

# **Digital 18 Media Limited**

# INDEPENDENT AUDITOR'S REPORT

To the Members of **Digital18 Media Limited**

## 1. Reports on the Financial Statements

We have audited the accompanying financial statements of **Digital18 Media Limited**, which comprise the Balance Sheet as at March 31, 2015 the Statement of Profit & Loss, and a cash flow statement for the year then ended on that date, and a summary of significant accounting policies and other explanatory information.

## 2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ("the Act") with respect to preparation of the 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 Standards specified under section 133 of the Act, read with Companies (Accounts) Rules, 2014 ("the Act"). This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control 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.

## 3. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of a cash flow statement, of the cash flows of the company for the year ended on that date.

## 5. Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report that:

- a) we have 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 appears from our examination of those books
- c) The Balance Sheet, Statement of Profit & Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the accounting standards referred specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.

**For Mohan L. Jain & Co**

Chartered Accountants

Firm Registration No: 005345N

**Nitin Aggarwal**

Partner

Membership No: 528066

Place: New Delhi

Date:

**Balance Sheet as at 31st March, 2015***(All amounts in Rupees unless otherwise stated)*

|                                  | Notes | As at<br>31.03.2015       | As at<br>31.03.2014      |
|----------------------------------|-------|---------------------------|--------------------------|
| <b>EQUITY AND LIABILITIES</b>    |       |                           |                          |
| <b>Shareholders' funds</b>       |       |                           |                          |
| Share capital                    | 3     | 500,000                   | 500,000                  |
| Reserves and surplus             | 4     | (422,106,439)             | (435,348,180)            |
|                                  |       | <u>(421,606,439)</u>      | <u>(434,848,180)</u>     |
| <b>Non-current liabilities</b>   |       |                           |                          |
| Long-term borrowings             | 5     | 458,500,000               | 432,000,000              |
| Long-term provisions             | 6     | 5,124,647                 | 4,887,316                |
|                                  |       | <u>463,624,647</u>        | <u>436,887,316</u>       |
| <b>Current liabilities</b>       |       |                           |                          |
| Trade payables                   | 7     | 56,235,004                | 64,188,844               |
| Other current liabilities        | 8     | 14,435,216                | 17,806,481               |
| Short-term provisions            | 9     | 234,042                   | 220,983                  |
|                                  |       | <u>70,904,262</u>         | <u>82,216,307</u>        |
| <b>TOTAL</b>                     |       | <u><u>112,922,470</u></u> | <u><u>84,255,444</u></u> |
| <b>ASSETS</b>                    |       |                           |                          |
| <b>Non-current assets</b>        |       |                           |                          |
| Fixed assets                     |       |                           |                          |
| Tangible assets                  | 10    | 691,938                   | 3,125,947                |
| Intangible assets                | 11    | 414,198                   | 642,028                  |
|                                  |       | <u>1,106,136</u>          | <u>3,767,975</u>         |
| <b>Current assets</b>            |       |                           |                          |
| Inventory                        | 12    | 1,022,655                 | 4,943,224                |
| Trade receivables                | 13    | 73,972,299                | 50,523,373               |
| Cash and bank balances           | 14    | 14,014,177                | 4,818,095                |
| Short-term loans and advances    | 15    | 22,807,203                | 20,202,777               |
|                                  |       | <u>111,816,334</u>        | <u>80,487,470</u>        |
| <b>TOTAL</b>                     |       | <u><u>112,922,470</u></u> | <u><u>84,255,444</u></u> |
| Notes to the financial statement | 1-32  |                           |                          |

As per our report of even date attached

**For Mohan L Jain & Co.**

Chartered Accountants

Firm Registration No. 005345N

**Nitin Aggarwal**

Partner

Membership No. 528066

Place: New Delhi

Date:

For and on behalf of the Board of Directors

**Hariharan Mahadevan**

Director

**Senthil Chegalvarayan**

Director

Place:

Date:

Place:

Date:

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

(All amounts in Rupees unless otherwise stated)

|   | Notes   | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
|---|---------|------------------------------|------------------------------|
| <b>INCOME</b>                                       |         |                              |                              |
| Revenue from operations                             | 16      | 273,629,704                  | 234,287,111                  |
| Other income  | 17      | 5,555,996                    | 5,103,780                    |
| <b>Total revenue</b>                                |         | <b>279,185,700</b>           | <b>239,390,890</b>           |
| <b>EXPENDITURE</b>                                  |         |                              |                              |
| Costs of material consumed                          | 18      | 11,310,970                   | 1,706,190                    |
| Change in inventory of work in progress             | 19      | (113,784)                    | (363,397)                    |
| Employee benefits expense                           | 20      | 109,092,765                  | 99,873,938                   |
| Finance costs                                       | 21      | 157,014                      | 8,318,094                    |
| Depreciation and amortization expense               | 22      | 1,313,682                    | 2,059,639                    |
| Other expenses                                      | 23      | 142,182,561                  | 189,665,622                  |
| <b>Total expenses</b>                               |         | <b>263,943,208</b>           | <b>301,260,085</b>           |
| <b>Profit/Loss before exceptional items and tax</b> |         | <b>15,242,492</b>            | <b>(61,869,195)</b>          |
| Exceptional items                                   | 32      | 1,208,890                    | -                            |
| <b>Profit/Loss before tax</b>                       |         | <b>14,033,602</b>            | <b>(61,869,195)</b>          |
| <b>Tax expense</b>                                  |         |                              |                              |
| Current tax   |         | 886,719                      | -                            |
| (Less): MAT Credit                                  |         | (886,719)                    | -                            |
| Deferred tax  |         | -                            | -                            |
| <b>Total tax expense</b>                            |         | <b>-</b>                     | <b>-</b>                     |
| <b>Profit/Loss for the year</b>                     |         | <b>14,033,602</b>            | <b>(61,869,195)</b>          |
| <b>Profit/Loss per share (basic and diluted)</b>    | 24      | <b>280.67</b>                | <b>(1,237.38)</b>            |
| Notes to financial statement                        | 1 to 32 |                              |                              |

