial, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation is based on the market yields on government securities as at the balance sheet date. Actuarial gains/losses are recognised immediately in the Statement of profit and loss. Gain and loss on curtailment or settlement are recognised when the curtailment or settlement occurs.

Compensated absences

Benefits comprising long term compensated absences constitute other long term employee benefits. The liability for compensated absences is determined using the Projected Unit Credit Method, on the basis of an actuarial valuation performed by an independent actuarial at the period end. Actuarial gains and losses are recognised immediately in the Statement of profit and loss. Gain and loss on curtailment or settlement are recognised when the curtailment or settlement occurs.

Short term employee benefits

Short term employee benefits expected to be paid or payable in exchange for the services rendered is recognised on undiscounted basis.

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

j. Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences on foreign exchange transactions settled during the period are recognised in the statement of profit and loss.

Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate prevailing on that date and resulting exchange differences are recognised in the Statement of profit and loss.

k. Income-tax

Tax expense comprises current tax and deferred tax. Current tax is determined in accordance with the provisions of Income Tax Act, 1961.

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

l. Employee stock options plan

Accounting value of stock options is determined on the basis of "Intrinsic Value" representing the excess of the market price on the date of grant over the exercise price of the options granted under the "Employees Stock Option Scheme" of the Company, and is being amortised as "Deferred employee compensation" on a straight-line basis over the vesting period in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and Guidance Note 18 "Share Based Payments" issued by the Institute of Chartered Accountants of India.

m. Provisions and contingencies

Provisions are recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the financial statements.

n. Borrowing costs

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

o. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

p. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

		As at 31 March 2016 Rs. in lakhs	As at 31 March 2015 Rs. in lakhs
2	**Share capital**		
	Authorised share capital		
	5,000,000,000 (previous year 5,000,000,000) equity shares of Rs. 5 each	**250,000.00**	250,000.00
	1,100,000 (previous year 1,100,000) preference shares of Rs. 100 each	**1,100.00**	1,100.00
	10,500,000 (previous year 10,500,000) preference shares of Rs. 200 each	**21,000.00**	21,000.00
	15,500,000 (previous year 15,500,000) preference shares of Rs. 10 each	**1,550.00**	1,550.00
		273,650.00	273,650.00
	Issued, subscribed and fully paid-up capital		
	1,046,948,519 (previous year 1,046,848,519) equity shares of Rs. 5 each fully paid up	**52,347.43**	52,342.43
	Total issued, subscribed and fully paid-up share capital	**52,347.43**	52,342.43

a Reconciliation of the equity shares outstanding at the beginning and end of the reporting period

Equity shares

Particulars	**Year ended 31 March 2016**		Year ended 31 March 2015	
	No. of shares	**Amount (Rs in Lakhs)**	No. of shares	Amount (Rs in Lakhs)
Equity shares at the beginning of the year	**1,046,848,519**	**52,342.43**	1,046,666,535	52,333.33
Add: Shares issued on exercise of employee stock options	**100,000**	**5.00**	181,984	9.10
Equity shares at the end of the year	**1,046,948,519**	**52,347.43**	1,046,848,519	52,342.43

b Description of the rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having face value of Rs. 5 per share. All the existing equity shares rank pari passu in all respects including but not limited to entitlement for dividend, bonus issue and rights issue. 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.

c Aggregate number of bonus shares issued / share issued pursuant to a contract without payment being received in cash and shares bought back during the period of five years immediately preceding 31 March 2016

Particulars	**Financial year (aggregate no. of shares)**				
	2015-16	2014-15	2013-14	2012-13	2011-12
Equity shares:					
Allotted as fully paid up under scheme of arrangement	-	-	-	3,679,356	23,695,044

There are no bonus shares issued and shares bought back during the period of five years immediately preceding 31 March 2016

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

d Details of shareholders holding more than 5% equity shares in the Company

Name of shareholder	As at 31 March 2016		As at 31 March 2015	
	No. of shares	**% of holding**	No. of shares	% of holding
Equity shares of Rs. 5 each fully paid up				
RRB Mediasoft Private Limited	**108,515,123**	**10.36%**	108,515,123	10.37%
RB Mediasoft Private Limited	**127,560,417**	**12.18%**	127,560,417	12.19%
RB Media Holdings Private Limited	**127,528,586**	**12.18%**	127,528,586	12.18%
Watermark Infratech Private Limited	**127,528,287**	**12.18%**	127,528,287	12.18%
Colorful Media Private Limited	**127,528,287**	**12.18%**	127,528,287	12.18%
Adventure Marketing Private Limited	**127,528,287**	**12.18%**	127,528,287	12.18%

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

e Shares reserved for issue under options and other commitments

As on 31 March 2016, 650 (previous year 101,300) Employees Stock Options were outstanding under the Employee Stock Option Plans of the Company. Each option would entitle the holder thereof to subscribe to one equity share of Rs. 5 each in the Company. For details refer note 39.

	As at 31 March 2016 Rs. in lakhs	As at 31 March 2015 Rs. in lakhs
3 Reserves and surplus		
a. Capital reserve		
Balance at the beginning /end of the year	**69.07**	69.07
b. Securities premium account		
Balance at the beginning of the year	**333,777.40**	333,671.93
Add: Amount received/transferred pursuant to exercise / lapse of employee stock options	**85.78**	105.47
Balance at the end of the year	**333,863.18**	333,777.40
c. Employee stock options outstanding		
Gross employee stock compensation for options granted in earlier years	**59.65**	59.65
Less: transferred to securities premium on exercise of stock options	**58.88**	-
Less: transferred to reserves and surplus on lapse of vested options	**0.77**	-
Balance at the end of the year	**-**	59.65
d. General reserve		
Balance at the beginning of the year	**1,134.10**	1,134.10
Add: Amount transferred on expiry of options	**0.77**	-
Balance at the end of the year	**1,134.87**	1,134.10

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

		As at 31 March 2016 Rs. in lakhs	As at 31 March 2015 Rs. in lakhs
e.	**Deficit in the statement of profit and loss**		
	Deficit at the beginning of the year	**(115,912.52)**	(47,093.34)
	Add: Loss for the year	**(9,096.10)**	(68,755.17)
	Add: Depreciation adjustment (refer note 11 and 12)	-	(64.01)
	Net deficit in the statement of profit and loss	**(125,008.62)**	(115,912.52)
		210,058.50	219,127.70
4	**Long-term borrowings**		
	Secured		
	Vehicle loans:		
	from banks	**13.47**	47.82
	Total	**13.47**	47.82

Security details for borrowings covered under note 4 and note 9 is as follows:

i Vehicle loans amounting to Rs. 28.83 lacs (previous year Rs. 92.08 lacs) are secured by way of hypothecation of the asset thus purchased. The interest ranges from 9.97% to 10.36% per annum. The aforementioned loans are repayable in 48-60 equal monthly instalments and the final instalment is due for repayment in September 2019.

The aforementioned vehicle loan has been classified as hereunder:

		As at 31 March 2016	As at 31 March 2015
I.	Term loans under long term borrowings	**13.47**	47.82
II.	Term loans under other current liabilities	**15.36**	44.26
		28.83	92.08

		As at 31 March 2016	As at 31 March 2015
5	**Other long-term liabilities**		
	Advance from customers	**-**	29.32
		-	29.32
6	**Long-term provisions**		
	Provision for employee benefits (refer note 32)	**291.47**	307.25
		291.47	307.25
7	**Short-term borrowings**		
	Secured		
	– from banks - bank overdraft (refer note a and b below)	**16,143.53**	18,457.73
		16,143.53	18,457.73
	Unsecured		
	Loans from related parties (refer note c below)*	**25,979.81**	14,078.32
	Commercial papers (refer note d below)	**22,500.00**	22,500.00
		48,479.81	36,578.32
		64,623.34	55,036.05

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

Security details for borrowings outstanding as at 31 March 2016

a. Bank overdraft from ICICI bank secured by first pari passu charge on all the current assets and movable fixed assets of the Company (both present and future). The same is repayable as per the terms agreed with the bank.

b. Bank overdraft from Yes bank is secured by first pari passu charge on all the current assets and movable fixed assets of the Company (both present and future). The same is repayable as per the terms agreed with the bank.

c. Loans from related parties are repayable within one year.

d. Commercial papers are repayable within two months.

* includes interest accrued and due amounting to Rs. 1,779.81 lakhs (previous year Rs. 78.32 lakhs)

		As at 31 March 2016 Rs. in lakhs	As at 31 March 2015 Rs. in lakhs
8	**Trade payables**		
	Due to micro and small enterprises (refer note 40)	-	-
	Due to others	**2,830.11**	2,735.97
		2,830.11	2,735.97
9	**Other current liabilities**		
	Current maturity of long-term borrowings	**15.36**	44.26
	Interest accrued but not due on borrowings	**38.47**	68.48
	Unpaid dividend	**6.79**	11.21
	Unclaimed matured deposits and interest accrued on unclaimed deposits	**282.72**	170.38
	Statutory dues payable	**259.00**	222.95
	Employee related payable	**483.31**	444.05
	Magazine subscription money refundable	-	69.43
	Payable for capital goods	**12.86**	30.10
	Advance from customers	**245.24**	516.87
	Security deposits received	**85.66**	104.12
	Others	-	2.60
		1,429.41	1,684.45
10	**Short-term provisions**		
	Provision for employee benefits (refer note 32)	**7.16**	9.59
	Provision for sales returns (refer note a below)	**59.98**	43.78
	Provision for indemnity (refer note b below)	**21,726.20**	21,726.20
		21,793.34	21,779.57

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

	As at 31 March 2016 Rs. in lakhs	As at 31 March 2015 Rs. in lakhs
Note a		
Provision for sales returns		
Opening balance	**43.78**	43.68
Addition during the year	**186.07**	240.27
Amount utilised during the year	**(169.87)**	(240.17)
Closing balance	**59.98**	43.78

Provision is recognised for expected returns on products sold during the year based on past experience of level of returns. It is expected that most of this provision will be utilised in the next financial year.

Note b

Provision for indemnity

Balance as at the beginning/ end of the year	**21,726.20**	21,726.20

During the year ended 31 March 2011, Roptonal Limited, Cyprus ('Roptonal') a subsidiary of the Company's jointly controlled entity, Viacom18 Media Private Limited made a public offer for purchase of entire issued capital of The Indian Film Company Limited, Guernsey ('TIFC'). The Company and its subsidiary, Network18 Holdings Limited, Mauritius ('Network18 Holdings'), in their capacity as shareholders in TIFC accepted the public offer. Further, pursuant to an agreement between Roptonal and Network18 Holdings, Network18 Holdings has agreed to indemnify Roptonal against the amount, if any, by which the net cash generated by TIFC from its existing film library in respect of the period from the date on which the aforementioned public offer becomes unconditional up to 21 July 2014 is less than the net asset value of the film library as per the TIFC's therein mentioned accounts for the year ended 31 March 2010.

Network18 Holdings has also agreed to indemnify Roptonal against certain Indian tax liabilities that may potentially arise in TIFC or Roptonal in respect of certain withholding tax recoveries stated in TIFC's financial statements and other taxes relating to the sale of Network18 Holding's shares in TIFC. The aforementioned agreement further provided that if Network18 Holding does not undertake the indemnity obligations agreed in the agreement, the indemnity shall be provided by the Company.

During the previous years, based on the assessment of estimated cash flow of the indemnified assets, the Company has estimated the liability as Rs 21,726.20 lakhs.

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

11 Tangible assets

Rs. in lakhs

	Land	Leasehold land	Leasehold improve-ments	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Information technology and related equipments	Total
Gross block									
Balance as at 1 April 2014	6.10	0.40	995.41	176.30	384.51	533.31	433.91	3,447.18	5,977.12
Additions	-	-	136.32	-	31.22	4.67	49.78	169.00	390.99
Disposals / adjustments	-	-	-	(88.60)	-	(17.29)	(27.68)	(3.55)	(137.12)
Balance as at 1 April 2015	6.10	0.40	1,131.73	87.70	415.73	520.69	456.01	3,612.63	6,230.99
Additions	-	-	-	-	13.78	3.60	-	781.36	798.74
Disposals / adjustments	-	-	-	-	-	-	(152.54)	-	(152.54)
Balance as at 31 March 2016	**6.10**	**0.40**	**1,131.73**	**87.70**	**429.51**	**524.29**	**303.47**	**4,393.99**	**6,877.19**
Accumulated depreciation									
Balance as at 1 April 2014	-	-	851.67	68.88	237.68	431.19	154.94	3,230.06	4,974.42
Retained earning adjustment (refer note below)	-	-	-	-	17.15	3.59	-	43.18	63.92
Charge for the year	-	-	34.91	2.93	52.15	28.34	74.26	110.03	302.62
Reversal on account of disposals / adjustments	-	-	-	(38.36)	-	(9.96)	(43.84)	(3.03)	(95.19)
Balance as at 1 April 2015	-	-	886.58	33.45	306.98	453.16	185.36	3,380.24	5,245.77
Charge for the year	-	-	48.28	1.26	47.59	11.29	45.75	173.01	327.18
Reversal on account of disposals / adjustments	-	-	-	-	-	-	(57.58)	-	(57.58)
Balance as at 31 March 2016	**-**	**-**	**934.86**	**34.71**	**354.57**	**464.45**	**173.53**	**3,553.25**	**5,515.37**
Net Block									
Balance as at 31 March 2015	6.10	0.40	245.15	54.25	108.75	67.53	270.65	232.39	985.22
Balance as at 31 March 2016	**6.10**	**0.40**	**196.87**	**52.99**	**74.94**	**59.84**	**129.94**	**840.74**	**1,361.82**

Notes:

(a) Pursuant to the enactment of the Companies Act, 2013 (the 'Act'), the Company had, effective from 1 April 2014, reassessed the useful life of its fixed assets and had computed depreciation and amortisation with reference to the useful life of assets as recommended in Schedule II of the Act. Consequently, depreciation and amortisation for the year ended 31 March 2015 was lower by Rs 53.19 lakhs and net profit was higher by Rs. 53.19 lakhs. Further, based on the transitional provision provided in Schedule II, an amount of Rs.64.01 lakhs was adjusted with the opening reserves during the year ended 31 March 2015.

(b) The charge for the year ended 31 March 2015 amounting to Rs 302.62 lakhs and 196.87 lakhs inter-alia towards tangible and intangible assets respectively, included an amount of Rs 54.01 lakhs which was included under exceptional item owing to obsolescence /impairment (accelerated depreciation and amortisation).

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

12 Intangible assets **Rs. in lakhs**

	Computer software	Brand/ trademarks and website costs	Total
Gross block			
Balance as at 1 April 2014	1,192.62	1,257.03	2,449.65
Additions	102.80	39.56	142.36
Balance as at 1 April 2015	1,295.42	1,296.59	2,592.01
Additions	279.89	773.91	1,053.80
Balance as at 31 March 2016	**1,575.31**	**2,070.50**	**3,645.81**
Accumulated amortisation			
Balance as at 1 April 2014	1,064.89	1,091.14	2,156.03
Retained earning adjustment (refer note 11 (a))	0.09	-	0.09
Charge for the year	141.37	55.50	196.87
Balance as at 1 April 2015	1,206.35	1,146.64	2,352.99
Charge for the year	82.58	173.71	256.29
Balance as at 31 March 2016	**1,288.93**	**1,320.35**	**2,609.28**
Net Block			
Balance as at 31 March 2015	89.07	149.95	239.02
Balance as at 31 March 2016	**286.38**	**750.15**	**1,036.53**

	As at 31 March 2016 Rs. in lakhs	As at 31 March 2015 Rs. in lakhs
13 Non-current investments		
Long-term investments (valued at cost unless stated otherwise)		
Trade investments		
Equity shares: quoted		
i. Investment in subsidiaries		
(a) 87,70,35,062 (previous year 87,70,35,062) equity shares of Rs 2 each in TV18 Broadcast Limited	**256,223.60**	256,223.60
(b) 2,54,42,694 (previous year 2,54,42,694) equity shares of Rs 10 each fully paid up in Infomedia Press Limited (formerly known as ‘Infomedia 18 Limited’)	**24,664.84**	24,664.84
Less:-Provision for diminution	**(24,618.95)**	(24,618.95)
ii. Investment in others		
Beneficiary interest in Network18 Media Trust (1,15,86,762 (previous year 1,15,86,762) shares of the Company)	**18,157.46**	18,157.46
Less:-Provision for diminution	**(13,881.95)**	(13,881.95)
Aggregate amount of quoted investments	**260,545.00**	260,545.00

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

	As at 31 March 2016 Rs. in lakhs	As at 31 March 2015 Rs. in lakhs
Equity shares: Unquoted		
Investment in subsidiaries		
1,500,000 (previous year 1,500,000) equity shares of USD 1 each fully paid up in Network18 Holdings Limited, Mauritius	**678.90**	678.90
100,001 (previous year 100,001) equity shares of USD 1 each fully paid up in Television Eighteen Media and Investments Limited, Mauritius	**39.97**	39.97
2,581 (previous year 2,581) equity shares of Rs. 10 each fully paid up in Big Tree Entertainment Private Limited	**489.82**	489.82
50,000 (previous year 50,000) equity shares of Rs 10 each fully paid up in Digital18 Media Limited	**5.00**	5.00
Less:-Provision for diminution	**(5.00)**	(5.00)
12,295,000 (previous year 12,295,000) equity shares of USD 1 each fully paid up in Television Eighteen Mauritius Limited, Mauritius	**1,606.32**	1,606.32
10,000 (previous year 10,000) equity shares of Rs. 10 each fully paid up in Capital18 Fincap Private Limited	**1.00**	1.00
Less:-Provision for diminution	**(1.00)**	(1.00)
Investment in others - Non Trade		
6 years National savings certificates	-	0.06
	2,815.01	2,815.07
Preference shares: Unquoted - Trade Investments		
Investment in subsidiaries		
1,156 (previous year 1,156) compulsorily convertible preference shares Series B of Rs 1,000 each fully paid up in Big Tree Entertainment Private Limited	**4,767.54**	4,767.54
49,118,691 (previous year 49,118,691) optionally fully convertible preference shares of USD 1 fully paid up in Television Eighteen Media and Investments Limited, Mauritius	**20,103.38**	20,103.38
2,548,000 (previous year 2,548,000) 15% optionally fully Convertible Preference Shares of Rs 10 each in Capital18 Fincap Private Limited	**11,007.27**	11,007.27
Less:-Provision for diminution	**(11,007.27)**	(11,007.27)
244,497 (previous year 244,497) 0.001% Non-cumulative Compulsorily Convertible Preference Shares of Rs 100 each in TV18 Home Shopping Network Limited	**24,938.74**	24,938.74
	49,809.66	49,809.66
Debentures and bonds - Unquoted		
754,902 (previous year 989,402) Zero coupon Optionally fully Convertible Debentures of Capital18 Fincap Private Limited of Rs. 1,000 each	**5,444.01**	7,789.01
479,500 (previous year 458,500) Zero coupon Optionally fully Convertible Debentures of Digital18 Media Limited of Rs. 1,000 each	**4,795.00**	4,585.00
Less:-Provision for diminution	**(4,320.00)**	(4,320.00)

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

		As at 31 March 2016 Rs. in lakhs	As at 31 March 2015 Rs. in lakhs
	Preference shares: Unquoted - Trade Investments (Continued)		
	260,400 (previous year 260,400) Zero coupon Optionally fully Convertible Debentures of RRB Investments Private Limited of Rs. 1,000 each	**2,604.00**	2,604.00
	Less:-Provision for diminution	**(2,604.00)**	(2,604.00)
	12,000,000 (previous year 12,000,000) Zero coupon Optionally fully Convertible Debentures of Network18 Holdings Limited of USD. 1 each	**7,179.90**	7,179.90
	30 (previous year 30) unsecured Redeemable Non-Convertible, Upper Tier II Bonds of Yes Bank Limited of Rs. 1,000,000 each	**300.00**	300.00
		13,398.91	15,533.91
	Aggregate amount of unquoted investments (net of provision for diminution)	**66,023.58**	68,158.64
		326,568.58	328,703.64
	Aggregate provision for the diminution in value of investments	**56,438.17**	56,438.17
	Market value of quoted investments	**359,527.23**	272,215.03
14	**Long-term loans and advances (unsecured, considered good unless otherwise stated)**		
	Capital advances	**26.38**	12.36
	Security deposits	**98.54**	115.44
	Loans and advances		
	– to related parties	**2,186.86**	2,041.97
	– Others		
	Considered good	**12,340.30**	12,340.30
	Considered doubtful	**37,953.94**	37,953.94
	Less: provision for doubtful loans and advances	**(37,953.94)**	(37,953.94)
	Loans and advances to staff	**0.12**	5.60
	Other loans and advances		
	– Income-tax paid (net of provisions Rs. 300.30 lakhs (previous year Rs. 300.30 lakhs))	**3,377.08**	3,098.27
	Prepaid expenses	**15.44**	3.78
	Others	**-**	1.30
	Debenture application money paid	**300.00**	-
		18,344.73	17,619.02
15	**Other non-current assets**		
	Interest accrued but not due on loans	**820.39**	551.02
	Restricted fixed deposits*	**2.42**	2.31
		822.81	553.33

* Fixed deposits of Rs. 2.42 lakhs (previous year Rs.2.31 lakhs) are under lien with banks against sales tax commitments and are restricted from being exchanged or used to settle a liability for more than 12 months from the respective balance sheet dates.

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

		As at 31 March 2016 Rs. in lakhs	As at 31 March 2015 Rs. in lakhs
16	**Current investments**		
	Short-term investments		
	Quoted equity shares (valued at lower of cost or market value)		
	698,298 (previous year 698,298) equity shares of Rs. 10 each in DEN Networks Limited	**0.00**	0.00
	Aggregate amount of quoted investments	**0.00**	0.00
	Market value of quoted current investments	**606.47**	841.09
17	**Inventories**		
	Raw materials and components	**70.48**	90.89
	Less: Provision for obsolete inventory	**-**	(27.50)
		70.48	63.39
18	**Trade receivables**		
	Outstanding for a period exceeding six months from the due date		
	Secured, considered good	**46.92**	13.14
	Unsecured, considered good	**814.73**	198.04
	Unsecured, considered doubtful	**1,051.22**	1,753.92
	Less: Provision for doubtful receivables	**(1,051.22)**	(1,753.92)
	Other receivables		
	Secured, considered good	**5.51**	49.73
	Unsecured, considered good	**1,867.93**	1,793.58
		2,735.09	2,054.49
19	**Cash and bank balances**		
	Cash and cash equivalents		
	Balance with banks		
	in current accounts	**73.21**	313.85
	in deposit accounts	**192.70**	-
	Cheques on hand	**82.31**	-
	Cash on hand	**0.13**	0.20
		348.35	314.05
	Other bank balances		
	Unpaid dividend accounts	**-**	1.36
	Unpaid zero coupon partly convertible debenture accounts	**-**	3.08
	Unpaid right issue money	**-**	0.70
	Unpaid non-cumulative convertible redeemable preference shares account	**6.79**	-
	Balance with bank towards deposits which remain unclaimed	**282.72**	-
		289.51	5.14
		637.86	319.19

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

		As at 31 March 2016 Rs. in lakhs	As at 31 March 2015 Rs. in lakhs
20	**Short-term loans and advances (unsecured, considered good unless otherwise stated)**		
	Security deposits	**38.70**	387.31
	Loans and advances to related parties	**252.19**	344.34
	Advances recoverable in cash or in kind	**273.03**	286.81
	Loans and advances to staff	**20.32**	49.51
		584.24	1,067.97
	Other loans and advances		
	Service tax input credit	**294.94**	383.09
	Prepaid expenses	**312.13**	260.74
	Others	**5.34**	-
		612.41	643.83
		1,196.65	1,711.80
21	**Other current assets**		
	Unbilled revenue	**470.61**	677.74
	Interest accrued but not due on advances	**16.56**	16.01
		487.17	693.75
22	**Revenue from operations**		
	Sale of services		
	Advertising and sponsorship revenue	**5,079.42**	4,623.36
	Mobile short messaging and other related services	**1,278.89**	1,740.66
	Sale of stalls at exhibitions	**-**	516.40
	Sale of products: finished goods		
	Sale of magazines	**274.08**	344.90
	Other operating revenue	**97.54**	206.75
		6,729.93	7,432.07
23	**Other income**		
	Interest income on		
	Bank deposits	**2.29**	341.06
	Long-term investments	**-**	28.66
	Loans and advances	**322.08**	304.09
	Profit on sale of current investments	**-**	126.29
	Excess provision/sundry balances written back	**318.07**	29.32
	Reversal of employee stock compensation expenses	**-**	36.69
	Miscellaneous income	**258.55**	372.44
		900.99	1,238.55

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

		Year ended 31 March 2016 Rs. in lakhs	Year ended 31 March 2015 Rs. in lakhs
24	**Cost of materials consumed**		
	Opening stock		
	Raw material	**90.89**	52.23
	Add: Purchases during the year	**180.32**	244.51
		271.21	296.74
	Less: Closing stock		
	Raw material	**70.48**	90.89
		200.73	205.85
	Details of raw material and components consumed		
	Sheet paper and reel paper	**200.73**	205.85
		200.73	205.85
	Details of purchase of raw material and components		
	Sheet paper and reel paper	**180.32**	244.51
		180.32	244.51
	Details of closing stock of raw material and components		
	Sheet paper and reel paper	**70.48**	90.89
		70.48	90.89
25	**Employee benefits expense**		
	Salaries, wages and bonus	**3,518.15**	2,822.11
	Contribution to provident fund and employees' state insurance	**205.07**	216.66
	Gratuity and compensated absences	**99.94**	87.47
	Staff welfare expenses	**490.07**	273.16
		4,313.23	3,399.40
26	**Finance costs**		
	Interest expense	**5,236.49**	5,477.17
	Other financial charges	**46.85**	275.35
		5,283.34	5,752.52
27	**Depreciation and amortisation expense**		
	Depreciation of tangible assets	**327.18**	263.53
	Amortisation of intangible assets	**256.29**	181.95
		583.47	445.48

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

		Year ended 31 March 2016 Rs. in lakhs	Year ended 31 March 2015 Rs. in lakhs
28	**Other operating expenses**		
	Consumption of stores and spares	**2.99**	8.36
	Power and fuel	**107.11**	148.38
	Distribution, advertising and business promotion	**1,159.96**	712.61
	Rent	**773.83**	699.33
	Repairs and maintenance – Plant and equipment	**53.45**	91.69
	Repairs and maintenance – Buildings	**17.81**	27.74
	Repairs and maintenance – Others	**92.08**	115.90
	Insurance	**55.55**	32.26
	Rates and taxes	**84.21**	210.07
	Legal and professional expenses	**515.71**	389.21
	Directors sitting fee	**53.00**	32.80
	Site support cost	**670.00**	734.42
	Bad debts /advances written off /provided for	**304.07**	110.23
	Studio and equipment hire charges	**20.32**	12.51
	Event expenses	**56.32**	417.05
	Content and franchise expenses	**453.08**	386.65
	Media professional fee	**171.33**	215.63
	License fees	**-**	2.10
	Travelling and conveyance	**620.54**	378.01
	Communication costs	**142.02**	141.48
	Printing and stationery	**19.39**	19.45
	Vehicle running and maintenance	**210.03**	109.33
	Membership and subscription	**38.49**	10.07
	Payment to auditor (Refer details below)	**92.68**	90.17
	Printing cost	**126.15**	196.85
	Exchange difference (net)	**-**	12.42
	Loss on disposal of fixed asset	**34.89**	2.14
	Miscellaneous expenses	**471.24**	342.98
		6,346.25	5,649.84
	Payments to auditor*		
	– as auditor	**35.95**	43.74
	– other services	**35.81**	38.06
	– for reimbursement of expenses	**20.92**	8.37
		92.68	90.17

* Excluding service tax

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

		Year ended 31 March 2016 Rs. in lakhs	Year ended 31 March 2015 Rs. in lakhs
29	**Exceptional items**		
	Termination benefits and related consultancy charges	-	762.00
	Obsolescence / impairment in value of fixed assets	-	512.98
	Balances written off	-	39,886.77
	Provision for diminution in the value of investments in subsidiaries	-	20,810.95
		-	61,972.70
30	**Earnings per share**		
	Loss after tax attributable to equity shareholders	**(9,096.10)**	(68,755.17)
	Weighted average number of equity shares in calculating basic/ diluted earnings per share	**1,046,942,766**	1,046,783,633
	Nominal value of equity share	**5.00**	5.00
	Earnings per share (basic and diluted)	**(0.87)**	(6.57)

* since the potential equity shares are anti-dilutive, diluted earnings per share is same as basic earnings per share

31 Related party disclosures

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

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

Sr .No.	Name of Related Party	Relationship
1	Independent Media Trust (w.e.f. 07 July 2014)	Enterprises exercising control
2	Adventure Marketing Private Limited (w.e.f. 07 July 2014)#	
3	Watermark Infratech Private Limited (w.e.f. 07 July 2014)#	
4	Colorful Media Private Limited (w.e.f. 07 July 2014)#	
5	RB Media Holdings Private Limited (w.e.f. 07 July 2014)#	
6	RB Mediasoft Private Limited (w.e.f. 07 July 2014)#	
7	RRB Mediasoft Private Limited (w.e.f. 07 July 2014)#	
8	RB Holdings Private Limited (w.e.f. 07 July 2014)#	
9	Shinano Retail Private Limited (w.e.f. 07 July 2014)	
10	Reliance Industries Limited (RIL) (w.e.f. 07 July 2014)	Beneficiary/Protector of Independent Media Trust
11	Reliance Industrial Investments and Holdings Limited (w.e.f. 07 July 2014)	

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

Sr . No.	Name of Related Party	Relationship
12	Television Eighteen Mauritius Limited	Subsidiaries
13	Capital18 Fincap Private Limited	
14	Network18 Holdings Limited (Mairitius)	
15	Digital18 Media Limited	
16	RRB Investments Private Limited	
17	Setpro18 Distribution Limited	
18	TV18 Broadcast Limited	
19	Infomedia Press Limited	
20	RRK Finhold Private Limited	
21	RVT Finhold Private Limited	
22	Greycells18 Media Limited	
23	Colosceum Media Private Limited	
24	E-18 Limited, Cyprus	
25	Web18 Software Services Limited	
26	e-Eighteen.com Limited	
27	AETN18 Media Private Limited	
28	RVT Media Private Limited	
29	TV18 Home Shopping Network Limited	
30	Big Tree Entertainment Private Limited	
31	Panorama TV Private Limited	
32	Prism TV Private Limited	
33	Viacom18 Media Private Limited	Joint ventures
34	IBN Lokmat News Private Limited	
35	Indiacast Distribution Private Limited (Formerly known as IndiaCast UTV Media Distribution Private Limited)	
36	Indiacast UK Limited	
37	Indiacast US Limited	
38	24 X 7 Learning Private Limited	Associate
39	A P Parigi (upto 30 September 2016)	Key Managerial Personnel
40	Reliance Retail Limited (w.e.f. 07 July 2014)*	Fellow subsidiary

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

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

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

(b) Related party transactions and balances

(Amount in lakhs)

Particulars	**Subsidiaries/ Fellow Subsidiaries**	**Associates**	**Joint Ventures**	**Entities over which Key Managerial Personnel are able to exercise significant influence**	**Key Management Personnel**
b) Transactions during the year					
Income from operations					
TV18 Broadcast Limited	36.65 (6.88)	- (-)	- (-)	- (-)	- (-)
e-Eighteen.com Limited	8.77 (8.83)	- (-)	- (-)	- (-)	- (-)
Viacom18 Media Private Limited	- (-)	- (-)	51.33 (154.60)	- (-)	- (-)
Digital18 Media Limited	0.25 (-)	- (-)	- (-)	- (-)	- (-)
AETN18 Media Private Limited	- (1.00)	- (-)	- (-)	- (-)	- (-)
Indiacast Distribution Private Limited (Formerly known as IndiaCast UTV Media Distribution Private Limited)	- (-)	- (-)	- (4.52)	- (-)	- (-)
Indiacast US Limited	- (-)	- (-)	- (75.58)	- (-)	- (-)
Indiacast UK Limited	- (-)	- (-)	- (1.98)	- (-)	- (-)
Expenditure for services received					
TV18 Broadcast Limited	22.32 (6.64)	- (-)	- (-)	- (-)	- (-)
e-Eighteen.com Limited	- (3.24)	- (-)	- (-)	- (-)	- (-)
Viacom18 Media Private Limited	- (-)	- (-)	- (3.78)	- (-)	- (-)
Digital18 Media Limited	0.58 -	- (-)	- (-)	- (-)	- (-)
AETN18 Media Private Limited	- (1.11)	- (-)	- (-)	- (-)	- (-)
Web18 Software Services Limited	11.52 (12.39)	- (-)	- (-)	- (-)	- (-)
Reliance Retail Limited	- (5.37)	- (-)	- (-)	- (-)	- (-)

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

(Amount in lakhs)

Particulars	Subsidiaries/ Fellow Subsidiaries	Associates	Joint Ventures	Entities over which Key Managerial Personnel are able to exercise significant influence	Key Management Personnel
Interest income					
Infomedia Press Limited	283.08 (303.45)	- (-)	- (-)	- (-)	- (-)
Capital18 Fincap Private Limited	0.76 (0.19)	- (-)	- (-)	- (-)	- (-)
Interest expense					
TV18 Broadcast Limited	1,647.21 (87.02)	- (-)	- (-)	- (-)	- (-)
e-Eighteen.com Limited	243.34 (-)	- (-)	- (-)	- (-)	- (-)
Reimbursement of expenses (paid)					
TV18 Home Shopping Network Limited	10.58 (181.75)	- (-)	- (-)	- (-)	- (-)
TV18 Broadcast Limited	384.67 (221.16)	- (-)	- (-)	- (-)	- (-)
e-Eighteen.com Limited	876.93 (664.35)	- (-)	- (-)	- (-)	- (-)
Viacom18 Media Private Limited	- (-)	- (-)	- (0.29)	- (-)	- (-)
Greycells18 Media Limited	4.80 (4.65)	- (-)	- (-)	- (-)	- (-)
24 X 7 Learning Private Limited	- (-)	8.38 (-)	- (-)	- (-)	- (-)
Reimbursement of expenses (received)					
TV18 Broadcast Limited	942.08 (1,388.91)	- (-)	- (-)	- (-)	- (-)
e-Eighteen.com Limited	597.78 (655.22)	- (-)	- (-)	- (-)	- (-)
Viacom18 Media Private Limited	- (-)	- (-)	2.97 (6.49)	- (-)	- (-)
Digital18 Media Limited	54.13 (163.22)	- (-)	- (-)	- (-)	- (-)

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

(Amount in lakhs)

Particulars	Subsidiaries/ Fellow Subsidiaries	Associates	Joint Ventures	Entities over which Key Managerial Personnel are able to exercise significant influence	Key Management Personnel
TV18 Home Shopping Network Limited	288.24 (336.99)	- (-)	- (-)	- (-)	- (-)
Infomedia Press Limited	1.98 (-)	- (-)	- (-)	- (-)	- (-)
Big Tree Entertainment Private Limited	26.89 (10.00)	- (-)	- (-)	- (-)	- (-)
AETN18 Media Private Limited	24.21 (29.60)	- (-)	- (-)	- (-)	- (-)
IBN Lokmat News Private Limited	- (-)	- (-)	33.29 (67.45)	- (-)	- (-)
Colosceum Media Private Limited	- (0.79)	- (-)	- (-)	- (-)	- (-)
Greycells18 Media Limited	20.72 (77.98)	- (-)	- (-)	- (-)	- (-)
Panorama TV Private Limited	- (7.10)	- (-)	- (-)	- (-)	- (-)
Prism TV Private Limited	- (1.72)	- (-)	- (-)	- (-)	- (-)
Web18 Software Services Limited	- (0.45)	- (-)	- (-)	- (-)	- (-)
Exceptional item (provision for doubtful advances)					
Television Eighteen Mauritius Limited	- (499.78)	- (-)	- (-)	- (-)	- (-)
Infomedia Press Limited	- (467.76)	- (-)	- (-)	- (-)	- (-)
Loans/advances given during the year					
Infomedia Press Limited	163.86 (-)	- (-)	- (-)	- (-)	- (-)
Capital18 Fincap Private Limited	- (115.00)	- (-)	- (-)	- (-)	- (-)
Loans/advances taken during the year					
TV18 Broadcast Limited	11,000.00 (14,000.00)	- (-)	- (-)	- (-)	- (-)

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

(Amount in lakhs)

Particulars	**Subsidiaries/ Fellow Subsidiaries**	**Associates**	**Joint Ventures**	**Entities over which Key Managerial Personnel are able to exercise significant influence**	**Key Management Personnel**
e-Eighteen.com Limited	4,200.00 (-)	- (-)	- (-)	- (-)	- (-)
Provision for doubtful advances					
Viacom18 Media Private Limited	- (277.54)	- (-)	- (-)	- (-)	- (-)
Loans/advances received back given during the year					
TV18 Broadcast Limited	5,000.00 (-)	- (-)	- (-)	- (-)	- (-)
Investments purchase during the year					
Big Tree Entertainment Private Limited	- (4,767.54)	- (-)	- (-)	- (-)	- (-)
Infomedia Press Limited	- (45.89)	- (-)	- (-)	- (-)	- (-)
Digital18 Media Limited	105.00 (265.00)	- (-)	- (-)	- (-)	- (-)
Capital18 Fincap Private Limited	210.00 (1,077.00)	- (-)	- (-)	- (-)	- (-)
Provision for diminution in value of investment					
Digital18 Media Limited	- (4,325.00)	(-)	- (-)	- (-)	- (-)
Digital18 Media Limited -Investment in Equity	- (5.00)	- (-)	- (-)	- (-)	- (-)
RRB Investments Private Limited	(-) (2,604.00)	- (-)	- (-)	- (-)	- (-)
Investment in debentures redeemed					
Capital18 Fincap Private Limited	2,450.00 (2,740.00)	- (-)	- (-)	- (-)	- (-)
Debenture application money paid					
Capital18 Fincap Private Limited	300.00 (-)	- (-)	- (-)	- (-)	- (-)
Corporate guarantee given					
TV18 Home Shopping Network Limited	8,069.22 (-)	- (-)	- (-)	- (-)	- (-)

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

(Amount in lakhs)

Particulars	Subsidiaries/ Fellow Subsidiaries	Associates	Joint Ventures	Entities over which Key Managerial Personnel are able to exercise significant influence	Key Management Personnel
Corporate guarantee given					
TV18 Broadcast limited	986.00 (-)	- (-)	- (-)	- (-)	- (-)
Amount due from					
TV18 Broadcast Limited	345.14 (85.71)	- (-)	- (-)	- (-)	- (-)
Viacom18 Media Private Limited	- (-)	- (-)	307.63 (326.31)	- (-)	- (-)
e-Eighteen.com Limited	692.48 (-)	- (-)	- (-)	- (-)	- (-)
Big Tree Entertainment Private Limited	63.02 (-)	- (-)	- (-)	- (-)	- (-)
Digital18 Media Limited	48.38 (11.63)	- (-)	- (-)	- (-)	- (-)
TV18 Home Shopping Network Limited	61.89 (42.28)	- (-)	- (-)	- (-)	- (-)
Infomedia Press Limited	2,829.86 (3,113.86)	- (-)	- (-)	- (-)	- (-)
AETN18 Media Private Limited	2.01 (-)	- (-)	- (-)	- (-)	- (-)
IBN Lokmat News Private Limited	- (-)	- (-)	1.04 (7.50)	- (-)	- (-)
Greycells18 Media Limited	10.96 (76.03)	- (-)	- (-)	- (-)	- (-)
Television Eighteen Mauritius Limited	499.78 (499.78)	- (-)	- (-)	- (-)	- (-)
Web18 Software Services Limited	32.48 (30.06)	- (-)	- (-)	- (-)	- (-)
Panorama TV Private Limited	- (2.91)	- (-)	- (-)	- (-)	- (-)
Prism TV Private Limited	- (1.93)	- (-)	- (-)	- (-)	- (-)
RRB Investments Private Limited	0.38 (0.19)	- (-)	- (-)	- (-)	- (-)

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

(Amount in lakhs)

Particulars	Subsidiaries/ Fellow Subsidiaries	Associates	Joint Ventures	Entities over which Key Managerial Personnel are able to exercise significant influence	Key Management Personnel
RRK Finhold Private Limited	(-) (0.59)	- (-)	- (-)	- (-)	- (-)
RVT Finhold Private Limited	0.21 -	- (-)	- (-)	- (-)	- (-)
RVT Media Private Limited	0.51 (0.16)	- (-)	- (-)	- (-)	- (-)
Capital18 Fincap Private Limited	300.00 (115.19)	- (-)	- (-)	- (-)	- (-)
Setpro18 Distribution Limited	- (0.09)	- (-)	- (-)	- (-)	- (-)
Amount due to					
Viacom18 Media Private Limited	- (-)	- (-)	26.65 (-)	- (-)	- (-)
e-Eighteen.com Limited	4,896.80 (159.38)	- (-)	- (-)	- (-)	- (-)
TV18 Broadcast Limited	21,938.20 (14,078.32)	- (-)	- (-)	- (-)	- (-)
Big Tree Entertainment Private Limited	49.03 (10.32)	- (-)	- (-)	- (-)	- (-)
E-18 Limited, Cyprus	3.29 (3.29)	- (-)	- (-)	- (-)	- (-)
Network18 Holdings Limited	21,719.94 (21,719.94)	- (-)	- (-)	- (-)	- (-)
Web18 Software Services Limited	0.47 (-)	- (-)	- (-)	- (-)	- (-)
Digital18 Media Limited	0.88 (-)	- (-)	- (-)	- (-)	- (-)
Greycells18 Media Limited	0.03 (-)	- (-)	- (-)	- (-)	- (-)
Infomedia Press Limited	92.11 (-)	- (-)	- (-)	- (-)	- (-)
AETN18 Media Private Limited	- (0.25)	- (-)	- (-)	- (-)	- (-)

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

(Amount in lakhs)

Particulars	Subsidiaries/ Fellow Subsidiaries	Associates	Joint Ventures	Entities over which Key Managerial Personnel are able to exercise significant influence	Key Management Personnel
Corporate guarantee given					
TV18 Home Shopping Network Limited	15,902.28 (7,833.06)	- (-)	- (-)	- (-)	- (-)
TV18 Broadcast Limited	- (986.00)	- (-)	- (-)	- (-)	- (-)

(figures in brackets represents figures for previous year)

Note:

Note 31(a) and (b) (related party note) also suffice the requirements of schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

32. Employee benefits

Net employee benefits expense

Rs. in lakhs

Particulars	**Year ended 31 March 2016**		Year ended 31 March 2015	
	Gratuity	**Compensated absences**	Gratuity	Compensated absences
Current service cost	**40.72**	**42.94**	41.59	40.49
Interest cost	**16.59**	**8.76**	18.02	10.68
Net actuarial (gain)/ loss recognised in the year	**(20.13)**	**11.06**	121.53	(4.35)
Net benefits expense	**37.18**	**62.76**	181.14	46.82

Note – For the year ended 31 March 2015, out of the total net benefits expense on account of gratuity and compensated absences Rs.140.49 lakhs was classified as an exceptional item and Rs.87.47 lakhs was part of employee benefits expense.

Changes in the present value of the defined benefit obligation are as follows:

Rs. in lakhs

Particulars	**Year ended 31 March 2016**		Year ended 31 March 2015	
	Gratuity	**Compensated absences**	Gratuity	Compensated absences
Present value of obligations as at the beginning of the year	**207.35**	**109.49**	220.98	138.48
Current service cost	**40.72**	**42.94**	41.59	40.49
Interest cost	**16.59**	**8.76**	18.02	10.68
Acquisition adjustment	**-**	-	(12.60)	(8.45)
Benefit paid	**(51.17)**	**(66.98)**	(182.17)	(67.36)
Net actuarial (gain)/ loss recognised in the year	**(20.13)**	**11.06**	121.53	(4.35)
Present value of obligations as at the end of the year	**193.36**	**105.27**	207.35	109.49

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

Net liability amount recognised in the balance sheet

Rs. in lakhs

Particulars	Year ended 31 March 2016		Year ended 31 March 2015	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Non-current liability	**189.01**	**102.46**	202.42	104.83
Current liability	**4.35**	**2.81**	4.93	4.66
Total Net Liability	**193.36**	**105.27**	207.35	109.49

The present value of defined benefit obligations and experience adjustments arising on plan liabilities in current and previous four annual periods is as below:

Rs. in Lakhs

	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016
Present value of defined benefit obligation	427.60	387.56	220.98	207.35	193.36
Actuarial gain /(loss)	(30.09)	(64.80)	60.08	(121.53)	(20.13)
Experience adjustment on plan liabilities (loss)/gain	30.09	64.80	(60.08)	121.53	20.13

The principal assumptions used in determining liability towards gratuity and compensated absences are shown below:

a) Economic Assumption

Particulars	Year ended 31 March 2016		Year ended 31 March 2015	
	Gratuity (in %)	Compensated absences in (%)	Gratuity (in %)	Compensated (in %) absences
Discount rate	**8.00**	**8.00**	8.00	8.00
Expected salary escalation rate	**5.50**	**5.50**	5.50	5.50

b) Demographic assumption

Particulars	Year ended 31 March 2016		Year ended 31 March 2015	
Retirement Age(Years)	**60**		60	
Mortality table	**IALM (2006-08)**		IALM (2006-08)	
Withdrawal rate	**Age**	**Percentage**	Age	Percentage
	Upto 30 years	**3**	Upto 30 years	3
	Upto 44 years	**2**	Upto 44 years	2
	Above 44 years	**1**	Above 44 years	1

Estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Defined contribution plan

The Company has contributed Rs. 205.07 lakhs (previous year Rs. 216.66 lakhs) to Contribution to provident fund and employees' state insurance.

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

Other long term employee benefits

The Company, along with its subsidiary company, TV18 Broadcast Limited, has jointly established an Employee Welfare Plan dated 2 February 2009 for the benefit of their existing and future employees and to administer the same, a Trust named Network18 Group Senior Professional Welfare Trust has been constituted under the Indian Trusts Act, 1881 vide Trust Deed dated 19 February 2009.

The Employee Welfare Plan provides that any accretion to the corpus of the Trust (like dividends, profit on sale of investments, interest income, etc.) will be utilized for the benefit of beneficiaries upon occurrence of certain specific events. It further provides that the amount of benefit to be provided out of such accretion will be at the discretion of the trustees.

During the year ended 31 March 2016 and 31 March 2015, there were no net accretions to the corpus of the aforementioned Trust and accordingly no liability or plan assets have been provided/ recognised in these financial statements.

33. Obligation on long term, non-cancellable operating leases

The Company has taken various office premises under operating lease agreements. The lease term of these leases ranges between 1 to 5 years and they are renewable by mutual consent. There are no sub leases or restrictions imposed by lease arrangements. There are certain lease agreements with escalation clauses during the initial lease term. Lease payments during the period recognised in the statement of profit and loss amount to Rs. 773.83 lakhs.(previous year Rs. 699.33 lakhs)

Rs. in lakhs

Particulars	As at 31 March 2016	As at 31 March 2015
Payable not later than one year	**161.55**	151.75
Payable later than one year but not later than five years	**24.26**	20.22
Payable later than five years	-	-
Total	**185.81**	171.97

34. Contingent liabilities and other commitments

Rs. in lakhs

Particulars	As at 31 March 2016	As at 31 March 2015
Capital commitments	**44.40**	185.41
Corporate guarantees given in connection with borrowings of subsidiaries:		
TV18 Broadcast Limited (Formerly ibn18 Broadcast Limited)	-	986.00
TV18 Home Shopping Network Limited	**15,902.28**	7,833.06
Total	**15,946.68**	9,004.47
The Company has issued letters of financial support to certain subsidiary companies – TV18 Home Shopping Network Limited, Web18 Software services Limited and Infomedia Press Limited.		
Claims against the company not acknowledged as debts Demand for stamp duty on transfer of property Rs. 3,463.96 lakhs (previous year Rs 86.77 lakhs). Contingent payments under agreements for sale of subsidiaries- Rs. 169.93 Lakhs (previous year Rs 169.93 lakhs).		

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

Other litigations

Victor Fernandes and others ('plaintiffs') had filed a derivative action suit before the Bombay High Court against Raghav Bahl, TV18 and other TV18 group entities alleging that all business opportunities undertaken by the Network18 Group should be routed through e-Eighteen.com Limited. The plaintiffs have valued their claim in the suit at Rs. 3,11,406.00 lakhs. The suit is currently pending. Victor Fernandes has also filed an appeal before the Hon'ble Supreme court against an order of Securities Appellate Tribunal regarding grant of listing approval by NSE for the rights issue.

Based on the legal advice by the legal counsel, management is of the view that the above claim made by the plaintiffs is unlikely to succeed and has accordingly made no provisions for the same in the financial statements.

35. Value of imported and indigenous material consumed

Rs. in lakhs

Paper, inks, printing and binding materials:	**As at 31 March 2016**	As at 31 March 2015
Raw materials and components		
Imported		
– Amount	**188.28**	189.42
– Percentage	**94%**	92%
Indigenous		
– Amount	**12.45**	16.43
– Percentage	**6%**	8%
Total	**200.73**	205.85
Analysis of material consumed		
Paper sheets	**16.27**	30.67
Paper reels	**184.46**	175.18
Total	**200.73**	205.85

36. Particulars of unhedged foreign currency exposure as at the reporting date as at 31 March 2016

	31 March 2016 (amount of foeign currency	**31 March 2016 (Rs. in Lakhs)**	**31 March 2015 (amount of foreign currency**	**31 March 2015 (Rs. in Lakhs)**
Import trade payable				
Trade payable US$	3**8,394.47**	**25.46**	74,441	46.59
Trade payable GBP	-	-	1,402	1.30
Trade payable S$	-	-	150	0.07
Export trade receivable				
Trade receivable US$	**500,395**	**331.91**	281,361	176.10
Trade receivable GBP	**1,764**	**1.67**	2,618	2.42

Rate of US$- Rs. 66.33 (previous year 62.33)

Rate of GBP- Rs. 95.09 (previous year 92.55)

Rate of S$ - Rs. 49.14(previous year 45.43)

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

37. Expenditure in foreign currency (accrual basis)

Rs. in lakhs

Particulars	As at 31 March 2016	As at 31 March 2015
Content and franchise expenses	**67.24**	100.58
Distribution, advertising and business promotion	**23.76**	9.47
Communication costs	**-**	3.68
Membership and subscription	**-**	0.26
License fees	**-**	0.15
Legal and professional expenses	**4.57**	-
Site support cost	**86.88**	-
Repairs and maintenance- Plant and equipment	**14.95**	-
Repairs and maintenance- Others	**32.96**	-
Miscellaneous expenses	**9.55**	-
Total	**239.91**	114.14

38. Earnings in foreign currency (accrual basis)

Rs. In lakhs

Particulars	As at 31 March 2016	As at 31 March 2015
Advertising and sponsorship revenue	**1,176.23**	931.89
Other operating revenue	**44.21**	73.84
Total	**1,220.44**	1,005.73

39. Employee Stock Option Plans

a. The Company's Employee Stock Option Plans (ESOPs) framed in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('SEBI Guidelines') which have been approved by the Board of Directors and the Shareholders are listed below. Schemes listed at serial (i) to (iv) were established as mirror schemes of the then existing ESOP schemes in Television Eighteen India Limited, in terms of the Scheme of Arrangement.

i) The Network18 Employees Stock Option Plan 2004 (ESOP 2004)

ii) The Network18 Senior Employees Stock Option Plan 2004 (Senior ESOP 2004)

iii) The Network18 Long Term Retention Employees Stock Option Plan 2005 (Long Term Retention ESOP 2005)

iv) The Network18 Employees Stock Option Plan 2007 (ESOP 2007)

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

b. Salient terms of the ESOP schemes of the Company, in force, are:

Particulars	**ESOP 2004**	**Senior ESOP 2004**	**Long Term Retention ESOP 2005**	**ESOP 2007**
Number of options granted	573,600	575,976	300,000	3,962,736
Vesting date	After three years from the date of grant except as follows in respect of 213,000 options whose terms have been modified: (i) 50% on 11 February 2010 (ii) 50% on 11 February 2011	Except for 143,994 options, vesting details are as follows 1.One third after two years from the date of grant 2. Remaining two third after 4 years from the grant date. In respect of 143,994 options, vesting details are as follows: (i) 50% on 11 February 2010 (ii) 50% on 11 February 2011	At any time at the end of 4 years from the date of grant.	After one year from the date of grant. The vesting shall happen in one or more tranches as may be decided by the Board
Vesting requirements	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed.
Exercise period	During two years after the vesting date.	During two years after the vesting date.	During one year after vesting date.	Exercise period will commence from the vesting date and extended upto the expiry period of the option as may be decided by the Board
Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled

Details of modification in ESOP schemes in previous financial year

ESOP 2007	– Exercise price of 180,071 options was reduced from Rs. 37.55 to Rs. 31.90 and exercise period was extended upto 2 March 2015. – Exercise period of 5,507 options was extended upto 5 February 2015
ESOP 2004 and Senior ESOP 2004	– Exercise period of was extended upto 5 February 2015

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

During the previous year the Company modified the terms of certain stock options by reducing the exercise price to bring the same in line with the market price

	Modification date – 28 October 2013	
	Pre modification	**Post modification**
Dividend yield	0.00%	0.00%
Expected volatility	55.40%	55.40%
Risk-free interest rate	8.33%	8.33%
Weighted average share price (Rs.)	31.90	31.90
Weighted average exercise price (Rs.)	34.88	29.91
Expected life of options granted (in years)	1.40	1.78

The volatility of the options is based on the historical volatility of the share price since the Company's equity shares are publicly traded.

c. **Details of options and weighted average prices**

Particulars	**ESOP 2004**		**SENIOR ESOP 2004**		**LONG TERM RETENTION ESOP 2005**		**ESOP 2007**	
	Options	Weighted Average Price	Options	Weighted Average Price	Options	Weighted Average Price	Options	Weighted Average Price
a) Outstanding at the beginning of the period	- (9,300)	- (20.00)	- (10,000)	- (13.34)	- (262,500)	- (37.55)	101,300 (427,041)	31.90 (28.20)
b) Granted during the period	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
c) Exercised during the period	- (3,600)	- (20.00)	- (10,000)	- (13.34)	- (-)	- (-)	100,00 (168,384)	31.90 (17.82)
d) Forfeited during the period	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
e) Expired during the period	- (5,700)	- (20.00)	- (-)	- (-)	- (262,500)	- (37.55)	650 (157,358)	8.90 (7.56)
f) Outstanding at the end of the period	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	650 (101,300)	28.90 (31.90)
g) Exercisable at the end of the period	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (101,300)	- (31.90)
h) Weighted average share price at the date of exercise	- (3,600)	- (20.00)	- (10,000)	- (13.34)	- (-)	- (-)	101,300 (168,384)	31.90 (17.82)
i) Weighted average remaining contractual life (years)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
j) Unvested Option outstanding at the end of the period	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

The Company has adopted the intrinsic value method as promoted by the SEBI (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share Based Payment issued by the Institute of Chartered Accountants of India for measuring the cost of the options granted.

Had the Company used the fair value method in accordance with Black Scholes Model to determine employee stock compensation, its loss after tax and loss per share as reported would have changed to the amounts indicated below:

Rs. in lakhs

	As at 31 March 2016	As at 31March 2015
Loss after tax as reported	**(9,096.10)**	(68,755.17)
Add: ESOP cost using the intrinsic value method	**-**	(36.69)
Less: ESOP cost using the fair value method	**-**	(10.62)
Proforma loss after tax	**(9,096.10)**	(68,781.24)
Loss per Share (Rs.)		
Basic		
As reported	**(0.87)**	(6.57)
Proforma	**(0.87)**	(6.59)
Diluted		
As reported	**(0.87)**	(6.57)
Proforma	**(0.87)**	(6.59)

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs in the year 31 March 2016:

Dividend yield	0.00%
Expected volatility	66.93%
Risk-free interest rate	5.19%
Weighted average share price (Rs.)	109.35%
Weighted average exercise price (Rs.)	113.44
Expected life of options granted (in years)	1.32

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

40. Due to Micro and Small enterprises

Dues to small and micro enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development ("MSMED") Act 2006#

Rs. in lakhs

	31 March 2016	31 March 2015
Principal amount remaining unpaid	-	-
Interest due thereon	-	-
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

The details of amounts outstanding to micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 are as per available information with the Company.

41. Information pursuant to regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: -

Rs. in lakhs

Loans and advances in the nature of loans to subsidiaries		**Balance (including interest accrued) as on**		**Maximum balance during the year ended**	
Name of the entity	**Status**	**31 March 2016**	31 March 2015	**31 March 2016**	31 March 2015
Infomedia Press Limited (formerly known as Infomedia 18 Limited)	Subsidiary	**2,998.34**	2,571.69	**2,998.34**	2,571.69

There are no transactions of loans and advances to subsidiaries, associate firms/ companies in which directors are interested other than as disclosed above.

The aforesaid loanee company has not made any investment in the shares of the Company.

42. Barter transactions

The Company enters into barter transactions, which are recorded at the fair value of consideration receivable or payable. The statement of profit and loss for the year 31 March 2016 reflects revenue from barter transactions of Rs. nil (previous year Rs. 43.80 lakhs) and expenditure of Rs. nil (previous year Rs. 43.80 lakhs) being the fair value of barter transactions provided and received.

43. The Company has foreign currency receivables aggregating to Rs. 516.30 lakhs (previous year Rs.523.82 lakhs) which are outstanding for more than nine months and foreign currency payables aggregating to Rs.24.67 lakhs (previous year Rs. 33.05 lakhs) which are outstanding for more than six months. The Company is in the process of dealing with the statutory implications of these delays and the management is of the view that the same would not have a material impact on these financial statements.

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2016

44. Deferred taxes assets

		Rs. in lakhs
	31 March 2016	31 March 2015
Deferred tax assets is on account of:		
Timing difference on account of depreciation and amortisation on fixed assets	**228.37**	375.90
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	**103.35**	122.87
Provision for doubtful debts	**646.45**	607.00
Carried forward losses	**28,172.57**	24,815.83
Deferred taxes assets recognized	-	-

The Company has unabsorbed depreciation and brought forward losses under the Income-tax Act, 1961. In the absence of virtual certainty of having sufficient taxable income against which deferred tax assets can be realised, no deferred tax assets has been recognised in the balance sheet.

45. Details of loans given, investments made and guarantees given covered u/s 186(4) of the Act.

Loans and corporate guarantees given and Investments made, are given under respective heads.

46. As per Accounting Standard (AS) 17 on "Segment Reporting", segment information has been provided under the Notes to Consolidated Financial Statements.

47. Previous year figures have been regrouped, wherever necessary, to confirm to current year presentation.

This is as per our report of even date.

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

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

Place: Noida
Date: 20 April 2016

For and on behalf of the Board of Directors of
Network18 Media & Investments Limited

Adil Zainulbhai
Chairman
DIN: 06646490

Rohit Bansal
Director
DIN: 02067348

Hariharan Mahadevan
Group Chief Financial Officer

Yug Samrat
Company Secretary
M No. FCS6118

Place: Mumbai
Date: 20 April 2016