

BIG TREE ENTERTAINMENT PRIVATE LIMITED

# **Big Tree Entertainment Private Limited**

# Independent Auditor's Report

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## To the Members of Big Tree Entertainment Private Limited

### Report on the Financial Statements

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

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

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, 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, 2015 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143(3) of the Act, we report that:
- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the financial statements dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
  - e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. as detailed in Note 26 to the financial statements, the Company has disclosed the impact of pending litigations on its financial position;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

per **Neeraj Goel**  
Partner  
Membership No.: 009514

Place: New Delhi  
Date: 15 April 2015

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.
- (iv) Owing to the nature of its business, the Company does not maintain any physical inventories or sell any goods. Accordingly, clause 3(iv) of the Order with respect to purchase of inventories and sale of goods is not applicable. In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/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, wealth 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 with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable
- (b) The dues outstanding in respect of income-tax, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Amount paid under protest (₹)	Period to which the amount relates	Forum where dispute is pending
The Income tax Act	Tax deducted at source	826,186	Nil	Financial year 2006-07	Income Tax Appellate Tribunal
The Income tax Act	Tax deducted at source	776,330	Nil	Financial year 2007-08	Deputy Commissioner of Income Tax (TDS)
The Income tax Act	Tax deducted at source	30,090	Nil	Financial year 2008-09	Deputy Commissioner of Income Tax (TDS)
The Income tax Act	Tax deducted at source	211,980	Nil	Financial year 2009-10	Deputy Commissioner of Income Tax (TDS)
The Income tax Act	Tax deducted at source	136,870	Nil	Financial year 2010-11	Deputy Commissioner of Income Tax (TDS)
The Income tax Act	Tax deducted at source	5,590	Nil	Financial year 2011-12	Deputy Commissioner of Income Tax (TDS)
The Income tax Act	Tax deducted at source	93,400	Nil	Financial year 2012-13	Deputy Commissioner of Income Tax (TDS)

- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder. Accordingly, the provisions of clause 3(vii)(c) of the Order are not applicable.
- (viii) In our opinion, the Company's accumulated losses at the end of the financial year are less than fifty percent of its net worth. The Company has incurred cash losses in the current year and there has been no cash loss in the immediately preceding financial year.
- (ix) The Company has no dues payable to a financial institution or a bank or debenture-holders during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable.
- (xi) The Company did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.
- (xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

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

per **Neeraj Goel**  
Partner  
Membership No.: 009514

Place : New Delhi  
Date : 15 April 2015

## Balance Sheet as at 31 March 2015

	Notes	As at 31 March 2015 (Rs.)	As at 31 March 2014 (Rs.)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	6,124,480	2,967,480
Reserves and surplus	3	1,596,078,641	449,634,775
		<b>1,602,203,121</b>	452,602,255
<b>Non-current liabilities</b>			
Long-term provisions	4	13,942,403	7,474,483
		<b>13,942,403</b>	7,474,483
<b>Current liabilities</b>			
Trade payables	5	118,606,303	122,417,752
Other current liabilities	6	253,243,787	193,945,593
Short-term provisions	7	9,580,935	3,401,272
		<b>381,431,025</b>	319,764,617
		<b>1,997,576,549</b>	779,841,355
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	8	113,870,181	93,161,300
Intangible assets	8	23,183,455	27,743,292
Capital work-in-progress		20,602,659	5,078,532
Intangible assets under development		-	383,250
		<b>157,656,295</b>	126,366,374
Non current investments	9	915,281	-
Long-term loans and advances	10	83,707,672	48,997,495
		<b>84,622,953</b>	48,997,495
<b>Current assets</b>			
Current investments	11	1,059,385,556	224,385,556
Trade receivables	12	141,264,028	101,872,263
Cash and bank balances	13	381,975,201	136,118,099
Short-term loans and advances	14	130,152,844	133,546,503
Other current assets	15	42,519,673	8,555,065
		<b>1,755,297,302</b>	604,477,486
		<b>1,997,576,549</b>	779,841,355

Notes 1 to 35 form an integral part of the financial statements.  
This is the Balance Sheet referred to in our report of even date.

For **Walker Chandiook & Co LLP**  
(formerly Walker, Chandiook & Co)  
Chartered Accountants

per **Neeraj Goel**  
Partner

**Place:** Place:

**Date:** 15 April 2015

For and on behalf of Board of Directors of  
**Big Tree Entertainment Private Limited**

**Rajesh Balpande**  
Director  
DIN No: 02396218

**Parikshit Dar**  
Director  
DIN No : 00207870

**Date:** 15 April 2015

## Statement of Profit and Loss for the year ended 31 March 2015

	Notes	Year ended 31 March 2015 (Rs.)	Year ended 31 March 2014 (Rs.)
<b>Revenue</b>			
Revenue from operations	16	1,276,271,659	790,534,401
Other income	17	44,562,037	39,358,248
Prior period income	18	-	10,354,808
<b>Total revenue</b>		<b>1,320,833,696</b>	<b>840,247,457</b>
<b>Expenditure</b>			
Employee benefit expenses	19	199,556,411	123,831,431
Depreciation and amortisation	8	80,402,264	37,696,106
Other expenses	20	1,171,173,697	718,557,686
		<b>1,451,132,372</b>	<b>880,085,223</b>
<b>Loss before prior period expense and tax</b>		<b>(130,298,676)</b>	<b>(39,837,766)</b>
Prior period expenses - compensated absences		4,973,678	-
<b>Loss before tax</b>		<b>(135,272,354)</b>	<b>(39,837,766)</b>
<b>Tax expense</b>			
Tax earlier years		-	488,321
<b>Total tax expense</b>		<b>-</b>	<b>488,321</b>
<b>Loss after tax for the year</b>		<b>(135,272,354)</b>	<b>(40,326,087)</b>
<b>Loss for the year</b>		<b>(135,272,354)</b>	<b>(40,326,087)</b>
Earnings per share - basic and diluted	21	(7,293.10)	(1,890.58)

Notes 1 to 35 form an integral part of the financial statements.