As per our report of even date attached

**For Mohan L Jain & Co.**

Chartered Accountants

Firm Registration No. 005345N

**Nitin Aggarwal**

Partner

Membership No. 528066

Place: New Delhi

Date:

For and on behalf of the Board of Directors

**Hariharan Mahadevan**

Director

Place:

Date:

**Senthil Chegalvarayan**

Director

Place:

Date:

**Cashflow Statement for the year ended 31st March, 2015***(All amounts in Rupees unless otherwise stated)*

| <b>Particulars</b>  | <b>For the Year<br/>ended<br/>31.03.2015</b> | For the Year<br>ended<br>31.03.2014 |
|---|--|-------------------------------------|
| <b>Net profit before tax (as per profit and loss account)</b> | <b>14,033,602</b>                            | (61,869,195)                        |
| Excess provision written back                                 | -  | 5,000,000                           |
| Adjustment for depreciation                                   | <b>1,313,682</b>                             | 2,059,639                           |
| Interest  | <b>157,014</b>                               | 8,318,094                           |
| Loss on sale of assets  | -  | 5,473                               |
| Interest income   | <b>(555,470)</b>                             | -                                   |
| Exceptional Items   | <b>1,208,890</b>                             | -                                   |
| Change in current and non current assets                      | <b>(22,728,231)</b>                          | 2,663,794                           |
| Change in current and non current liabilities                 | <b>(11,074,712)</b>                          | 12,015,031                          |
| <b>Cash from operating activities</b>                         | <b>(17,645,225)</b>                          | (31,807,165)                        |
| <b>Cash from investing activities</b>                         |  |                                     |
| Purchase of fixed assets                                      | <b>(57,150)</b>                              | (859,473)                           |
| Sale of fixed assets  | -  | 12,807                              |
| <b>Cash from investing activities</b>                         | <b>(57,150)</b>                              | (846,666)                           |
| <b>Cash from financing activities</b>                         |  |                                     |
| Zero coupon optionally convertible debentures                 | <b>26,500,000</b>                            | 35,500,000                          |
| Interest received   | <b>555,470</b>                               | -                                   |
| Interest paid   | <b>(157,014)</b>                             | (748,114)                           |
| <b>Cash from financing activities</b>                         | <b>26,898,456</b>                            | 34,751,886                          |
| Cash/cash equivalents as at the beginning of the year         | <b>4,818,095</b>                             | 2,720,040                           |
| <b>Cash/cash equivalents as at the end of the year</b>        | <b>14,014,177</b>                            | 4,818,095                           |

As per our report of even date attached

**For Mohan L Jain & Co.**

Chartered Accountants

Firm Registration No. 005345N

**Nitin Aggarwal**

Partner

Membership No. 528066

Place: New Delhi

Date:

For and on behalf of the Board of Directors

**Hariharan Mahadevan**

Director

Place:

Date:

**Senthil Chegalvarayan**

Director

Place:

Date:

## Notes to Financial Statements for the year ended 31st March, 2015

### 1 Background

Digital 18 Media Limited was incorporated on 16th April, 2007. The Company is in the business of printing and publishing business magazine.

### 2 Significant Accounting Policies:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 (Accounting Standards) Rules, 2006 (as amended) ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act / 2013 Companies Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. The financial statements are prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### a. Basis of Accounting

These accounts are prepared on the historical cost convention and on the mercantile basis. Cash flow statement has been prepared using the "Indirect method" as set out in the Accounting Standard - 3 on Cash Flow Statement issued by The Institute of Chartered Accountants of India.

#### b. Revenue Recognition

Advertisement revenue is recognized as and when advertisement is published in to the magazine.

Circulation Revenue includes sales to retail outlets/ newsstands, which are subject to returns. The Company records these retail sales upon dispatch, net of estimated returns. These estimated returns are based on historical return rates and are revised as necessary based on actual returns.

Revenue recognition from subscriptions to the Company's print publications is recognised as earned, prorata on a per issue basis on dispatch, over the subscription period.

Revenue from event sale is recognized on the completion of the event and on the basis of related service performed.

Revenue/Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### c. Taxation

Income tax comprises current tax and deferred tax. Deferred tax assets or liabilities are recognised for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognized unless there is virtual certainty that there will be sufficient future taxable income available to realise such assets.

#### d. Earnings Per Share

The Company reports basic and diluted earnings per equity share in accordance with AS-20, the Accounting Standard on Earnings Per Share. Basic earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

#### e. Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reporting balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reporting amounts of income and expenses during the period. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes, foreseeable estimated contract losses and useful life of fixed and intangible assets. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from such estimates.

#### f. Fixed Assets

Fixed assets are stated at their original cost including incidental expenses related to acquisition and installation and subsequent additional cost in respect of major reconditioning expenses enhancing the standard of performance of the assets less accumulated depreciation and impairment loss if any.

## Notes to Financial Statements for the year ended 31st March, 2015

**g. Depreciation**

Depreciation has been provided on the useful life of its fixed assets as per the useful life prescribed in Schedule II to Companies Act, 2013. Pursuant to the enactment of the Companies Act, 2013 (the Act), cost of leasehold improvements is being amortised over the remaining period of lease of the premises. Plant and machinery - distribution equipment is being depreciated over a period of 10 years. Computer software is being depreciated over a period of 5 years.

**h. Inventories**

Raw materials is valued at lower of cost and net realizable value. Cost is determined on a first in first out basis.

**i. Employee Benefits**

**Provident Fund**

Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the profit and loss account of the year - when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the respective trusts.

**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 recognized immediately in the Statement of profit and loss.

**Compensated absences**

Short term compensated absences are provided for on the basis of estimates. Long term compensated absences in the form of Leave encashment is accrued and provided for on the basis of an actuarial valuation as at the year end. The actuarial valuation is done as per projected unit credit method.

**j. Foreign Currency Transaction**

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 the values were determined.

Exchange Differences :

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

**k. Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation as at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.



## Notes to Financial Statements for the year ended 31st March, 2015

(All amounts in Rupees unless otherwise stated)

|   | As at<br>31.03.2015       | As at<br>31.03.2014       |
|---|---------------------------|---------------------------|
| <b>3. Share capital</b>   |                           |                           |
| <b>(a) Authorized share capital</b>   |                           |                           |
| i. 20,00,000 (P.Y. 20,00,000) equity shares of Rs. 10 each  | 20,000,000                | 20,000,000                |
| <b>(b) Issued, subscribed and paid-up capital</b>   |                           |                           |
| i. 50,000 (P.Y. 50,000) equity shares of Rs. 10 each fully paid up                                  | 500,000                   | 500,000                   |
| <b>Total issued, subscribed and fully paid-up share capital</b>                                     | <b>500,000</b>            | <b>500,000</b>            |
| <b>(c) Reconciliation of the share capital</b>  |                           |                           |
| <b>i. Equity shares</b>   | <b>Year ended</b>         | <b>Year ended</b>         |
|   | <b>31.03.2015</b>         | <b>31.03.2014</b>         |
|   | <b>Numbers</b>            | <b>Numbers</b>            |
|   | <b>Amount</b>             | <b>Amount</b>             |
| At the beginning of the year  | 50,000                    | 50,000                    |
| <b>Outstanding at the end of the year</b>   | <b>50,000</b>             | <b>50,000</b>             |
| <b>(d) Details of shareholders holding more than 5% shares in the Company</b>                       |                           |                           |
| <b>Name of Shareholder</b>  | <b>As at 31.03.2015</b>   | <b>As at 31.03.2014</b>   |
|   | <b>No. of Shares held</b> | <b>No. of Shares held</b> |
|   | <b>% of Holding</b>       | <b>% of Holding</b>       |
| <b>Equity Shares of Rs. 10 each fully paid up</b>   |                           |                           |
| Network 18 Media & Investments Limited  | 50000                     | 50000                     |
|   | 100%                      | 100%                      |
| <b>4. Reserve and surplus</b>   |                           |                           |
| <b>(a) Statement of profit and loss</b>   |                           |                           |
| Deficit at the beginning of the year  | (435,348,180)             | (373,478,985)             |
| Depreciation charge as per Schedule II from retained earnings                                       | (791,861)                 | -                         |
| Profit/(Loss) for the year  | 14,033,602                | (61,869,195)              |
|   | <u>(422,106,439)</u>      | <u>(435,348,180)</u>      |
| <b>5. Long-term borrowings</b>  |                           |                           |
| <b>Unsecured</b>  |                           |                           |
| <b>Zero coupon convertible bonds</b>  |                           |                           |
| 458,500 (P.Y. 432,000 ) Zero (coupon) Optionally Redeemable Convertible Debentures of Rs. 1000 each | 458,500,000               | 432,000,000               |
|   | <b>458,500,000</b>        | <b>432,000,000</b>        |

### Note

- i. **Conversion Option:** Each ZORCD shall have a face value of Rs. 1,000/- and tenure of 10 years from the date of allotment of the ZORCDs and at the option of the holder thereof shall be convertible into one fully paid up equity share of Rs. 10/- each of Digital18 Media Limited ("Conversion Option") at a price of Rs.1,000/- per share (including premium of Rs.990/- per share).
- ii **Conversion Period:** Any time prior to the expiry of the 10 years from the date of allotment but after expiry of two years from the date of allotment (Conversion Period), the ZORCD holder shall have the right but not the obligation to exercise the Conversion Option in relation to some or all of the ZORCDs in one or more tranches.
- iii **Conversion Option Shares:** In order to exercise its Conversion Option, the ZORCD holder shall issue a written notice (the "Conversion Option Notice") to the Company, which shall state the number of ZORCDs held by him, which it proposes to convert into equity shares of the Company. Within 10 business days of the receipt of the Conversion Option Notice, the Company shall allot to the ZORCD holder such number of equity shares of the Company that is equal to the number ZORCDs proposed to be converted at a face value of Rs. 10 and premium of Rs. 990 each, subject to (5) below, ("Conversion Shares").

## Notes to Financial Statements for the year ended 31st March, 2015

- iv **Title to Conversion Shares:** The Conversion Shares shall be (i) duly authorized, validly issued, fully paid up ; (ii) free and clear of any encumbrances and free of any restrictions on transfer; and (iii) shall rank pari passu in all respect with the then existing equity shares of the Company; and the Company shall so represent and warrant. Stamp duty or fees, if any, payable on the issuance of such Conversion Shares shall be borne and paid by the Company.
- v **Adjustment Upon Corporate Action:** In the event the Company takes any corporate action during the currency of ZORCD like split, consolidation, rights issue, buyback, or bonus issue or other similar corporate action etc affecting or diluting the equity shares of the Company and any other transaction having the effect of any of the foregoing in relation to the Company, then the Company shall make a reasonable adjustment in the entitlement for conversion of equity shares upon conversion of unexercised Options. The decision of the Board of Directors of the Company in this regard shall be final and binding.
- vi **Redemption:** In case the holder of the ZORCDs do not exercise the Conversion Option within the Conversion Period, i.e. 10 years from the date of allotment, then the such remaining ZORCDs shall be redeemed at its face value. However the Company, at its discretion and subject to availability of funds, on the request of the holder of the ZORCD may redeem the ZORCDs in one or more tranches anytime before exercise of the conversion option.
- vii **Transferability:** ZORCDs shall be freely transferable by the allottee or the holders of ZORCD.
- viii **Listing of ZORCDs:** The ZORCDs are not marketable therefore these will not be listed on any stock exchange in India or abroad.

(All amounts in Rupees unless otherwise stated)

|                                     | As at<br>31.03.2015 | As at<br>31.03.2014 |
|-------------------------------------|---------------------|---------------------|
| <b>6. Long-term provisions</b>      |                     |                     |
| Provision for gratuity              | 3,391,911           | 3,203,433           |
| Provision for compensated absences  | 1,732,736           | 1,683,883           |
|                                     | <u>5,124,647</u>    | <u>4,887,316</u>    |
| <b>7. Trade payables</b>            |                     |                     |
| Due to others                       | 56,235,004          | 64,188,844          |
|                                     | <u>56,235,004</u>   | <u>64,188,844</u>   |
| <b>8. Other current liabilities</b> |                     |                     |
| Advance from customers              | 11,131,515          | 10,025,065          |
| Employees dues                      | 87,930              | 2,193,144           |
| Statutory dues payable              | 2,323,846           | 2,924,285           |
| Security deposits                   | 754,175             | 360,237             |
| Other payables                      | 137,750             | 2,303,750           |
|                                     | <u>14,435,216</u>   | <u>17,806,481</u>   |
| <b>9. Short-term provisions</b>     |                     |                     |
| Provision for gratuity              | 90,167              | 83,811              |
| Provision for compensated absences  | 143,875             | 137,171             |
|                                     | <u>234,042</u>      | <u>220,982</u>      |

## Notes to Financial Statements for the year ended 31st March, 2015

### 10. Tangible assets

(All amounts in Rupees unless otherwise stated)

|  | Plant and equipment | Vehicles       | Office equipment | Total            | Grand Total      |
|--|---------------------|----------------|------------------|------------------|------------------|
| <b>Gross block</b>                         |                     |                |                  |                  |                  |
| <b>Balance as at 1 April 2014</b>          | 8,590,812           | 208,125        | 621,308          | 9,420,245        | 9,420,245        |
| Additions                                  | 17,150              | -              | 40,000           | 57,150           | 57,150           |
| Disposal / adjustments                     | -                   | -              | -                | -                | -                |
| Assets written off                         | (6,850,175)         | -              | (62,460)         | (6,912,635)      | (6,912,635)      |
| <b>Balance as at 31st March 2015</b>       | <b>1,757,787</b>    | <b>208,125</b> | <b>598,848</b>   | <b>2,564,760</b> | <b>2,564,760</b> |
| <b>Accumulated depreciation/impairment</b> |                     |                |                  |                  |                  |
| <b>Balance as at 1 April 2014</b>          | 5,845,968           | 54,441         | 393,889          | 6,294,298        | 6,294,298        |
| Depreciation charged to retained earnings  | 791,861             | -              | -                | 791,861          | 791,861          |
| Charge for the period                      | 933,996             | 29,277         | 122,579          | 1,085,852        | 1,085,852        |
| Disposal / adjustments                     | -                   | -              | -                | -                | -                |
| Assets written off                         | (6,236,729)         | -              | (62,460)         | (6,299,189)      | (6,299,189)      |
| <b>Balance as at 31st March 2015</b>       | <b>1,335,096</b>    | <b>83,718</b>  | <b>454,008</b>   | <b>1,872,822</b> | <b>1,872,822</b> |
| <b>Net block</b>                           |                     |                |                  |                  |                  |
| <b>Balance as at 31st March 2014</b>       | <b>2,744,844</b>    | <b>153,684</b> | <b>227,419</b>   | <b>3,125,947</b> | <b>3,125,947</b> |
| <b>Balance as at 31st March 2015</b>       | <b>422,691</b>      | <b>124,407</b> | <b>144,840</b>   | <b>691,938</b>   | <b>691,938</b>   |

### 11. Intangible assets

(All amounts in Rupees unless otherwise stated)

|   | Computers software | Total            | Intangible assets under development | Grand Total      |
|---|--------------------|------------------|-------------------------------------|------------------|
| <b>Gross block</b>                        |                    |                  |                                     |                  |
| <b>Balance as at 1 April 2014</b>         | 4,200,855          | 4,200,855        | 140,450                             | 4,341,305        |
| Additions                                 | -                  | -                | -                                   | -                |
| Deletions / adjustments                   | -                  | -                | -                                   | -                |
| <b>Balance as at 31st March 2015</b>      | <b>4,200,855</b>   | <b>4,200,855</b> | <b>140,450</b>                      | <b>4,341,305</b> |
| <b>Accumulated amortisation</b>           |                    |                  |                                     |                  |
| <b>Balance as at 1 April 2014</b>         | 3,699,277          | 3,699,277        | 3,699,277                           |                  |
| Depreciation charged to retained earnings | -                  | -                | -                                   |                  |
| Charge for the period                     | 227,830            | 227,830          | 227,830                             |                  |
| Deletions / adjustments                   | -                  | -                | -                                   |                  |
| <b>Balance as at 31st March 2015</b>      | <b>3,927,107</b>   | <b>3,927,107</b> | <b>-</b>                            | <b>3,927,107</b> |
| <b>Net block</b>                          |                    |                  |                                     |                  |
| <b>Balance as at 31st March 2014</b>      | <b>501,578</b>     | <b>501,578</b>   | <b>140,450</b>                      | <b>642,028</b>   |
| <b>Balance as at 31st March 2015</b>      | <b>273,748</b>     | <b>273,748</b>   | <b>140,450</b>                      | <b>414,198</b>   |

## Notes to Financial Statements for the year ended 31st March, 2015

|   | As at<br>31.03.2015 | As at<br>31.03.2014 |
|---|---------------------|---------------------|
| <b>12. Inventory</b>  |                     |                     |
| Raw materials   | 545,474             | 4,579,827           |
| Work-in-progress  | 477,181             | 363,397             |
| Total   | <u>1,022,655</u>    | <u>4,943,224</u>    |
| <b>13. Trade receivables</b>  |                     |                     |
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment |                     |                     |
| Secured, considered good  | 754,175             | -                   |
| Unsecured, considered good  | 10,482,644          | 5,786,385           |
| Unsecured, considered doubtful  | 2,160,444           | 1,565,000           |
| Less: Provision for doubtful receivables  | <u>(2,160,444)</u>  | <u>(1,565,000)</u>  |
|   | <u>11,236,819</u>   | <u>5,786,384</u>    |
| Trade receivables outstanding for a period within six months from the date they were due for payment    |                     |                     |
| Secured, considered good  | -                   | -                   |
| Unsecured, considered good  | 62,735,480          | 44,736,989          |
| Unsecured, considered doubtful  | -                   | -                   |
| Less: Provision for doubtful receivables  | <u>-</u>            | <u>-</u>            |
|   | <u>62,735,480</u>   | <u>44,736,989</u>   |
| <b>Total</b>  | <u>73,972,299</u>   | <u>50,523,373</u>   |
| <b>14. Cash and bank balances</b>   |                     |                     |
| <b>Cash and cash equivalents</b>  |                     |                     |
| Cash on hand  | 6,227               | 26,186              |
| <b>Bank Balances</b>  |                     |                     |
| In current accounts   | 8,405,692           | 4,791,909           |
| In deposit  | 5,602,258           | -                   |
| Total   | <u>14,014,177</u>   | <u>4,818,095</u>    |
| <b>15. Short term loans and advances</b>  |                     |                     |
| (unsecured, considered good, unless otherwise stated)   |                     |                     |
| Security deposits   | 2,100               | 2,100               |
| Income tax paid (net of provisions)   | 6,149,991           | 5,962,433           |
| Other loans and advances  | 3,227,118           | 713,105             |
| Service tax input credit  | 12,734,731          | 12,734,731          |
| Loans and advances to employees   | 620,709             | 87,654              |
| Prepaid expenses  | 72,554              | 702,753             |
| <b>Total</b>  | <u>22,807,203</u>   | <u>20,202,777</u>   |

## Notes to Financial Statements for the year ended 31st March, 2015

(All amounts in Rupees unless otherwise stated)

|  | Year ended<br>31.03.2015 | Year ended<br>31.03.2014 |
|--|--------------------------|--------------------------|
| <b>16. Revenue from operations</b>                 |                          |                          |
| Advertisement Revenue                              | 252,314,615              | 217,455,086              |
| Circulation Revenue                                | 8,119,592                | 8,694,704                |
| Subscription Revenue                               | 13,195,497               | 8,137,321                |
| <b>Total</b>                                       | <b>273,629,704</b>       | <b>234,287,111</b>       |
| <b>17. Other income</b>                            |                          |                          |
| Excess provision written back                      | 4,444,509                | 5,000,000                |
| Interest Income                                    | 555,470                  | 57,701                   |
| Miscellaneous income                               | 556,017                  | 46,079                   |
| <b>Total</b>                                       | <b>5,555,996</b>         | <b>5,103,780</b>         |
| <b>18. Costs of material consumed</b>              |                          |                          |
| Opening stock                                      |                          |                          |
| - Raw material                                     | 4,579,827                | -                        |
| Add : Purchase of raw material                     | 7,276,617                | 6,286,017                |
| Closing stock                                      |                          |                          |
| - Raw material                                     | 545,474                  | 4,579,827                |
| <b>Total</b>                                       | <b>11,310,970</b>        | <b>1,706,190</b>         |
|  | <b>545,474</b>           | <b>4,579,827</b>         |
| <b>19. Change in inventory of work in progress</b> |                          |                          |
| Work in progress at the beginning of the year      | 363,397                  | -                        |
| Less : Work in progress at the end of the period   | 477,181                  | 363,397                  |
| <b>Total</b>                                       | <b>(113,784)</b>         | <b>(363,397)</b>         |
| <b>20. Employee benefits expense</b>               |                          |                          |
| Salaries, wages and bonus                          | 104,379,188              | 94,392,616               |
| Contribution to provident fund and other funds     | 3,600,935                | 4,134,616                |
| Staff welfare expenses                             | 1,112,642                | 1,346,706                |
| <b>Total</b>                                       | <b>109,092,765</b>       | <b>99,873,938</b>        |
| <b>21. Finance costs</b>                           |                          |                          |
| Interest on others                                 | -                        | 8,153,044                |
| Other financial charges                            | 157,014                  | 165,050                  |
| <b>Total</b>                                       | <b>157,014</b>           | <b>8,318,094</b>         |

## Notes to Financial Statements for the year ended 31st March, 2015

(All amounts in Rupees unless otherwise stated)

|  | Year ended<br>31.03.2015 | Year ended<br>31.03.2014 |
|--|--------------------------|--------------------------|
| <b>22. Depreciation and amortization expense</b> |                          |                          |
| Depreciation on tangible assets                  | 1,085,852                | 1,442,955                |
| Amortization of intangible assets                | 227,830                  | 616,684                  |
| <b>Total</b>                                     | <b>1,313,682</b>         | <b>2,059,639</b>         |
| <b>23. Other expenses</b>                        |                          |                          |
| Studio and equipment hire charges                | -                        | 8,393                    |
| Content and franchise expenses                   | 6,970,151                | 7,865,716                |
| Media professional fees                          | 6,345,084                | 6,582,758                |
| Production expenses                              | 15,532,802               | 28,569,924               |
| Royalty  | 33,896,940               | 30,106,531               |
| Event expenses                                   | 8,507,108                | 7,358,045                |
| Freight and forwarding charges                   | 12,498,990               | 11,883,791               |
| Books and Periodicals                            | 1,114,867                | 1,296,542                |
| Distribution, advertising and business promotion | 23,537,502               | 31,130,444               |
| Electricity expenses                             | 1,408,721                | 1,200,092                |
| Rent   | 7,433,795                | 10,539,305               |
| Repairs and maintenance - Others                 | 514,313                  | 698,775                  |
| Office upkeep and maintenance expenses           | 1,910,383                | 2,449,900                |
| Insurance  | 316,325                  | 693,165                  |
| Legal and professional expenses                  | 2,670,735                | 12,941,603               |
| Audit fees                                       | 605,016                  | 561,800                  |
| Membership and subscription expenses             | 85,752                   | 223,909                  |
| Bad debts/advances written off                   | -                        | 648,701                  |
| Interest Paid to IT department                   | 19,791                   | -                        |
| Prior period expenses /(income)                  | -                        | 14,450,213               |
| Loss on sale / disposal of assets                | -                        | 5,473                    |
| Exchange difference (net)                        | 562,007                  | 579,684                  |
| Travelling and conveyance                        | 16,927,817               | 17,905,117               |
| Data Communication expenses                      | 1,032,390                | 1,501,781                |
| Printing and stationery                          | 291,770                  | 202,600                  |
| Miscellaneous expenses                           | 300                      | 261,359                  |
| <b>Total</b>                                     | <b>142,182,561</b>       | <b>189,665,622</b>       |



## Notes to Financial Statements for the year ended 31st March, 2015

### III) Reconciliation of fair value of assets and obligations

|                                    | Gratuity (Funded)<br>As at 31st March |         | Gratuity (Unfunded)<br>As at 31st March |           | Compensated Absences (Funded)<br>As at 31st March |         | Compensated Absences (Unfunded)<br>As at 31st March |           |
|------------------------------------|---------------------------------------|---------|---|-----------|---|---------|---|-----------|
|                                    | 2014-15                               | 2013-14 | 2014-15                                 | 2013-14   | 2014-15   | 2013-14 | 2014-15   | 2013-14   |
| Fair value of Plan assets          | -                                     | -       | -                                       | -         |   |         |   |           |
| Present value of obligation        | -                                     | -       | 3,482,078                               | 3,287,244 |   |         | 1,876,611   | 1,821,054 |
| Amount recognised in Balance Sheet | -                                     | -       | 3,482,078                               | 3,287,244 |   |         | 1,876,611   | 1,821,054 |

### IV) Expenses recognised during the year

|                                | Gratuity (Funded) |      | Gratuity (Unfunded) |                  | Compensated Absences (Funded) |      | Compensated Absences (Unfunded) |                |
|--------------------------------|-------------------|------|---------------------|------------------|-------------------------------|------|---------------------------------|----------------|
|                                | 2015              | 2014 | 2015                | 2014             | 2015                          | 2014 | 2015                            | 2014           |
| Current Service Cost           |                   |      | 745,605             | 728,347          |                               |      | 587,941                         | 540,415        |
| Interest Cost                  |                   |      | 279,416             | 406,782          |                               |      | 154,790                         | 240,030        |
| Expected return on Plan assets |                   |      | -                   | -                |                               |      | -                               | -              |
| Actuarial (gain) / loss        |                   |      | 636,398             | 309,595          |                               |      | 208,981                         | 194,333        |
| Other Transfer                 |                   |      | -                   | -                |                               |      | -                               | -              |
| <b>Net Cost</b>                |                   |      | <b>1,661,419</b>    | <b>1,444,724</b> |                               |      | <b>951,712</b>                  | <b>974,778</b> |

### V) Investment Details:

|                                  | As at 31st March, 2015 |            | As at 31st March, 2014 |            |
|----------------------------------|------------------------|------------|------------------------|------------|
|                                  |                        | % invested |                        | % invested |
| GOI Securities                   |                        |            |                        |            |
| Public Securities                |                        |            |                        |            |
| State Government Securities      |                        |            |                        |            |
| Insurance Policies               |                        |            |                        |            |
| Others (including bank balances) |                        |            |                        |            |

### VI) Actuarial assumptions

|  | Gratuity (Funded)  |                    | Gratuity (Unfunded) |                    | Compensated Absences (Unfunded) |         |
|--|--------------------|--------------------|---------------------|--------------------|---------------------------------|---------|
|  | 2014-15            | 2013-14            | 2014-15             | 2013-14            | 2014-15                         | 2013-14 |
| Mortality Table (Ultimate)                         | 2006-08 (Ultimate) | 2006-08 (Ultimate) | 2006-08 (Ultimate)  | 2006-08 (Ultimate) | 2006-08 (Ultimate)              | 2006-08 |
| Discount rate (per annum)                          |                    |                    | 8.00%               | 8.50%              | 8.00%                           | 8.50%   |
| Expected rate of return on plan assets (per annum) |                    |                    | 0.00%               | 0.00%              | 0.00%                           | 0.00%   |
| Rate of escalation in salary (per annum)           |                    |                    | 5.50%               | 6.00%              | 5.50%                           | 6.00%   |



## Notes to Financial Statements for the year ended 31st March, 2015

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

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of Plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

### VII) Amounts recognised in current year and previous four years

| Particular                                 | As at 31st March   |             |             |             |              |
|--|--------------------|-------------|-------------|-------------|--------------|
|  | 2015               | 2014        | 2013        | 2012        | 2011         |
| <b>Gratuity</b>                            |                    |             |             |             |              |
| Defined benefit obligation                 | <b>3,482,078</b>   | 3,287,244   | (5,084,772) | (2,940,246) | (13,376,747) |
| Fair value of plan assets                  | -                  | -           |             |             |              |
| (Surplus) / Deficit in the plan            | <b>(3,482,078)</b> | (3,287,244) | 5,084,772   | 2,940,246   | 13,376,747   |
| Actuarial (gain) / loss on plan obligation | <b>(642,534)</b>   | (307,244)   | (767,362)   | 115,991     | 1,041        |
| Actuarial (gain) / loss on plan assets     |                    |             |             |             |              |

### 25 Related party disclosures

#### Names of related parties and related party relationship

##### **Related parties where control exists**

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 Pvt Limited (w.e.f. 07.07.2014)#  
 RRB Mediasoft Pvt Limited (w.e.f. 07.07.2014)#  
 RB Holdings Private Limited (w.e.f. 07.07.2014)#  
 Network18 Media and Investments Ltd

##### **Related parties with whom transactions have taken place during the year**

Fellow subsidiaries

TV 18 Broadcast Ltd (formerly IBN Broadcast Limited)  
 e-Eighteen.com Ltd  
 Infomedia Press Ltd (Infomedia 18 Limited)  
 TV 18 Home Shopping Network Ltd

JV of Fellow Subsidiary

Viacom 18 Media Pvt Ltd  
 AETN 18 Media Pvt Ltd

Key management personnel

Raghav Bahl (upto March 9, 2015)

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

## Notes to Financial Statements for the year ended 31st March, 2015

|   |  | <i>(All amounts in Rupees unless otherwise stated)</i> |                             |                         |                 |   |   |                         |  |   |                                 |
|---|--|--|-----------------------------|-------------------------|-----------------|---|---|-------------------------|--|---|---------------------------------|
| <b>(a) Sale/purchase of goods and services:</b>               |  | <b>Year ended on</b>                                   | <b>Purchase of services</b> | <b>Sale of services</b> | <b>Interest</b> | <b>Reimbursement of expenses (Paid)</b> | <b>Reimbursement of expenses (Received)</b> | <b>ZORCD Debentures</b> | <b>Amount receivable from related parties*</b> | <b>Amount payable in related parties*</b> | <b>Closing Balance of ZORCD</b> |
| <b>Enterprises exercising control</b>                         |  |  |                             |                         |                 |   |   |                         |  |   |                                 |
| Network 18 Media and Investments Ltd (Web 18 division)        |  | 31st March 2015  | -                           | -                       | -               | 4,057,204                               | -   | -                       | 22,444   | -   | -                               |
|   |  | 31 March 2014  | -                           | -                       | -               | 5,332,298                               | -   | -                       | 84,816   | (2,992,015)                               | -                               |
| Network 18 Media and Investments Ltd (Publishing division)    |  | 31st March 2015  | -                           | -                       | -               | 2,405,536                               | -   | -                       | -  | (71,584)                                  | -                               |
|   |  | 31 March 2014  | 599,398                     | (875,485)               | -               | 5,023,785                               | -   | -                       | 531,824  | (3,005,445)                               | -                               |
| Network 18 Media and Investments Ltd                          |  | 31st March 2015  | -                           | -                       | -               | 9,859,324                               | -   | 26,500,000              | -  | (1,114,225)                               | (458,500,000)                   |
|   |  | 31 March 2014  | 9,014,522                   | -                       | -               | 5,654,332                               | -   | 35,500,000              | -  | (458,500,000)                             | (432,000,000)                   |
| <b>Fellow subsidiaries</b>                                    |  |  |                             |                         |                 |   |   |                         |  |   |                                 |
| TV 18 Broadcast Ltd   |  | 31st March 2015  | 9,089,902                   | (11,429,544)            | -               | 15,737,239                              | -   | -                       | 1,802,884                                      | (3,058,481)                               | -                               |
|   |  | 31 March 2014  | 13,185,894                  | (16,921,500)            | -               | 11,154,473                              | -   | -                       | 2,009,000                                      | (4,242,030)                               | -                               |
| e-Eighteen.com Ltd  |  | 31st March 2015  | 2,753,731                   | (3,161,000)             | -               | 5,447,662                               | -   | -                       | 227,360  | (1,843,284)                               | -                               |
|   |  | 31 March 2014  | 1,568,654                   | (2,050,000)             | -               | 4,123,551                               | -   | -                       | 4,494,737                                      | (3,480,787)                               | -                               |
| Infomedia Press Ltd   |  | 31st March 2015  | -                           | -                       | -               | -                                       | -   | -                       | -  | -   | -                               |
|   |  | 31 March 2014  | -                           | -                       | -               | 8,482,856                               | -   | -                       | -  | -   | -                               |
| <b>Enterprises significantly influenced by key management</b> |  |  |                             |                         |                 |   |   |                         |  |   |                                 |
| Network 18 Publications Ltd                                   |  | 31st March 2015  | -                           | -                       | -               | -                                       | -   | -                       | -  | -   | -                               |
|   |  | 31 March 2014  | 62,000                      | -                       | -               | -                                       | -   | -                       | -  | (62,000)                                  | -                               |
| <b>JV of Fellow Subsidiary</b>                                |  |  |                             |                         |                 |   |   |                         |  |   |                                 |
| Viacom 18 Media Pvt Ltd                                       |  | 31st March 2015  | -                           | -                       | -               | -                                       | -   | -                       | -  | -   | -                               |
|   |  | 31 March 2014  | -                           | (1,500,000)             | -               | -                                       | -   | -                       | -  | -   | -                               |
| AETN 18 Media Pvt Ltd   |  | 31st March 2015  | 837,540                     | (928,000)               | -               | -                                       | -   | -                       | 278,817  | (305,917)                                 | -                               |
|   |  | 31 March 2014  | 1,112,495                   | (1,250,000)             | -               | -                                       | -   | -                       | -  | (12,232)                                  | -                               |

\*The amounts are classified as trade receivables and trade payables, respectively.

\*Related parties have been identified by the Management.

## Notes to Financial Statements for the year ended 31st March, 2015

(All amounts in Rupees unless otherwise stated)

|  | 31.03.2015        | 31.03.2014        |                   |          |
|--|-------------------|-------------------|-------------------|----------|
| <b>26. Expenditure in foreign currency</b>   |                   |                   |                   |          |
| I - Royalty  | 33,896,940        | 26,734,970        |                   |          |
| II - Travelling Expenses   | -                 | 32,624            |                   |          |
| III - Membership and subscription expenses   | -                 | 63,325            |                   |          |
| IV - Professional & Consultancy Fee  | -                 | 206,741           |                   |          |
| V - Content Purchased  | 5,828,107         | 5,367,238         |                   |          |
| VI - Prior period expenses   | -                 | 1,204,100         |                   |          |
| VII - Stringer Fees  | 146,817           | -                 |                   |          |
|  | <u>39,871,864</u> | <u>33,608,998</u> |                   |          |
| <b>27. Earnings in foreign currency</b>  |                   |                   |                   |          |
| Income from Advertisement  | 8,713,560         | 8,248,568         |                   |          |
|  | <u>8,713,560</u>  | <u>8,248,568</u>  |                   |          |
| <b>28. Value of imports calculated on CIF basis</b>  |                   |                   |                   |          |
| Paper  | 4,905,824         | 6,053,631         |                   |          |
|  | <u>4,905,824</u>  | <u>6,053,631</u>  |                   |          |
| <b>29. Value of imported and indigenous raw materials consumed</b>   |                   |                   |                   |          |
|  | <u>31.03.2015</u> | <u>%</u>          | <u>31.03.2014</u> | <u>%</u> |
| <b>Paper</b>   |                   |                   |                   |          |
| Imported at landed cost  | 9,025,157         | 80%               | 1,473,804         | 86%      |
| Indigenously obtained  | 2,285,813         | 20%               | 232,386           | 14%      |
|  | <u>11,310,970</u> |                   | <u>1,706,190</u>  |          |
| <b>30. Other Disclosures</b>   |                   |                   |                   |          |
| <b>1. Net Gain/(Loss) on foreign currency transaction or translation other than considered in finance cost</b> |                   |                   |                   |          |
| Exchange Gain/Loss (Net)   | 635,765           |                   | 532,881           |          |
| Exchange Difference on Translation   | (73,758)          |                   | 46,803            |          |
| <b>2. Prior period items</b>   |                   |                   |                   |          |
| Content and franchise expenses   | -                 |                   | 1,336,120         |          |
| Production expenses  | -                 |                   | 370,788           |          |
| Service tax  | -                 |                   | 12,734,731        |          |
| Travelling and conveyance  | -                 |                   | 8,574             |          |
|  | <u>-</u>          |                   | <u>14,450,213</u> |          |

## Notes to Financial Statements for the year ended 31st March, 2015

3. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006  
Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is Rs. Nil (Previous year Rs. Nil) and no interest has been paid or is payable under the terms of the MSMED Act, 2006.
4. **Segment Reporting**  
The Company has only one business segment "Publishing of Magazines" as its primary segment and hence disclosure of segment-wise information is not required under Accounting Standard 17 - "Segmental Information" notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).
5. There are no contingent liabilities as on 31.03.2015
6. **Previous year's figures**  
Previous year figures have been re grouped-rearranged wherever necessary.
31. **Exceptional note**  
During the year, based on a review of the current and non-current assets, the Company has accounted for (a) obsolescence/impairment in the value of certain tangible assets to the extent of Rs. 6.13 lakhs and (b) write-off and provisions of non-recoverable and doubtful receivables to the extent of Rs. 5.95 lakhs. However, these adjustments have no impact on the future profitability and cash flows of the operating businesses of the Company.
32. **Barter Transaction**  
During the period ending 31st March, 2015, the Company had entered into barter transactions, which were recorded at the fair value of consideration receivable or payable. The Income from operations for the period ended 31st March, 2015 has been net of, to reflect revenue from barter transactions of Rs. 167.79 lakhs (Previous Year Rs.276.87 lakhs) and expenditure of Rs.159.36 lakhs (Previous year Rs. 266.10 lakhs) being the fair value of barter transactions provided and received.

For and on behalf of the Board of Directors

**Hariharan Mahadevan**  
Director

**Senthil Chegalvarayan**  
Director

Place:  
Date:

Place:  
Date: