

Greycells18 Media Limited
FINANCIAL ACCOUNTS
2014-15

Independent Auditor's Report

To the Members of
Greycells18 Media Limited

1. Reports on the Financial Statements

We have audited the accompanying financial statements of **Greycells18 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 loss 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

	Notes	As at 31st March 2015	(Amounts in Rs) As at 31st March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	116,380,050	116,380,050
(b) Reserves and surplus	4	(107,507,675)	(67,811,494)
Non-current liabilities			
(a) Long term borrowings	5	10,159,041	-
(b) Other long term liabilities	6	7,620,683	7,620,683
(c) Long-term provisions	7	1,141,968	490,572
Current liabilities			
(a) Trade payables	8	20,602,215	3,821,739
(b) Other current liabilities	9	7,040,779	12,960,830
(c) Short-term provisions	10	8,374,078	8,723,580
Total		63,811,139	82,185,960

ASSETS

Non-current assets

(a) Fixed assets

i) Tangible assets	11	2,869,485	6,569,057
ii) Intangible assets	12	1,726,162	2,205,412

Current assets

(a) Current Investments	13	4,835,353	12,968,036
(b) Inventories	14	4,044,174	9,080,076
(c) Trade receivables	15	14,102,671	10,020,766
(d) Cash and Bank Balances	16	1,949,229	5,188,435
(e) Short-term loans and advances	17	29,114,065	28,863,915
(f) Other current assets	18	5,170,000	7,290,263
Total		63,811,139	82,185,960

See accompanying notes forming part of the financial statements

1-30

In terms of our report 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

Sarbvir Singh
Director

Shilpa Luniya
CFO

Place:

Date:

Santanu Prakash
Director

Yug Samrat
Company Secretary

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

	Notes	Year ended 31st March 2015	Year ended 31st March 2014
(Amounts in Rs)			
I. Income			
Revenue from operations	19	54,037,133	64,111,243
Other income	20	1,726,730	2,616,741
Total		<u>55,763,863</u>	<u>66,727,984</u>
II. Expenses			
Production and other direct expenses	21	13,372,999	11,347,018
Purchases of traded goods		-	213,675
(Increase)/decrease in inventories of finished goods		-	319,095
Employee benefits expense	22	41,956,100	23,472,302
Finance costs	23	176,802	2,191
Depreciation and amortization expense	24	7,920,240	11,338,506
Other expenses	25	25,991,451	32,186,363
Total		<u>89,417,592</u>	<u>78,879,149</u>
Profit/(loss) before tax		(33,653,729)	(12,151,166)
Extraordinary Expenses			
Inventory written off		2,020,240	
Sundry Assets Written off		3,238,123	
Tax expense			
Current tax		-	-
Deferred tax		-	-
Profit/(loss) for the year		<u>(38,912,091)</u>	<u>(12,151,166)</u>
Earnings per equity share [nominal value of share Rs. 10	27		
(a) Basic		(3.34)	(1.04)
(b) Diluted		(3.34)	(1.04)
See accompanying notes to the financial statements	1-30		

In terms of our report 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

Sarbvir Singh
Director

Shilpa Luniya
CFO

Place:
Date:

Santanu Prakash
Director

Yug Samrat
Company Secretary

Cashflow Statement for the year ended 31st March 2015

	Notes	Year ended 31st March 2015	(Amounts in Rs) Year ended 31st March 2014
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit after tax		(38,912,091)	(12,151,166)
Adjustments for:			
Prior period adjustment		-	1,802
Bad Debts		29,068	-
Amortisation of intangibles		988,863	-
Depreciation		1,250,652	1,790,922
Dividend Income		(279,164)	(468,036)
Interest income		(15,223)	(126,378)
Excess Provision Written back		(1,431,344)	-
Sundry Balances w/off		177,911	-
Provision for Retirement Benefits		970,105	-
Inventory W/off		2,020,240	-
Tangible Assets w/off		3,009,532	-
Other Asset w/off		228,591	-
Operating profit before working capital changes		(31,962,860)	(10,952,856)
Adjustments for:			
Decrease/(Increase) in Current assets		368,300	3,100,220
Increase/(Decrease) in Current liabilities		11,782,599	(51,064,075)
Cash generated from/ (used in) operations		(19,811,962)	(58,916,711)
Tax paid (including Fringe benefit tax)			
Net cash from/ (used in) operating activities		(19,811,962)	(58,916,711)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(1,344,702)	(2,765,851)
Purchase of Intangibles		(509,612)	-
Purchase of Investments		(9,500,000)	(17,500,000)
Sale of investments		17,905,260	5,000,000
Dividend Received		6,587	468,036
Interest received		15,223	126,378
Net cash from/ (used in) investing activities		6,572,756	(14,671,437)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Share Application money		-	(4,667,000)
Proceeds from issue of shares (net)		-	79,667,000
Increase / (Decrease) in loans		10,000,000	-
Net cash from/ (used in) financing activities		10,000,000	75,000,000
Net increase/ (decrease) in cash and cash equivalents		(3,239,206)	1,411,852
Cash and cash equivalents as at the beginning of the period		5,188,435	3,776,583
Cash and cash equivalents as at the end of the period		1,949,229	5,188,435