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

For **Walker Chandiok & Co LLP**  
(formerly Walker, Chandiok & Co)  
Chartered Accountants

per **Neeraj Goel**  
Partner

**Place: Place:**

**Date:** 15 April 2015

For and on behalf of Board of Directors of  
**Big Tree Entertainment Private Limited**

**Rajesh Balpande**  
Director  
DIN No: 02396218

**Parikshit Dar**  
Director  
DIN No : 00207870

**Date:** 15 April 2015

## Cash flow statement for the year ended 31 March 2015

Particulars	Year ended 31 March 2015 (Rs.)	Year ended 31 March 2014 (Rs.)
<b>A Cash flow from operating activities</b>		
Net loss before tax	(135,272,354)	(39,837,766)
Adjustment for:		
Depreciation and amortisation expenses	80,402,264	37,696,106
Gratuity and compensated absences	12,647,583	4,559,205
Excess provision written back	-	(17,322,633)
Unrealised foreign exchange fluctuation	1,130,108	2,588,851
Interest income	(4,216,609)	(3,481,508)
Dividend income on current investments	(30,748,193)	(3,985,426)
Profit on sale of assets	(160,803)	-
Profit on sale of current investments	(9,436,432)	(14,568,681)
Operating profit before working capital changes	(85,654,436)	(34,351,853)
Adjustment for:		
Changes in assets other than fixed assets and investments	(85,451,910)	(104,234,541)
Changes in liabilities	57,962,663	(13,275,941)
<b>Cash used in operations</b>	(113,143,682)	(151,862,333)
Income taxes paid (net of refunds)	(14,109,051)	(7,660,242)
<b>Net cash flow used in operating activities</b>	(127,252,733)	(159,522,575)
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets (including capital advances)	(122,071,274)	(81,622,630)
Sale of fixed assets	795,021	-
(Purchase)/sale of mutual funds	(825,563,568)	246,942,003
Purchase of shares in associate	(915,281)	-
Investment in fixed deposits	-	4,000,000
Change in other bank balances	(525,971)	(6,204,203)
Interest received	3,798,507	3,433,818
Dividend income on current investments	30,748,193	3,985,426
<b>Net cash flow (used in)/from investing activities</b>	(913,734,373)	170,534,414
<b>C Cash flow from financing activities</b>		
Proceeds from issue of share capital (including premium)	1,302,000,469	-
Share issue expenses	(15,682,229)	-
<b>Net cash flow from financing activities</b>	1,286,318,240	-
<b>Net increase in cash and cash equivalents</b>	245,331,134	11,011,839
<b>Cash and cash equivalents at the beginning of the year</b>	129,913,896	118,902,057
<b>Cash and cash equivalents at the end of the year</b>	375,245,030	129,913,896

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

For **Walker Chandiok & Co LLP**  
(formerly Walker, Chandiok & Co)  
Chartered Accountants

per **Neeraj Goel**  
Partner

**Place:**  
**Date:** 15 April 2015

For and on behalf of Board of Directors of  
**Big Tree Entertainment Private Limited**

**Rajesh Balpande**  
Director  
DIN No: 02396218

**Place:**  
**Date:** 15 April 2015

**Parikshit Dar**  
Director  
DIN No : 00207870

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

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### 1.1 Background

Big Tree Entertainment Private Limited (“the Company”) is engaged in the business of providing turnkey ticketing services to its consumers through theaters, events etc., including cash collections, internet-based ticketing, kiosk ticketing etc. It operates through an entertainment ticketing website namely, [www.bookmyshow.com](http://www.bookmyshow.com).

### 1.2 Basis of preparation

The financial statements have been prepared under historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles (GAAP) in India and comply with the Accounting standards prescribed 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 the Company.

All assets and liabilities have been classified as current and non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III of the Act. Based on the nature of business and the time between the acquisition of assets and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

### 1.3 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management’s knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognised in the period in which the results are known/materialised.

### 1.4 Significant accounting policies

#### a Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Amount of sales tax and service tax collected are excluded from revenue.

- i. Revenue from convenience fee on online sale of tickets is recognised when the tickets are confirmed. Out of the convenience fee, certain portion of revenue share of the cinema owners is recognised as an expense.
- ii. Revenue from concerts and events is recognised proportionately over the period of contract, on the basis of activities undertaken till the reporting date.
- iii. Revenue from sale of software is recognised based on delivery, where no installation is done by the Company. In contracts where installation is also done by the Company, revenue is recognised after installation.
- iv. Revenues from maintenance contracts are recognised pro-rata over the period of the contract.
- v. Revenue from sale of advertisement space is recognised over the period of contract and on proportionate completion basis, as applicable.
- vi. Revenue from call centre business (presented under other operating revenue) is recognised when the services for the agreed tenure has been completed.
- vii. Interest income is recognised on time proportion basis taking into account amount outstanding and the applicable rates.

#### b Fixed assets

##### Tangible assets

Fixed assets are stated at their original cost including incidental expenses related to acquisition and installation, less accumulated depreciation and impairment loss, if any. Any subsequent expenditure in respect of an item of fixed asset are added to value of fixed asset only if they increase the future benefits from the existing assets beyond its previously assessed standard of performance.

##### Intangible assets

Computer software are capitalised at cost of acquisition less amortisation and impairment loss, if any.

Customer relationships are recognised at the cost at which these are acquired and are amortised over a period of 3 years.

#### c Depreciation/amortisation

Depreciation/amortisation on fixed assets is provided pro rata to the period of use, based on written down value method at rates specified in Schedule II of the Companies Act, 2013 except in case of intangible assets and leasehold improvements. In view of the management such rates represents the useful life of such assets.

Assets costing less than Rs 5,000 each, are depreciated in full excluding residual value as per Schedule II, in year of purchase.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

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### Asset category Rate of depreciation/amortisation

Intangible assets 33.33% on written down value basis

Leasehold improvements Over the lease term or useful life whichever is lower

### d Impairment of assets

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

### e Investments

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

Current investments are stated at lower of cost or fair value. Long-term investments are stated at cost however provision for diminution in their value is made to recognise a decline, other than temporary value of investment.

Profit/loss on sale of investments are computed with reference to the average cost of the investment.

### f Foreign currency transactions

Initial recognition:

Foreign currency transactions are recorded in Indian Rupees by applying to the foreign currency amount, the exchange rate between the Indian Rupee and the foreign currency prevailing at the date of the transaction.

Conversion:

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when values were determined.

Exchange difference:

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as an expense in the year in which they arise.

### g Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15- 'Employee Benefits' of Companies (Accounting Standards) Rules, 2006.

#### Short term employee benefits

##### (i) Short-term employment benefits

Employee benefits payable wholly within the twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short - term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

##### (ii) Short term compensated absences

The employees can carry-forward a portion of the unutilised accrued non-encashable compensated absences and utilise it in future service periods. These compensated absences are not encashable, if not utilised. Since the compensated absences fall due and are also expected to be utilised wholly within twelve months after the end of such period, benefit is classified as a short-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services.

#### Long-term employee benefits

##### (i) Defined contribution plan : Provident fund

The Company's Employees Provident Fund scheme is a defined contribution plan. The Company's contribution to the

## Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

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Employees' Provident Fund is charged to the Statement of Profit and Loss during the period in which the employee renders the related service.

(ii) *Defined benefit plan : Gratuity*

The Company provides for gratuity, a 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, 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.

**h Earnings per share**

The Company reports basic and diluted (loss)/earnings per share in accordance with Accounting Standard 20 on Earnings per Share. Basic (loss)/earnings per equity share have been computed by dividing the Net (loss)/profit after tax by the weighted average number of equity shares outstanding during the period. Diluted (loss)/earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period except where the result would be anti-dilutive.

**i Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

**j Leases**

**Operating leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the lease term, are classified as operating lease. Operating lease payments are recognised in the Statement of Profit and Loss on a straight-line basis over the period of lease.

**k Income taxes**

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are 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 realised. 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 realised against future taxable profits.

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

**l Provisions and contingencies**

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

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

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company; or

## Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- present obligation, where a reliable estimate cannot be made.

### m Stock appreciation rights

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 amortized as “Deferred employee compensation” on a straight-line basis over the vesting period in accordance with the Guidance Note on accounting for Employee Share Based payment issued by Institute of Chartered Accountants of India (ICAI).

		<i>(All amounts in Rs.)</i>	
		As at	As at
		31 March 2015	31 March 2014
<b>2 Share capital</b>			
<b>a. Authorised share capital</b>			
	50,000 (previous year 50,000) equity shares of Rs. 10 each	500,000	500,000
	9,500 (previous year 3,000) preference shares of Rs 1,000 each	9,500,000	3,000,000
		<u>10,000,000</u>	<u>3,500,000</u>
<b>b. Issued, subscribed and paid-up share capital</b>			
	18,548 (previous year 18,548) equity shares of Rs. 10 each fully paid up	185,480	185,480
	2,782 (previous year 2,782 ) Series A compulsorily convertible preference shares of Rs. 1,000 each fully paid up	2,782,000	2,782,000
	3,157 (previous year nil) Series B compulsorily convertible preference shares of Rs. 1,000 each fully paid up	3,157,000	-
	<b>Total issued, subscribed and fully paid-up share capital</b>	<u>6,124,480</u>	<u>2,967,480</u>
<b>c. Reconciliation of the shares outstanding</b>			
<b>(i) Equity shares</b>			
	There is no movement in equity share capital during the current and previous year.		
<b>(ii) Series A Compulsorily convertible preference shares</b>			
	There is no movement in Series A compulsorily convertible preference shares during the current and previous year.		
<b>(iii) Series B Compulsorily convertible preference shares</b>			
	At the beginning of the year	-	-
	Issued during the year	3,157	-
	<b>Outstanding at the end of the year</b>	<u>3,157</u>	<u>-</u>
<b>d. Description of the rights, preferences and restrictions attached to each class of shares</b>			
<b>(i) Equity shares</b>			
	The Company has only one class of equity shares having the par value of Rs 10 per share. Each holder of equity share is entitled to one vote per share. All shareholders are equally entitled to dividends. The Company declares and pays dividend in Indian Rupees. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive remaining assets of the Company, after settlement of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.		
<b>(ii) Preference shares</b>			
	The Company also has two class of 0.01 % compulsorily convertible and redeemable Preference shares “Series A” and “Series B” having the par value of Rs 1,000 per share. Each preference shareholder at the time of conversion is entitled to one equity share for each preference share held subject to the terms of Share Subscription Agreement. Each holder of preference share is entitled to one vote per share. All shareholders are equally entitled to dividends.		

## Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

### e. Details of shares held by holding company and their subsidiaries

#### Equity shares

Name of the entity	Nature of relationship	31 March 2015		31 March 2014	
		No. of Shares	% of Holding	No. of Shares	% of Holding
Network18 Media & Investments Limited	Holding company	2,581	13.92%	2,581	13.92%
E 18 Limited, Cyprus a subsidiary of Network18 Media & Investments Limited	Fellow subsidiary	5,898	31.80%	5,898	31.80%

#### Compulsorily convertible preference shares - Series B

Name of the entity	Nature of relationship	31 March 2015		31 March 2014	
		No. of Shares	% of Holding	No. of Shares	% of Holding
Network18 Media & Investments Limited	Holding company	1,156	36.62%	-	-

f Shares reserved for issue under options and contracts : Stock Appreciation Rights Scheme ('SARs Scheme')	As at	As at
	31 March 2015	31 March 2014
	Number of Options	Number of Options
Equity shares of Rs 10 each	464,619	488,938

(This space has been intentionally left blank.)

### g Details of shareholders holding more than 5% shares in the Company

#### Equity shares

Name of Shareholder	31 March 2015		31 March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ashish Hemrajani	2,163	11.66%	2,288	12.34%
Rajesh Balpande	2,163	11.66%	2,288	12.34%
Parikshit Dar	2,163	11.66%	2,288	12.34%
E 18 Limited, Cyprus	5,898	31.80%	5,898	31.80%
Network18 Media & Investments Limited	2,581	13.92%	2,581	13.92%
Accel India III (Mauritius) Limited	1,602	8.64%	1,602	8.64%
Accel Growth FII (Mauritius) Limited	1,603	8.64%	1,603	8.64%

#### Compulsorily convertible preference shares - Series A

Name of Shareholder	31 March 2015		31 March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Accel India III (Mauritius) Limited	1,391	50%	1,391	50%
Accel Growth FII (Mauritius) Limited	1,391	50%	1,391	50%

#### Compulsorily convertible preference shares - Series B

Name of Shareholder	31 March 2015		31 March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Accel India III (Mauritius) Limited	324	10.26%	-	-
Accel Growth FII (Mauritius) Limited	324	10.26%	-	-
Network18 Media & Investments Limited	1,156	36.62%	-	-
SAIF Partners India IV Limited		1,353	42.86%	-

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

	<i>(All amounts in Rs)</i>	
	As at 31 March 2015	As at 31 March 2014
<b>3 Reserves and surplus</b>		
<b>a. Securities premium account</b>		
Balance at the beginning of the year	552,392,520	552,392,520
Add: Amount received on issue of compulsorily convertible preference shares	1,298,843,469	-
Less : Adjustment of expenses incurred on issue of compulsorily convertible preference shares	(15,682,229)	-
Balance at the end of the year	<u>1,835,553,760</u>	<u>552,392,520</u>
<b>b. Deficit in the statement of profit and loss</b>		
Balance at the beginning of the year	(102,757,745)	(62,431,658)
Loss for the year	(135,272,354)	(40,326,087)
Less: Adjustment on account of depreciation charge pursuant to implementation of Schedule II of Companies Act, 2013	(1,445,020)	-
Balance at the end of the year	<u>(239,475,119)</u>	<u>(102,757,745)</u>
	<u>1,596,078,641</u>	<u>449,634,775</u>
<b>4 Long-term provisions</b>		
Provision for gratuity (refer note 22.1)	13,942,403	7,474,483
	<u>13,942,403</u>	<u>7,474,483</u>
<b>5 Trade payables</b>		
(a) Dues to micro and small and medium enterprises (refer note 32)	1,447,362	135,090
(b) Dues to others	117,158,941	122,282,662
	<u>118,606,303</u>	<u>122,417,752</u>
<b>6 Other current liabilities</b>		
Statutory dues payable	4,951,968	4,617,714
Collections on behalf of customers	130,786,691	128,564,020
Advance from customers	112,982,021	53,509,946
Payable for capital goods	1,879,029	5,430,308
Other payables	2,644,078	1,823,605
	<u>253,243,787</u>	<u>193,945,593</u>
<b>7 Short-term provisions</b>		
Provision for gratuity (refer note 22.1)	582,646	299,185
Provision for compensated absences	8,998,289	3,102,087
	<u>9,580,935</u>	<u>3,401,272</u>

## Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

All amounts in Rs.)

8 Fixed assets Particulars	Tangible assets						Intangible asset			
	Leasehold improvements	Plant and equipment	Furniture and fixtures	Motor car	Office equipment	Computers	Total	Customer relationships	Computer software	Total
Balance as at 31 March 2014	25,296,685	22,013,910	8,220,481	-	5,398,995	96,351,709	157,281,780	11,000,000	32,079,101	43,079,101
Additions	8,007,939	8,909,648	2,528,194	524,181	2,569,947	67,341,720	89,881,629	-	8,609,532	8,609,532
Disposals/Adjustments	-	-	-	-	-	(890,033)	(890,033)	-	-	-
Balance as at 31 March 2015	33,304,624	30,923,558	10,748,675	524,181	7,968,942	162,803,396	246,273,376	11,000,000	40,688,633	51,688,633
<b>Accumulated depreciation/amortisation</b>										
Balance as at 1 April 2013	3,100,740	387,604	3,405,315	-	1,264,334	27,960,098	36,118,091	2,967,542	2,674,550	5,642,092
Charge for the year	6,391,585	1,217,768	1,598,519	-	655,945	17,999,187	27,863,004	404,945	9,288,772	9,693,717
Balance as at 31 March 2014	9,492,325	1,605,372	5,003,834	-	1,920,279	45,959,285	63,981,095	3,372,487	11,963,322	15,335,809
Change for the year (refer note below)	8,958,421	4,898,466	1,782,068	25,564	2,396,964	49,580,664	67,642,147	2,542,250	10,217,867	12,760,117
Adjustment for depreciation	-	141,185	-	-	382,586	511,997	1,035,768	-	409,252	409,252
Reversal on Disposal of Asset	-	-	-	-	-	(255,815)	(255,815)	-	-	-
Balance as at 31 March 2015	18,450,746	6,645,023	6,785,902	25,564	4,699,829	95,796,131	132,403,195	5,914,737	22,590,441	28,505,178
<b>Net Block</b>										
Balance as at 31 March 2014	15,804,360	20,408,538	3,216,647	-	3,478,716	50,392,424	93,300,685	7,627,513	20,115,779	27,743,292
Balance as at 31 March 2015	14,853,878	24,278,535	3,962,773	498,617	3,269,113	67,007,265	113,870,181	5,085,263	18,098,192	23,183,455

**Note:** Pursuant to the enactment of the Companies Act, 2013 (the Act), the Company has, effective from 1 April, 2014, reassessed the useful life of its fixed assets and has computed depreciation with reference to the useful life of assets as recommended in Schedule II to the Act. Consequently Depreciation for the year ended 31 March 2015 is higher by Rs. 23,143,136 and net loss is higher by Rs. 23,143,136. Further, based on the transitional provision provided in Schedule II, an amount of Rs. 1,445,020 has been adjusted with the opening reserves.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

	<i>(All amounts in Rs)</i>	
	As at 31 March 2015	As at 31 March 2014
<b>9 Non-current investments</b>		
<b>(valued at cost unless stated otherwise)</b>		
Investments in equity shares : Unquoted		
(a) Investment in associate		
2,600 (Previous year Nil ) equity shares each fully paid. up in Book My Show (NZ) Limited , New Zealand	915,281	-
	<u>915,281</u>	<u>-</u>
<b>10 Long-term loans and advances</b>		
<b>(Unsecured, considered good)</b>		
Capital advances	4,821,757	73,179
Security deposits	35,974,000	23,368,272
Minimum alternate tax (MAT) credit entitlement	10,003,780	10,003,780
Income tax paid (net of provisions for tax Rs Nil, previous year Rs. 8,992,981)	29,576,740	15,467,689
Prepaid expenses	3,331,395	84,575
	<u>83,707,672</u>	<u>48,997,495</u>
<b>11 Current investments - quoted</b>		
<b>(valued at lower of cost or fair value)</b>		
<b>In Mutual Funds</b>		
2,052,369(previous year - 2,052,369) units of IDFC Super Saver Income Fund - Medium Term - Plan B -Institutional Plan- Growth	25,254,610	25,254,610
1,922,375 (previous year - 1,922,375) units of Birla Sun Life Short Term Fund- Growth Regular Plan	80,000,000	80,000,000
5,716,712 (previous year - 5,716,712) units of Axis Short Term Fund- Growth (STGPG)	70,000,000	70,000,000
8,554,686 (previous year - Nil) units of DWS Short Maturity Fund -Growth	200,000,000	-
658,460 (previous year - 658,460) units of DWS Ultra Short Term Fund - Institutional- Growth Plan	9,130,946	9,130,946
Nil (previous year - 905,016) units of Templeton India Ultra Short Bond Fund - Super Institutional - Growth Plan	-	15,000,000
5,998,608 (Previous year Nil ) units in HDFC Short Term Plan Growth	150,000,000	-
14,011,489 (Previous year Nil) units in Kotak Equity Arbitrage Fund (Dividend)	150,000,000	-
1,632,512 (previous year 1,632,512) Units of SBI Dynamic Bond Fund - Growth	25,000,000	25,000,000
11,950,858 (previous year - Nil) units of IDFC Arbitrage Fund-Dividend - (Regular Plan)	150,000,000	-
75,623 (previous year - Nil) units of Franklin Templeton India - Short Term Income Plan-growth	200,000,000	-
	<u>1,059,385,556</u>	<u>224,385,556</u>
Market value of quoted investments	1,152,331,680	247,331,883

## Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

	<i>(All amounts in Rs)</i>	
	As at 31 March 2015	As at 31 March 2014
<b>12 Trade receivables</b>		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	21,598,542	19,529,560
Unsecured, considered doubtful	5,704,415	5,704,415
Less: Provision for doubtful receivables	<u>(5,704,415)</u>	<u>(5,704,415)</u>
	<u>21,598,542</u>	<u>19,529,560</u>
Other receivables		
Unsecured, considered good	119,665,486	82,342,703
	<u>119,665,486</u>	<u>82,342,703</u>
	<u>141,264,028</u>	<u>101,872,263</u>
<b>13 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash in hand	684,413	1,834,298
Balances with banks:		
in current account	332,611,602	118,112,022
Deposits with original maturity of less than 3 months	41,949,012	9,967,576
	<u>375,245,027</u>	<u>129,913,896</u>
<b>Other bank balances</b>		
Deposits with original maturity of more than 3 months and remaining maturities of less than 12 months	6,730,174	6,204,203
	<u>6,730,174</u>	<u>6,204,203</u>
	<u>381,975,201</u>	<u>136,118,099</u>
<b>14 Short-term loans and advances</b>		
<b>(Unsecured, considered good)</b>		
Loans and advances to related parties (refer note 24.2)	1,128,595	1,128,595
CENVAT credit recoverable	16,857,728	22,406,489
Collections receivable from payment gateways	15,124,952	22,521,771
Advances recoverable in cash or in kind	134,999	4,725,054
Prepaid expenses	83,453,361	81,915,775
Advance to vendors	13,453,209	848,819
	<u>130,152,844</u>	<u>133,546,503</u>
<b>15 Other current assets</b>		
Unbilled receivables (refer note 34)	42,053,881	8,507,375
Interest accrued but not due on fixed deposits	465,792	47,690
<b>Total</b>	<u>42,519,673</u>	<u>8,555,065</u>



## Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

	<i>(All amounts in Rs.)</i>	
	Year ended 31 March 2015	Year ended 31 March 2014
Communication expenses	3,801,196	2,560,377
Manpower outsourcing cost	75,898,411	50,348,312
Conference expenses	2,905,752	1,697,382
Electricity charges	7,260,541	4,881,009
Exchange fluctuation loss (net)	1,717,589	2,666,431
Insurance expenses	3,659,016	1,486,462
Office maintenance expenses	3,183,496	2,971,482
Printing and stationery	2,801,689	1,852,817
Payment to auditor (refer note a below)	900,000	725,000
Legal and professional charges	26,551,900	14,632,789
Repairs and maintenance		
- Building	-	303,187
- Plant and machinery	-	887,266
- Others	3,059,602	288,269
Rent	44,808,809	30,283,791
Travelling and conveyance	5,865,925	4,287,758
Rates and taxes	6,732,913	655,455
Miscellaneous expenses	11,748,897	3,893,683
	<u>1,171,173,697</u>	<u>718,557,686</u>
<b>(a) Payment to auditor</b>		
<b>As auditor (excluding out of pocket expenses and service tax)</b>		
Statutory audit fee	500,000	500,000
Tax audit fee	400,000	225,000
	<u>900,000</u>	<u>725,000</u>
<b>21 Earnings per share</b>		
Loss as per statement of profit and loss	(135,272,354)	(40,326,087)
Less : Loss attributable to Series A Cumulative Convertible Preference shareholders	-	(5,259,596)
Less : Loss attributable to Series B Cumulative Convertible Preference shareholders	-	-
Loss for the year for computing basic earnings per share	(135,272,354)	(35,066,492)
Add: Loss attributable to preference shareholders	-	(5,259,596)
Loss for the year for computing diluted earnings per share	(135,272,354)	(40,326,087)
Weighted average number of equity shares outstanding during the year for computing basic earnings per share	18,548	18,548
Effect of dilution- conversion of Series A Cumulative Convertible Preference shares	-	2,782
Effect of dilution- conversion of Series B Cumulative Convertible Preference shares	-	-
Loss per share - basic and diluted	(7,293.10)	(1,890.58)

## Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

(All amounts in Rs)

### 22 Employee benefits

#### 22.1 Defined benefit plans

##### Amount recognised in statement of profit and loss

	<b>31 March 2015</b>	31 March 2014
Current service cost	<b>1,814,841</b>	1,411,913
Interest cost	<b>723,728</b>	521,115
Net actuarial loss/(gain) recognised	<b>4,619,541</b>	(475,910)
<b>Net benefit expense</b>	<b>7,158,110</b>	1,457,118

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

	<b>31 March 2015</b>	31 March 2014
Present value of defined benefit obligation at the beginning of the year	<b>7,773,668</b>	6,316,550
Current service cost	<b>1,814,841</b>	1,411,913
Interest cost	<b>723,728</b>	521,115
Net actuarial loss/(gain) recognised	<b>4,619,541</b>	(475,910)
Curtailements or settlement during the year	<b>406,729</b>	-
<b>Present value of defined benefit obligation at the end of the year</b>	<b>14,525,049</b>	7,773,668

Current portion of obligation as at the end of the year

**582,646**      299,185

Non-current portion of obligation as at the end of the year

**13,942,403**      7,474,483

The principal assumptions used in determining gratuity for the Company's plan are shown below:

	<b>31 March 2015</b>	31 March 2014
Discount rate	<b>8.03%</b>	9.31%
Expected salary escalation rate	<b>8.00%</b>	8.00%
Mortality table	<b>Indian Assured lives Mortality 2006-08 (Ultimate)</b>	Indian Assured lives Mortality 2006-08 (Ultimate)
Withdrawal rate	<b>5.00%</b>	4.00%

#### 22.2 Defined contribution plans

The Company has contributed Rs 2,169,847 (previous year Rs. 1,658,828) to provident fund.

### 23 Obligation on long term, non cancellable operating leases

The Company has taken various office premises under operating lease agreements. The lease terms of these leases range between 1 to 5 years and they are renewable by mutual consent. There are no subleases or restrictions imposed by lease arrangements. There are certain lease agreements with escalation clauses during the initial lease term.

Lease rental of Rs. 44,808,809 (previous year – Rs. 30,283,791) has been recognised as an expense in the statement of profit and loss.

Future minimum rentals payable under non-cancellable operating leases are as follows:

	<b>31 March 2015</b>	31 March 2014
Not later than one year	<b>16,573,872</b>	25,642,044
Later than one year and not later than five years	<b>10,859,676</b>	19,409,537
	<b>27,433,548</b>	45,051,581

## Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

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### Related party disclosures

#### 24.1 List of related parties and relationship

**(a) Enterprises exercising control**

Independent Media Trust (w.e.f. 07.07.2014)  
Adventure Marketing Private Limited (w.e.f. 07.07.2014)#  
Watermark Infratech Private Limited (w.e.f. 07.07.2014)#  
Colorful Media Private Limited (w.e.f. 07.07.2014)#  
RB Media Holdings Private Limited (w.e.f. 07.07.2014)#  
RB Mediasoft Private Limited (w.e.f. 07.07.2014)#  
RRB Mediasoft Private Limited (w.e.f. 07.07.2014)#  
RB Holdings Private Limited (w.e.f. 07.07.2014)#  
Network18 Media & Investments Limited

**(b) Beneficiary/Protector of Independent Media Trust**

Reliance Industries Limited (RIL) (w.e.f. 07.07.2014)  
Reliance Industrial Investments and Holdings Limited (w.e.f. 07.07.2014)

**(c) Fellow subsidiaries (with whom transactions have been undertaken during the year)**

E-18 Limited, Cyprus  
e-Eighteen.com Limited  
TV18 Broadcast Limited  
Stargaze Entertainment Private Limited  
IMG Reliance Limited  
Reliance Corporate IT Park Limited.

**(d) Joint Venture of enterprises exercising control**

Viacom18 Media Private Limited

**(e) Key management personnel**

Mr. Ashish Hemrajani  
Mr. Rajesh Balpande  
Mr. Parikshit Dar

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

## Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

(All amounts in Rs.)

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

Particulars	Key managerial personnel		Beneficiary/Protector of Independent Media Trust		Enterprises exercising control		Fellow subsidiaries under common control		Joint Venture of enterprises exercising control	
	March 2015	March 2014	March 2015	March 2014	March 2015	March 2014	March 2015	March 2014	March 2015	March 2014
<b>Transactions during the period</b>										
<b>Income from sports, concerts and events</b>										
IMG Reliance Limited	-	-	-	-	-	-	528,790	-	-	-
Reliance Corporate IT Park Limited	-	-	-	-	-	-	2,188,346	-	-	-
Viacom18 Media Private Limited	-	-	-	-	-	-	-	-	5,202,875	900,925
<b>Income from sale and maintenance of software</b>										
Stargaze Entertainment Private Limited	-	-	-	-	-	-	767,500	480,339	-	-
<b>Income from advertisement</b>										
Viacom18 Media Private Limited	-	-	-	-	-	-	-	-	550,000	-
<b>Reimbursement of expenses</b>										
Ashish Hemrajani	238,897	34,342	-	-	-	-	-	-	-	-
Rajesh Balpande	51,804	234,099	-	-	-	-	-	-	-	-
Parikshit Dar	2,423	-	-	-	-	-	-	-	-	-
<b>Internet expenses</b>										
Network18 Media & Investments Limited	-	-	941,033	571,969	-	-	-	-	-	-
e-Eighteen.com Limited	-	-	-	-	-	-	1,193,616	1,382,736	-	-
<b>Revenue share expenses</b>										
Stargaze Entertainment Private Limited	-	-	-	-	-	-	562,915	532,343	-	-
<b>Cost sharing</b>										
TV18 Broadcast Limited	-	-	-	-	-	524,498	-	433,048	-	-
Network18 Media & Investments Limited	-	-	46,516	-	-	-	-	-	-	-
<b>Advertisement and business promotion expenses</b>										
Network18 Media & Investments Limited	-	-	-	-	-	-	-	3,359,600	-	-
TV18 Broadcast Limited	-	-	-	-	-	-	-	-	340,200	-
<b>Remuneration <sup>^</sup></b>										
Ashish Hemrajani	9,000,000	7,500,000	-	-	-	-	-	-	-	-
Rajesh Balpande	9,000,000	7,500,000	-	-	-	-	-	-	-	-
Parikshit Dar	9,000,000	7,500,000	-	-	-	-	-	-	-	-
<b>Ticket amount collected</b>										
Viacom18 Media Private Limited	-	-	-	-	-	-	48,269,118	4,008,950	-	-
<b>Ticket amount reimbursed</b>										
Viacom18 Media Private Limited	-	-	-	-	-	-	-	-	41,020,585	-

## Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

(All amounts in Rs.)

Particulars	Key managerial personnel		Beneficiary/Protector of Independent Media Trust		Enterprises exercising control		Fellow subsidiaries under common control		Joint Venture of enterprises exercising control	
	March 2015	March 2014	March 2015	March 2014	March 2015	March 2014	March 2015	March 2014	March 2015	March 2014
<b>Balances at the end of the year</b>										
<b>Trade receivables</b>										
Stargaze Entertainment Private Limited	-	-	-	-	161,550	138,413	-	-	-	-
Viacom18 Media Private Limited	-	-	-	-	16,680	-	280,900	987,559	-	-
e-Eighteen.com Limited	-	-	-	-	-	-	-	-	-	-
Reliance Industries Limited	-	-	52,500	-	-	-	-	-	-	-
<b>Loans and advances given</b>										
Network18 Media & Investments Limited	-	-	1,128,595	1,128,595	-	-	-	-	-	-
Rajesh Bajpande	-	-	-	-	-	-	-	-	-	-
<b>Loans and advances received</b>										
Stargaze Entertainment Private Limited	-	-	-	-	-	-	176,040	-	-	-
<b>Amount payables</b>										
Network18 Media & Investments Limited	-	-	82,003	293,658	-	-	-	-	-	-
e-Eighteen.com Limited	-	-	-	-	-	311,617	-	-	-	-
TV18 Broadcast Limited	-	-	439,152	762,038	-	-	-	-	-	-
Viacom18 Media Private Limited	-	-	-	-	-	-	-	-	5,906,129	4,008,950
Stargaze Entertainment Private Limited	-	-	-	-	-	288,470	-	-	-	-

^ Such remuneration does not include charge in respect of gratuity obligation as ascertained by actuarial valuation and short term compensated absences.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

### 25 Employee share based payments

#### a. Employee stock appreciation rights

The Shareholders, vide Extra-ordinary General Meeting (EOGM) dated 22 October 2013, approved a Stock Appreciation Rights Scheme named the Big Tree Stock Appreciation Rights Scheme ('SARs Scheme') that allows the Company to grant stock appreciation rights to the eligible employees of the Company. The SARs Scheme will be administered by a Compensation Committee of the Board of Directors of the Company.

As per the terms of the SARs Scheme, each stock appreciation right may be settled either in cash or by the issue of shares at the sole option of the Compensation Committee. Based on management estimate these have been accounted as equity settled.

The Compensation Committee is entitled to determine the vesting schedule for stock appreciation rights as the committee deems fit. Stock appreciation rights that are not exercised within the applicable exercise period will automatically lapse.

#### b. A description of the SAR Scheme of the Company is given below:

Particulars	Big Tree Stock Appreciation Rights Scheme															
	69,761		118,200		126,269		87,354		87,354		16,383		8,192		8,192	
Number of options granted	69,761	118,200	126,269	87,354	87,354	16,383	8,192	8,192								
Vesting date	22 November 2013	22 November 2014	22 November 2015	22 November 2016	22 November 2017	15 December 2016	15 December 2017	15 December 2018								
Vesting requirements	Continuation of services and such other conditions as may be prescribed															
Exercise period	In case of an Initial Public Offer of the Company, the exercise period is 48 months from the date the shares of the Company are first traded on a stock exchange or from 48 months from the date of vesting whichever is later. In case of an acquisition as defined in para 3.1 of the Scheme, the vested options will have to be mandatorily exercised irrespective of Exercise period and all unvested options will automatically lapse.															

The number and weighted average exercise price of share options are as follows:

Particulars	Year ended 31 March 2015		Year ended 31 March 2014	
	Options (nos.)	Weighted average exercise price	Options (nos.)	Weighted average exercise price
<i>Year ended 31 March 2015</i>				
Outstanding at the beginning of the year	488,938	150.97	-	-
Granted during the year	32,767	412.00	488,938	150.97
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Expired during the year	57,086	150.97	-	-
<b>Outstanding as at the end of the year</b>	<b>464,619</b>	<b>169.38</b>	<b>488,938</b>	<b>150.97</b>
<b>Exercisable as at the end of the year</b>	-	-	-	-
<b>Weighted average share price at the date of exercise</b>	-	-	-	-
<b>Weighted average remaining contractual life (in years)</b>	-	<b>6.15</b>	-	<b>7.13</b>
<b>Unvested option outstanding at the end of year</b>	<b>464,619</b>	<b>169.38</b>	<b>488,938</b>	<b>150.97</b>

*(This space has been left blank intentionally)*

#### c. Proforma Accounting for Stock Appreciation Rights

The Company has adopted the intrinsic value method as per the Guidance Note on Accounting for Employee Share Based Payments 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:

## Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Net loss after tax as reported (a)	(135,272,354)	(40,326,087)
Add: Stock based employee compensation expense debited to Statement of Profit and Loss (i)	-	-
Less: Stock based employee compensation expense based on fair value (ii)	(19,785,315)	(6,152,534)
Difference between (i) and (ii)	(19,785,315)	(6,152,534)
Adjusted proforma loss (c)	(155,057,668)	(46,478,621)
Difference between (a) and (c)	(19,785,315)	(6,152,534)
Less : Loss attributable to Series A Cumulative Convertible Preference shareholders	-	(6,062,050)
Less : Loss attributable to Series B Cumulative Convertible Preference shareholders	-	-
Loss for the year for computing basic loss per share	(155,057,668)	(40,416,571)
Add: Loss attributable to preference shareholders	-	(6,062,050)
Loss for the year for computing diluted loss per share	(155,057,668)	(46,478,621)
Basic loss per share as reported	(7,293.10)	(1,890.58)
Proforma basic loss per share	(8,359.81)	(2,179.03)
Diluted loss per share as reported	(7,293.10)	(1,890.58)
Proforma diluted loss per share	(8,359.81)	(2,179.03)

The black-scholes valuation model has been used for computing the weighted average fair value considering the following inputs :

### Year ended 31 March 2015

#### Particulars

Number of rights	65,623	110,416	105,695	75,059	75,059	16,383	8,192	8,192
Grant Date	22 November 2013				15 December 2014			
Vesting Date	22 November 2013	22 November 2014	22 November 2015	22 November 2016	22 November 2017	22 November 2016	15 December 2017	15 December 2018
Weighted average equity value	145.52	145.52	145.52	145.52	145.52	288.52	288.52	288.52
Exercise price	150.97	150.97	150.97	150.97	150.97	412	412	412
Expected volatility	10.90%	10.90%	10.90%	10.90%	10.70%	8.40%	10.46%	10.42%
Life of right (in years)	7.36	7.36	7.36	7.36	8.01	6.3	7.01	8.01
Dividend yield	0%	0%	0%	0%	0%	0%	0%	0%
Risk-free interest rate	8.99%	8.99%	8.99%	8.99%	9.15%	7.94%	7.95%	7.93%

(All amounts in Rs)

### 26 Contingent liabilities

	31 March 2015	31 March 2014
Income tax liability that may arise in respect of matters in appeal	826,186	826,186
Income tax liability that may arise in respect of matters in assessment	1,254,260	7,645,960
Legal claims against the Company	12,066,280	-
	<u>14,146,726</u>	<u>8,472,146</u>

## Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

<b>27 Expenditure in foreign currency (on accrual basis)</b>		<b>Year ended</b>		<b>Year ended</b>
		<b>31 March 2015</b>		<b>31 March 2014</b>
a - Purchase of software		<b>29,231,153</b>		20,738,976
b - Advertisement and business promotion expenses		<b>4,181,418</b>		3,283,192
c - Business development expenses		<b>10,708,871</b>		1,172,600
d - Sports and concert expenses		<b>9,478,363</b>		28,371,718
e - Other miscellaneous foreign expenses		<b>192,864</b>		-
		<b>53,792,669</b>		53,566,486
<b>28 Earnings in foreign currency (on accrual basis)</b>				
a - Income from sale and maintenance of software		<b>3,213,681</b>		5,227,506
b - Income from commission from concerts and events		<b>5,574,487</b>		54,844,125
		<b>8,788,168</b>		60,071,631
<b>29 Unhedged foreign currency exposure as at reporting date</b>				
<b>Particulars</b>		<b>31 March 2015</b>		<b>31 March 2014</b>
	<b>Foreign</b>	<b>Indian</b>	<b>Foreign</b>	<b>Indian</b>
	<b>Currency</b>	<b>Rupees</b>	<b>Currency</b>	<b>Rupees</b>
Trade payable (USD)	<b>396,586</b>	<b>24,822,295</b>	293,363	17,619,108
Trade payable (BDT)	-	-	10,349,300	8,000,000
Trade receivable (USD)	<b>38,606</b>	<b>2,416,334</b>	333,358	20,021,125
Other current assets (USD)	-	-	125,000	7,507,375
<b>30</b> The Company has capital commitment (net of advances) of Rs. 4,466,481 as at 31 March 2015 (previous year Rs. 5,231,941).				
<b>31</b> As the Company operates in a single business and geographical segment, the reporting requirements for primary and secondary segment disclosures prescribed by Accounting Standard 17 "Segment Reporting", have not been provided in these financial statements.				
<b>32</b> Dues to micro, small and medium enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006				
		<b>31 March 2015</b>		<b>31 March 2014</b>
Principal amount remaining unpaid		<b>1,447,362</b>		135,090
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 as at 31 March 2015		-		-
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.		-		-
		<b>1,447,362</b>		135,090

## Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

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- 33** The Company has dues aggregating Rs.14,709,556 (previous year Rs. 12,649,780) payable against certain imports, which are outstanding for more than six months. The Company is in the process of ensuring necessary compliances with the relevant regulations. Pending completion of such formalities, amount of any levies on account of ensuring such compliances, is currently not ascertainable and hence, no provision has been recorded in financial statements.
- 34** Unbilled receivables includes amount of Rs 24,560,547 (previous year Nil) towards unbilled debtors.
- 35** Previous year figures have also been regrouped/recast wherever considered necessary.

For **Walker Chandiook & Co LLP**  
(formerly Walker, Chandiook & Co)  
Chartered Accountants

per **Neeraj Goel**  
Partner

**Place: Place:**

**Date:** 15 April 2015

**For and on behalf of Board of Directors of  
Big Tree Entertainment Private Limited**

**Rajesh Balpande**  
Director  
DIN No: 02396218

**Parikshit Dar**  
Director  
DIN No : 00207870

**Date:** 15 April 2015