Cash and cash equivalents includes amount under lien with banks

- Notes:** 1. The above Cash flow statement has been prepared under the indirect method set out in AS-3
2. Figures in brackets indicate cash outflow.

In terms of our report 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

Sarbvir Singh

Director

Shilpa Luniya

CFO

Place:

Date:

Santanu Prakash

Director

Yug Samrat

Company Secretary

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

1 Corporate information

Greycells18 Media Limited was promoted by Mr. Raghav Bahl and Mrs. Ritu Kapur to carry on the business of media and media related services. The company was incorporated in the name of RK FINHOLD PRIVATE LIMITED on June 22nd, 2006. The name of the company was changed to Greycells18 Media Private Limited on July 07, 2007

The Company was converted into a public limited company on 20th March 2009 u/s 44 of the Companies Act 1956 and a fresh Certificate of Incorporation was issued on 8th April, 2009.

The main objects of the company are:

- i) Business of authoring, writing developing, producing, recording, filming, editing, designing, selling, distributing, consulting and/or licensing educational and informational content programme.
- ii) To develop, buy, sell market and distribute contents on education, training and development of students through software, books and periodicals in printed and electronic form.
- iii) To set up, run, manage, takeover, organize, undertake, sponsor, build, function schools, colleges, institution, or other such form of organization to provide education, technical know how and training in the field of basic education, marketing, computer hardware and software, accountancy, human-resources, engineering, medical, business management, technical, film or in any other field.

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

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 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.

2.2 Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires 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 year. 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. Any revision to accounting estimates is recognised prospectively in the current and future years.

2.3 Inventories

- i) Inventory for final episode are stated at cost, which includes direct episode cost, other direct expenses like, media professional, editing charges, animation cost, pilot cost, salary and other expenses of content and production staff etc which has been added in the episode cost on pro-rata basis. The stock of episodes written off over its useful life of these episodes, which is estimated at three years.
- ii) Channel packaging are stated at cost and written off over its useful life of these packaging, which is estimated at three years.
- iii) Work in progress are stated at cost, which includes direct episode cost, other direct expenses like, media professional, Editing charges, Animation cost, Pilot cost, Salary and Other expenses of content and production staff etc. has been added in the episode cost on pro-rata basis.
- iv) Inventories of Raw material Stock (Retail pack/DVDs/CDs etc.) are valued at cost or estimated net realizable value

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

whichever is lower.

2.4 Depreciation and amortisation

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 enactment of the Companies Act, 2013 (the Act) following assets are depreciated over the below mentioned useful life:

Plant & Machinery	15 years
Furniture & Fixtures	10 years
Computer hardware	3 years
Communication Equipment	5 years

Intangible assets are amortised over their estimated useful life as follows:

Syndicated Programmes are amortized over a period of 36 months from the date of implementation.

2.5 Revenue recognition

Income from services

- The company is in business of providing education through TV channel/ Electronic Media, in which company will receive subscription on periodic basis,
- Subscription revenue is recognized on accrual basis in accordance with the terms of the contract with the distribution and collection agency.
- Revenue from sale of advertising time, which is recognized on the accrual basis, when advertisements are telecast in accordance with contractual obligations.

2.6 Other income

- Interest income is accounted on accrual basis.
- Dividend income is accounted for when the right to receive it is established.

2.7 Tangible fixed assets

- Fixed assets, carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.
- At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss.

2.8 Intangible assets

- Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.
- Software and Syndicated Programme (License Fee) is capitalized as an Intangible asset on meeting recognition criteria.
- Program/episode rights etc. for broadcasting are considered as intangibles as per AS-26 Intangible Assets but shown

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

under current assets as are realizable in the ordinary course of business along with Trading Inventory.

2.9 Investments

- (a) Long-term investments are stated at cost. Provision for diminution in value of long-term investment is made, if the diminution is other than temporary.
- (b) Current Investments are stated at cost or fair market value, whichever is lower.

2.10 Employee benefits

Employee benefits include provident fund, gratuity fund, compensated absences, and post-employment medical benefits.

Defined contribution plans

Provident Fund

The Company's contribution to provident fund is considered as defined contribution plans and is charged as an expense as they fall due based on the amount of contribution (presently, 12% of the employees' basic salary) as required to be made by both the employees and the employer. The company has no further obligations under the plan beyond its monthly contributions.

Defined benefit plans

Gratuity Plan

- (a) In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit retirement plan covering eligible employees. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance sheet date using the projected unit credit method in accordance with Accounting Standard 15 'Employee Benefits'
- (b) The gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated on the basis of fifteen days salary (i.e. last drawn salary plus dearness allowance) for each completed year of service subject to completion of five years of service.

Compensated Absences

- (a) The employees of the company are entitled to leave encashment. Liabilities with regard to Leave encashment are determined by actuarial valuation at each Balance sheet date
- (b) The earned leave liability arises on retirement, withdrawal, resignation and death of employee. The aforesaid liability is calculated on the basis of yearly accrual of 15 days salary (i.e. last drawn salary) subject to maximum accumulation upto 45 days.

2.11 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares

2.12 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. The Company had incurred loss during the year therefore there is no tax liability.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

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

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets are reviewed at each Balance Sheet date for their realisability

Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

2.13 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and 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 (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

2.14 Share issues expenses

Share Issue Expense is being booked under Legal Expenses in the Profit and Loss account.

2.15 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.16 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

2.17 Deferred tax

The company has carried out its tax computation in accordance with the mandatory standard on accounting, AS 22 - In view of accumulated losses, the company has not provided for deferred tax asset/liability at the year end

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

		(Amounts in Rs)	
		As at	As at
		31st March 2015	31st March 2014
3 Share capital			
Authorized shares capital			
20,000,000 equity shares of Rs. 10- each (Previous Year 150,000,000)		<u>200,000,000</u>	<u>150,000,000</u>
Issued, subscribed and paid-up capital			
1,16,38,005 (Prev. year 1,16,38,005) equity shares of Rs. 10- each		<u>116,380,050</u>	<u>116,380,050</u>
Total issued, subscribed and fully paid-up shares capital		<u>116,380,050</u>	<u>116,380,050</u>

DISCLOSURES

Reconciliation of the shares outstanding

(a) Equity shares

	Numbers	Numbers
i) At the beginning of the period	<u>11,638,005</u>	9,173,361
ii) Issued during the period	-	2,464,644
Outstanding at the end of the period	<u>11,638,005</u>	<u>11,638,005</u>

(b) Details of shares held within the Group

i) Shares held by the holding company	<u>8,462,254</u>	8,462,254
ii) Shares held by associates	<u>2,999,749</u>	2,999,749
iii) Others	<u>176,002</u>	176,002
	<u>11,638,005</u>	<u>11,638,005</u>

(c) Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31st March 2015		As at 31st March 2014	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Name of the Shareholder				
Rvt Finhold Private Limited	8,462,254	72.71	8,462,254	72.71
Educomp Solution Limited	2,999,749	25.78	2,999,749	25.78
Total	11,462,003	98.49	11,462,003	98.49

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

	(Amounts in Rs)	
	As at 31st March 2015	As at 31st March 2014
4 Reserve and surplus		
(a) Securities premium account		
Balance as per the last financial statements	389,072,950	334,052,390
Add: premium on issue of equity shares	-	55,020,560
Closing Balance	<u>389,072,950</u>	<u>389,072,950</u>
(b) Surplus/(deficit) in the statement of profit and loss		
Balance as per the last financial statements	(456,884,444)	(444,733,278)
Depreciation charge as per Schedule II from retained earnings	(784,090)	-
Profit/loss for the year	(38,912,091)	(12,151,166)
	<u>-</u>	<u>-</u>
Net surplus in the statement of profit and loss	<u>(496,580,625)</u>	<u>(456,884,444)</u>
Total	<u>(107,507,675)</u>	<u>(67,811,494)</u>
5 Long Term Borrowings		
Unsecured Loan from Related Party *	10,159,041	-
Total	<u>10,159,041</u>	<u>-</u>
* Capital18 Pvt. Ltd.	10,000,000	
6 Other Long Term Liabilities		
Trade Payables *	7,620,683	7,620,683
Total	<u>7,620,683</u>	<u>7,620,683</u>

*** Note:**

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

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

	(Amounts in Rs)	
	As at 31st March 2015	As at 31st March 2014
7 Long Term Provisions		
Provision for employee benefits		
Provision for gratuity*	456,567	204,703
Provision for leave benefits*	685,401	285,869
Total	<u>1,141,968</u>	<u>490,572</u>
*Disclosure required under AS 15 on 'Employees Benefits' has been made in Note 26		
8 Trade payable		
Trade payables (Due within 1 year)		
Sundry creditors		
(a) Due to Micro and Small Enterprises	-	-
(b) Due to Others *	20,602,215	3,821,739
Total	<u>20,602,215</u>	<u>3,821,739</u>
* Note:		
According to the records available with the Company, there were no dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 during the period. Hence disclosures, if any, relating to amounts unpaid as at the period end together with the interest paid / payable as required under the said Act have not been given.		
9 Other current liabilities		
(a) Income received in advance	5,495,202	9,200,173
(b) Statutory dues payable		
- TDS payable	736,650	1,829,106
- PF payable	283,556	165,513
- Vat Payable & Others	-	9,696
(c) Expenses Payable	-	150,000
(d) Staff Imprest	-	196,205
(e) Creditors for other expenses	525,371	1,410,136
Total	<u>7,040,779</u>	<u>12,960,830</u>
10 Short Term-Provisions		
Provision for employee benefits: Long Term		
Provision for gratuity*	2,486	1,907
Provision for leave benefits*	19,464	7,979
Provision for Expenses	8,352,128	8,713,694
Total	<u>8,374,078</u>	<u>8,723,580</u>

*Disclosure required under AS 15 on 'Employees Benefits' has been made in Note 26

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

(Amounts in Rs)

11 Tangible assets

	Plant & Equipment	Furniture & Fixtures	Vehicles	Computer Hardware	Communication Equipment	Total
Cost or valuation						
At 1 April 2013	4,332,141	1,780,814	380,570	4,681,236	101,884	11,276,645
Additions	-	359,155	-	1,392,096	-	1,751,251
Acquisitions through amalgamation	-	-	-	-	-	-
Disposals	141,449	407,260	-	1,692,532	15,900	2,257,141
Other adjustments	-	-	-	-	-	-
- Exchange differences	-	-	-	-	-	-
At 31 March 2014	4,190,692	1,732,709	380,570	4,380,800	85,984	10,770,755
Additions	-	-	-	1,308,398	36,304	1,344,702
Acquisitions through amalgamation	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Other adjustments	(336,496)	-	-	336,496	-	-
- Exchange differences	-	-	-	-	-	-
At 31 March 2015	3,854,196	1,732,709	380,570	6,025,694	122,288	12,115,457
Depreciation						
At 1 April 2013	1,079,119	810,288	201,514	3,318,606	30,126	5,439,653
Charge for the year	199,058	96,033	36,154	683,856	4,084	1,019,185
Disposals	141,449	407,260	-	1,692,532	15,900	2,257,141
Transfer to assets held for sale	-	-	-	-	-	-
At 31 March 2014	1,136,728	499,062	237,668	2,309,930	18,310	4,201,698
Depreciation charged to retained earnings	-	-	-	747,710	36,380	784,090
Charge for the year	135,373	100,340	25,104	981,540	8,296	1,250,652
Disposals	2,028,286	759,466	117,798	75,532	28,450	3,009,532
At 31 March 2015	3,300,387	1,358,867	380,571	4,114,713	91,435	9,245,973
Net Block						
At 31 March 2014	3,053,964	1,233,647	142,902	2,070,870	67,674	6,569,057
At 31 March 2015	553,809	373,842	-	1,910,981	30,853	2,869,485

12 Intangible assets

	Web Site	Syndicated Programmes	Computer software	Total
Gross block				
At 1 April 2013	1,560,000	2,764,463	1,371,788	5,696,251
Purchase	-	1,000,000	14,600	1,014,600
Internal development	-	-	-	-
Disposals	-	1,885,961	50,788	1,936,749
At 31 March 2014	1,560,000	1,878,502	1,335,600	4,774,102
Purchase	-	500,000	9,612	509,612
Disposals	-	-	-	-
Acquisitions through amalgamation (note35)	-	-	-	-
At 31 March 2015	1,560,000	2,378,502	1,345,212	5,283,714
Amortisation				
At 1 April 2013	597,993	2,221,889	913,820	3,733,702
Charge for the year	252,876	295,612	223,249	771,736
Disposals	-	1,885,961	50,788	1,936,749
At 31 March 2014	850,869	631,539	1,086,281	2,568,689
Charge for the year	252,876	649,301	86,685	988,863
Disposals	-	-	-	-
At 31 March 2015	1,103,745	1,280,841	1,172,966	3,557,552
Net Block				
At 31 March 2014	709,131	1,246,962	249,319	2,205,412
At 31 March 2015	456,255	1,097,661	172,246	1,726,162

"Pursuant to the enactment of the Companies Act, 2013 (the Act), the Company has, effective from 1st 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 Depreciation and consequently net loss of the Company in the consolidated financial results for the period ended 31st March 2015 is higher by Rs.1,22,334/- . Further, based on the transitional provision provided in Schedule II, an amount of Rs.7,84,090/- has been adjusted with the opening reserves."

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

	(Amounts in Rs)	
	As at	As at
	31st March 2015	31st March 2014
13 Investments		
HDFC Liquid Fund - Dividend Reinvestment Plan	4,835,353	12,968,036
Market Value: 4835353(474137.936 units @10.1982)		
Total	<u>4,835,353</u>	<u>12,968,036</u>
14 Inventories (valued at lower of cost)		
Raw Materials and components (see details below)	-	-
	-	2,020,240
Tapes & Channel Packaging	4,044,174	7,059,836
Total	<u>4,044,174</u>	<u>9,080,076</u>
Details of inventory	As at	As at
	31st March 2015	31st March 2014
Toylab With Packing	-	84,374
Toylab Without Packing	-	14,480
Books - Exam Crackers	-	189,600
Secure Media Appliance	-	679,536
Books Sample Paper	-	110,385
Packing Box + Booklet	-	285,834
Annual Subscription Retail Pack - Jr. Pack	-	319,650
Annual Subscription Retail Pack - Sr. Pack	-	288,963
DVD/CDs	-	163
Others	-	47,254
	-	<u>2,020,240</u>
15 Trade receivables		
(a) Trade receivables outstanding for a period less than six months		
Secured, considered good	-	-
Unsecured, considered good	9,874,165	4,908,167
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	<u>9,874,165</u>	<u>4,908,167</u>
(b) Trade receivables outstanding for a period exceeding six months		
Secured, considered good	-	-
Unsecured, considered good	4,228,506	5,112,599
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
Less: Bad debts	-	-
	<u>4,228,506</u>	<u>5,112,599</u>
Total	<u>14,102,671</u>	<u>10,020,766</u>

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

	(Amounts in Rs)	
	As at	As at
	31st March 2015	31st March 2014
16 Cash and Bank Balance		
(a) Cash and Cash Equivalents		
Cash in hand	40,627	9,739
Balance with bank		
In Current Account	1,808,602	5,078,696
(b) Other Bank Balance		
Fixed Deposits with sales tax	100,000	100,000
Total	<u>1,949,229</u>	<u>5,188,435</u>
Notes:		
Fixed Deposits refers to the amount deposited to the sales tax authorities		
17 Loans and advances		
(a) Security Deposits		
Unsecured, considered good	84,000	84,000
	<u>84,000</u>	<u>84,000</u>
(b) Other Loans and Advances		
Deposit with Revenue Authorities	12,931,871	10,214,455
Service Tax Recoverable	15,482,376	18,235,392
Loans to Employees	-	150,727
Prepaid expenses	615,818	179,341
	<u>29,030,065</u>	<u>28,779,915</u>
Total	<u>29,114,065</u>	<u>28,863,915</u>
18 Other current assets		
Unbilled Income	5,170,000	7,250,000
Interest accrued on fixed deposits	-	40,263
Total	<u>5,170,000</u>	<u>7,290,263</u>

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

	Year ended 31st March 2015	(Amounts in Rs) Year ended 31st March 2014
19 Revenue from operations		
Income from media operations	54,037,133	64,111,243
Total	<u>54,037,133</u>	<u>64,111,243</u>
20 Other income		
Interest income on		
Bank deposits (FDR)	15,223	126,378
Dividend income on		
Current investments	279,164	468,036
Others		
Excess provision written back	1,431,344	1,861,078
Freight and forwarding charges	-	82,174
Miscellaneous Income	1,000	79,075
Total	<u>1,726,730</u>	<u>2,616,741</u>
21 Production and other direct expenses		
Media Professional Charges	2,854,532	3,161,583
Media Professional Charges (Production)	-	303,744
Telecast and uplinking Charges	10,500,467	7,864,411
Sundry Production Expenses	18,000	17,280
Total	<u>13,372,999</u>	<u>11,347,018</u>

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

	(Amounts in Rs)	
	Year ended 31st March 2015	Year ended 31st March 2014
22 Employee benefit expense		
Salaries, wages and bonus	38,807,478	21,697,895
Staff welfare expenses	432,534	770,067
Contribution to provident fund and other funds	1,745,983	757,473
Retirement benefits	970,105	246,867
Total	41,956,100	23,472,302
23 Finance costs		
Bank Charges	90	2,191
Interest on Unsecured Loan	176,712	-
Total	176,802	2,191
24 Depreciation and amortization expenses		
Depreciation of tangible assets	1,250,652	1,019,185
Amortization of intangible assets	988,863	771,736
Amortization on Inventory	5,680,725	9,547,584
Total	7,920,240	11,338,506
25 Other expenses		
Bad Debts	29,068	-
Books & Periodicals	82,478	265,461
Content Subscription	21,936	
Call Centre Expenses	7,020,058	10,868,805
Digitization of tapes	300,000	-
Distribution, advertising and business promotion	544,304	744,011
Collection Charges	175,199	190,546
Electricity expenses	1,316,609	766,429
Freight and forwarding charges	174,065	-
House Keeping Expenses	530,327	480,128
Duties and Taxes	229,696	251,190
Legal and professional expenses	743,619	684,443
Insurance & Mediclaim	441,282	577,365
Payment to auditor (Refer details below)	225,000	150,000
Postage and Courier Expenses	57,120	127,075
Printing and stationery	94,026	144,467
Prior Period Expenses	65,701	1,438,516
Rent	7,852,454	4,216,172
Repairs and maintenance - Others	251,069	201,859
Vehicle Running and Maintenance	-	309,210
Sundry Balances w/off	177,911	3,840,083
Telephone & Communication Charges	597,431	807,897
Travelling, conveyance & Transportation	600,353	2,301,058
Web Designing & Hosting Charges	3,117,459	3,580,873
Miscellaneous expenses	1,344,287	240,774
Total	25,991,451	32,186,363
Payment to auditor		
As auditor:		
Statutory Audit fee	100,000	100,000
Tax audit fee	50,000	50,000
	150,000	150,000

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

26 Gratuity and other post-employment benefit plans

The Disclosures as defined in the Accounting Standard 15 "Employee benefits", are given below:

Defined Contribution Plans

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

Particulars	2014-15	2013-14
Employer's Contribution to Provident Fund	828542	329248
Employer's Contribution to Superannuation Fund	NIL	NIL
Employer's Contribution to Pension Fund	741360	344607

The Company's Provident Fund is exempted under section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Conditions for grant of exemption stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the trust vis-à-vis statutory rate.

Defined Benefit Plan

The employees' gratuity fund scheme managed by a Trust (Life Insurance Corporation of India for SEZ unit of the Company) is a defined benefit plan. The present value of obligation 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 for Compensated Absences is recognised in the same manner as gratuity.

I) Reconciliation of opening and closing balances of Defined Benefit Obligation

	Gratuity				Compensated Absences			
	(Funded)		(Unfunded)		(Funded)		(Unfunded)	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Defined Benefit obligation at beginning of the year			206610	1106474			293848	716995
Add: Amalgamation								
Current Service Cost			317686	131819			510807	255995
Interest Cost			17562	94050			24977	60945
Actuarial (gain) / loss			-10690	-268598			109763	-27344
Benefits paid			-72115	-857135			-234530	-712743
Defined Benefit obligation at year end			459053	206610			704865	293848

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

II) Reconciliation of opening and closing balances of fair value of Plan Assets

	Gratuity				Compensated Absences			
	(Funded)		(Unfunded)		(Funded)		(Unfunded)	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Fair value of Plan assets at beginning of the year								
Add: Amalgamation								
Expected return on plan assets								
Actuarial (gain) / loss								
Employer contribution								
Benefits paid								
Fair value of Plan assets at year end			459053	206610			704865	293848
Actual Return on plan assets								

III) Reconciliation of fair value of assets and obligations

	Gratuity				Compensated Absences			
	(Funded) As at 31st March		(Unfunded) As at 31st March		(Funded) As at 31st March		(Unfunded) As at 31st March	
	2015	2014	2015	2014	2015	2014	2015	2014
Fair value of Plan assets								
Present value of obligation			459053	206610			704865	293848
Amount recognised in Balance Sheet			-459053	-206610			-704865	-293848

IV) Expenses recognised during the year

	Gratuity				Compensated Absences			
	(Funded) As at 31st March		(Unfunded) As at 31st March		(Funded) As at 31st March		(Unfunded) As at 31st March	
	2015	2014	2015	2014	2015	2014	2015	2014
Current Service Cost			317686	131819			510807	255995
Interest Cost			17562	94050			24977	60945
Expected return on Plan assets			0					
Actuarial (gain) / loss			-10690	-268598			109763	-27344
Other Transfer								
Net Cost			324558	-42729			645547	289596

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

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				Compensated Absences	
	(Funded)		(Unfunded)		(Unfunded)	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Mortality Table	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)
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

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
Gratuity					
Defined benefit obligation	459053	206610	1106474	767634	744788
Fair value of plan assets	-459053	-206610	-1106474	-767634	-744788
(Surplus) / Deficit in the plan					
Actuarial (gain) / loss on plan obligation	9710	268433	48510	310042	105604
Actuarial (gain) / loss on plan assets					

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

	Year ended 31st March 2015	(Amounts in Rs) Year ended 31st March 2014
27 Earnings per share (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Total operations for the year		
Profit/(loss) after tax	(38,912,091)	(12,151,166)
Less: Dividends on convertible preference share & tax thereon	-	-
Net profit/(loss) for calculation of basic EPS	<u>(38,912,091)</u>	<u>(12,151,166)</u>
Net profit as above	(38,912,091)	(12,151,166)
Add: dividend on convertible preference share & tax thereon	-	-
Add: interest on bonds convertible into equity shares (net of tax)	-	-
Net profit/(loss) for diluted EPS	<u>(38,912,091)</u>	<u>(12,151,166)</u>
Continuing operations		
Profit/(loss) after tax	(38,912,091)	(12,151,166)
Less: Dividends on convertible preference share & tax thereon	-	-
Net profit for calculation of basic EPS	<u>(38,912,091)</u>	<u>(12,151,166)</u>
Net profit as above	(38,912,091)	(12,151,166)
Add: dividend on convertible preference share & tax thereon	-	-
Add: interest on bonds convertible into equity shares (net of tax)	-	-
Net profit/(loss) for calculation of diluted EPS	<u>(38,912,091)</u>	<u>(12,151,166)</u>
Weighted average number of equity shares in calculating basic EPS	11,638,005	11,638,005
Effect of dilution:	-	-
Convertible preference shares	-	-
Convertible bonds	-	-
Stock options granted under ESOP	-	-
Weighted average number of equity shares in calculating diluted EPS	<u>11,638,005</u>	<u>11,638,005</u>
(a) Basic	(3.34)	(1.04)
(b) Diluted	(3.34)	(1.04)

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

28. Related party disclosures

Names of related parties and related party relationship

Ultimate Holding company	Capital 18 Fincap Private Limited.
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 Capital 18 Fincap Private Limited RVT Finhold Private Limited
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)
Fellow subsidiaries	RRK Finhold Private Limited Stargaze Entertainment Private Limited E-Eighteen. Com Limited TV18 Broadcast Limited TV18 Home Shopping Network Limited
Key Management Personnel (KMP)	Mr. Sricharan Iyengar (till May, 2013) Mr. Sunil Khanna (till May, 2013)
Entities having substantial Interest in the Company	Educomp Solutions Limited

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

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Transactions	Enterprises exercising control	Fellow subsidiaries	Key Managerial Personnel	Entity under significant influence
Transactions during the year				
Interest Expenses				
Capital 18 Fincap Private Limited.	176,712	-	-	-
	(-)	(-)	(-)	(-)
Loan taken				
Capital 18 Fincap Private Limited.	10,000,000	-	-	-
	(-)	(-)	(-)	(-)
Reimbursement of Expenses Paid				
Network18 Media & Invest Ltd. Publishing	30,743	-	-	-
	(-)	(-)	(-)	(-)
Web18 Division of Network18	7,766,916	-	-	-
	(2,484,628)	(-)	(-)	(-)
E-Eighteen. Com Limited	-	598,157	-	-
	(-)	(185,053)	(-)	(-)
TV18 Broadcast Limited	-	3,183,800	-	-
	(-)	(3,826,069)	(-)	(-)
Network18 Media & Investments Limited	-	-	-	-
	(79,870)	(-)	(-)	(-)

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

Transactions	Enterprises exercising control	Fellow subsidiaries	Key Managerial Personnel	Entity under significant influence
<u>Expenditure - for services received</u>				
TV18 Broadcast Limited	-	7,200,000	-	-
	(-)	(4,682,496)	(-)	(-)
<u>Reimbursement of Expenses Receivable</u>				
Network18 Media & Invest Ltd. Publishing	266,341	-	-	-
	(-)	(-)	(-)	(-)
Web18 Division of Network18	199,938	-	-	-
	(-)	(-)	(-)	(-)
<u>Provision for expense</u>				
Network18 Media & Investments Limited	-	-	-	-
	(155,475)	(-)	(-)	(-)
Balances at the Year end				
Loan at the year end (Payable) including Interest				
Capital 18 Fincap Private Limited.	10,159,041	-	-	-
	(-)	(-)	(-)	(-)
Outstanding Balance (payable) at the year end				
Educomp Solution Limited	-	-	-	-
	(-)	(-)	(-)	(83,358)
Network18 Media & Invest Ltd. Publishing	34,543	-	-	-
	(-)	(-)	(-)	(-)
Web18 Division of Network18	7,867,345	-	-	-
	(2,135,176)	(-)	(-)	(-)
E-Eighteen. Com Limited	-	659,252	-	-
	(-)	(87,290)	(-)	(-)
TV18 Broadcast Limited	-	11,092,612	-	-
	(-)	(950,873)	(-)	(-)
Mr. Sricharan Iyengar	-	-	-	-
	(-)	(-)	(782,951)	(-)
Mr. Sunil Khanna	-	-	-	-
	(-)	(-)	(912,221)	(-)
Outstanding Balance (Receivable) at the year end				
TV 18 Home Shopping Network Limited	-	90,577	-	-
	(-)	(93,282)	(-)	(-)
Network18 Media & Invest Ltd. Publishing	299,259	-	-	-
	(-)	(-)	(-)	(-)
Educomp Learning Hours Private Limited	-	-	-	-
	(-)	(-)	(-)	(156,000)
<u>Equity Shares Issued during the year</u>				
RVT Finhold Pvt. Ltd.	-	-	-	-
	(33,437,560)	(-)	(-)	(-)
Educomp Solution Limited	-	-	-	-
	(-)	(-)	(-)	(6,146,080)
<u>Share Application Money Received during the year</u>				
RVT Finhold Private Limited	-	-	-	-
	(75,000,000)	(-)	(-)	(-)
Mr. Sricharan Iyengar	-	-	-	-
	(-)	(-)	(24,010)	(-)
Mr. Sunil Khanna	-	-	-	-
	(-)	(-)	(2,620)	(-)

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

29 Additional information to the financial statements

29.1 Prior Year Comparatives

Previous year's figures are regrouped, rearranged, or recast wherever necessary to conform to this year's classification.

29.2 Other Disclosures

(a) Salary and Allowances includes basic salary, house rent allowance and other allowance. Performance bonus is given on paid basis.

(b) Content Episode Tapes includes finished episodes and incomplete episode covered under Work In Progress.

	(Amount in Rs)	
	Year Ended 31st March 2015	Year Ended 31st March 2014
29.3 Capitalization of expenditure		
Salaries, wages and bonus	1,900,930	1,325,577
Sundry Production Expenses	3,570	54,930
Media Professional Charges	-	124,353
Episode cost	765,377	-
Animations	-	35,000
Total	2,669,877	1,539,860

29.4 Contingent Liabilities & Commitments

There are no contingent liabilities existing as on 31st March, 2015

29.5 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

29.6 During the period the Company has changed its Corporate Office from Delhi to Mumbai. According to sub rule (5A) of Rule 4 of Service Tax Rules, an assessee is required to intimate the Department all details of changes in the information already furnished in ST-1 or additional information or details. As per the information provided, the Company is in the process of complying with the requirement.

30 Disclosure on Exceptional Item

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 inventory to the extent of Rs.20,20,240 and tangible asset of Rs.30,09,532 (b) write-off and provisions of non-recoverable receivables to the extent of Rs.2,28,591. However, these adjustments have no impact on the future profitability and cash flows of the operating businesses of the Company.

For and on behalf of the Board

Sarbvir Singh
Director

Santanu Prakash
Director

Shilpa Luniya
CFO

Yug Samrat
Company Secretary

Place:

Date: