EQUATOR TRADING ENTERPRISES PRIVATE LIMITED

ANNUAL ACCOUNTS - FY : 2016-17

Independent Auditor's Report

TO THE MEMBERS OF EQUATOR TRADING ENTERPRISES PRIVATE LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **EQUATOR TRADING ENTERPRISES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March, 2017, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements, as referred to in the Note 29 to the standalone Ind AS financial statements.

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

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016; Based on the audit procedures performed and the representations provided to us by the Management, we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management as referred to in the standalone Ind AS financial statements for the year ended 31st March, 2017.

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

For A.K. Sabat & Co.
Chartered Accountants
(Firm’s Registration No.321012E)

D. Vijaya Kumar
Partner
(Membership No. 051961)

Hyderabad, April 15, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **EQUATOR TRADING ENTERPRISES PRIVATE LIMITED** ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A.K. Sabat & Co.
Chartered Accountants
(Firm's Registration No.321012E)

D. Vijaya Kumar
Partner
(Membership No. 051961)

Hyderabad, April 15, 2017

Annexure B to the Independent Auditors' Report

(Referred to in paragraph 2, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

In terms of the information and explanations sought by us and given by the Company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

i. The Company does not own any fixed assets and hence reporting under clause (i) of the CARO 2016 is not applicable.

ii. Physical verification of Inventory has been conducted at reasonable intervals by the management. As explained to us, there was no material discrepancies noticed on such physical verification of inventories.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

iv. The Company has not granted loans or provided guarantees. In our opinion, in respect of Investments made by the Company, provisions of Section 186 of the Companies Act, 2013 have been complied with.

v. The Company has not accepted any deposit from the public and hence reporting under clause (v) of the CARO 2016 is not applicable to the Company.

vi. The Central Government under Section 148(1) of the Companies Act, 2013 has not specified maintenance of cost records.

vii. In respect of statutory dues:

a) According to the records of the Company, undisputed statutory dues including Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues, where applicable, have been generally regularly deposited with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2017 for a period of more than six months from the date of becoming payable.

b) There are no disputed dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax, where applicable, as on 31st March, 2017.

viii. The Company has not taken any loans or borrowed from financial institution, bank and Government. There were no dues to debenture holders.

ix. The Company has not raised monies by way of initial public offer or further public offer (including debt instruments) and term loans.

x. In our opinion, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. The Company has not paid any managerial remuneration and hence the provisions of Section 197 of the Companies act, 2013 do not apply.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

xiii. In our opinion, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv. The Company has made preferential allotment of Zero Coupon Compulsorily Fully Convertible Debentures during the year under review. In respect of such issue, we further report that:

a. the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and

b. the amounts raised have been used by the Company for the purposes for which the funds were raised.

xv. In our opinion, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

xvi. In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For A.K. Sabat & Co.
Chartered Accountants
(Firm's Registration No.321012E)

D. Vijaya Kumar
Partner
(Membership No. 051961)

Hyderabad, April 15, 2017

Balance Sheet as at 31st March, 2017

(Amount in ₹)

	Note No.	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
A. ASSETS				
Non - current assets				
Financial Assets				
Investments	1	13,384,950,000	23,441,186,572	22,789,950,000
Other non- current assets	2	-	-	9,635
Total Non - current assets		13,384,950,000	23,441,186,572	22,789,959,635
Current assets				
Financial Assets				
Cash and cash equivalents	3	1,453,705	556,909	3,120,674
Other financial Assets	4	12,492	3,229	29,867
Other current assets	5	33,000	33,000	33,000
Total Current assets		1,499,197	593,138	3,183,541
Total Assets		**13,386,449,197**	**23,441,779,710**	**22,793,143,176**
B. EQUITY AND LIABILITIES				
Equity				
Equity Share capital	6	2,000,000,000	2,000,000,000	2,000,000,000
Other Equity	7	11,386,008,977	21,004,559,638	20,356,232,629
Total Equity		13,386,008,977	23,004,559,638	22,356,232,629
LIABILITIES				
Current liabilities				
Financial Liabilities				
Borrowings	8	-	436,500,000	436,500,000
Provisions	9	17,025	6,088	-
Other current liabilities	10	423,195	713,984	410,547
Total Current liabilities		440,220	437,220,072	436,910,547
Total Equity and Liabilities		**13,386,449,197**	**23,441,779,710**	**22,793,143,176**
Significant Accounting Policies	16			
See accompanying notes forming part of the Financial Statements	1 to 32			

As per report of even date

For A.K.Sabat & Co.
Chartered Accountants
(Firm Registration No. 321012E)

D. VIJAYA KUMAR
Partner
Membership No. : 051961

Hyderabad, Dated 15th April, 2017

For and on behalf of the Board of Directors

Kshipra Jatana
Director
DIN - 02491225

Sanjiv Kulshreshtha
Director & CFO
DIN - 06788866

Bindu Trivedi
Company Secretary

Noida, Dated 15th April, 2017

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

(Amount in ₹)

Particulars	Note No.	Year ended 31.03.2017	Year ended 31.03.2016
Income			
Revenue from operations	11	89,320	27,250
Other income	12	233,146	134,460
Total Income		**322,466**	**161,710**
Expenses			
Cost of traded goods sold	13	81,180	25,542
Other expenses	14	1,555,375	1,809,159
Total expenses		**1,636,555**	**1,834,701**
Profit / (loss) before exceptional items and tax		**(1,314,089)**	**(1,672,991)**
Exceptional items		-	-
Profit / (Loss) before tax		**(1,314,089)**	**(1,672,991)**
Tax expense:			
Current tax expense		-	-
Profit / (Loss) for the year		**(1,314,089)**	**(1,672,991)**
Other Comprehensive Income		**-**	**-**
Total Comprehensive Income / (expenses) for the year		**(1,314,089)**	**(1,672,991)**
Earnings per equity share of face value of ₹1 each	26		
Basic		(0.00066)	(0.00084)
Diluted		(0.00008)	(0.00011)
Significant Accounting Policies	16		
See accompanying notes forming part of the Financial Statements	1 to 32		

As per report of even date

For A.K.Sabat & Co.
Chartered Accountants
(Firm Registration No. 321012E)

D. VIJAYA KUMAR
Partner
Membership No. : 051961

Hyderabad, Dated 15th April, 2017

For and on behalf of the Board of Directors

Kshipra Jatana
Director
DIN - 02491225

Sanjiv Kulshreshtha
Director & CFO
DIN - 06788866

Bindu Trivedi
Company Secretary

Noida, Dated 15th April, 2017

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

A. EQUITY SHARE CAPITAL (Amount in ₹)

Balance at the beginning of 1st Apirl, 2015	Change in Equity during the year 2015-16	Balance at the end of 31st March, 2016	Changes in Equity during the year 2016-17	Balance at the end of 1st March, 2017
2,000,000,000	-	2,000,000,000	-	2,000,000,000

B. OTHER EQUITY (Amount in ₹)

	Equity Instruments *	Reserves and Surplus	Total
		Retained Earnings	
Balance as at 01 April 2015			
Balance at the beginning of the reporting year	12,570,000,000	(25,315,990)	12,544,684,010
Ind AS adjustment on fair valuation through Statement of Profit and Loss	-	7,811,548,619	7,811,548,619
Total Comprehensive Income for the year	-	-	-
Restated balance at the beginning of the reporting period	**12,570,000,000**	**7,786,232,629**	**20,356,232,629**
For the year 2015-16			
Balance at the beginning of the reporting year	12,570,000,000	7,786,232,629	20,356,232,629
Debentures issued during the year	650,000,000	-	650,000,000
Total Comprehensive Income for the year	-	(1,672,991)	(1,672,991)
Balance at the end of 31st March, 2016	**13,220,000,000**	**7,784,559,638**	**21,004,559,638**
For the year 2016-17			
Balance at the beginning of the reporting year	13,220,000,000	7,784,559,638	21,004,559,638
Debentures issued during the year	439,000,000	-	439,000,000
Total Comprehensive Income for the year	-	(1,314,089)	(1,314,089)
Adjustment for extinguishment of investment on merger	-	(10,056,236,572)	(10,056,236,572)
Balance at the end of 31st March, 2017	**13,659,000,000**	**2,272,991,023**	**11,386,008,977**

* Refer note no. 7(a)

As per report of even date

For A.K.Sabat & Co.
Chartered Accountants
(Firm Registration No. 321012E)

D. VIJAYA KUMAR
Partner
Membership No. : 051961

Hyderabad, Dated 15th April, 2017

For and on behalf of the Board of Directors

Kshipra Jatana
Director
DIN - 02491225

Sanjiv Kulshreshtha
Director & CFO
DIN - 06788866

Bindu Trivedi
Company Secretary

Noida, Dated 15th April, 2017

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

(Amount in ₹)

	Particulars	Note No.	Year ended 31.03.2017	Year ended 31.03.2016
A.	**Cash flow from operating activities**			
	Profit / (Loss) before tax as per Statement of Profit and Loss		(1,314,089)	(1,672,991)
	Adjustments for :			
	- Liabilities / provisions no longer required written back		(170,750)	-
	- Interest income		(62,396)	(134,460)
	Operating profit / (loss) before working capital changes		(1,547,235)	(1,807,451)
	Changes in working capital:			
	Adjustments for :			
	- Other Receivables		-	9,635
	- Other Payables		(104,114)	325,450
	Cash generated from operations		(1,651,349)	(1,472,366)
	Tax paid (Net)		(4,989)	(15,925)
	Net cash flow (used in in) operating activities	**(A)**	**(1,656,337)**	**(1,488,291)**
B.	**Cash flow from investing activities**			
	Investment in Joint Venture		-	(651,236,572)
	Interest received		53,133	161,098
	Net cash flow from / (used in) investing activities	**(B)**	**53,133**	**(651,075,474)**
C	**Cash flow from financing activities**			
	Proceeds from issue of Debenture		439,000,000	650,000,000
	Repayment of short - term borrowings		(436,500,000)	-
	Net cash flow from financing activities	**(C)**	**2,500,000**	**650,000,000**
	Net increase / (decrease) in Cash and cash equivalents	**(A+B+C)**	896,796	(2,563,765)
	Cash and cash equivalents as at the beginning of the year		556,909	3,120,674
	Cash and cash equivalents as at the end of the year	**3**	**1,453,705**	**556,909**
	Significant Accounting policies	16		
	See accompanying notes forming part of the Financial Statements	1-32		

As per report of even date

For A.K.Sabat & Co.
Chartered Accountants
(Firm Registration No. 321012E)

D. VIJAYA KUMAR
Partner
Membership No. : 051961

Hyderabad, Dated 15th April, 2017

For and on behalf of the Board of Directors

Kshipra Jatana
Director
DIN - 02491225

Sanjiv Kulshreshtha
Director & CFO
DIN - 06788866

Bindu Trivedi
Company Secretary

Noida, Dated 15th April, 2017

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

(Amount in ₹)

	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
1 INVESTMENTS - NON CURRENT ASSETS						
A. Investment Classification at Cost *						
a. In Equity Shares of subsidiary company						
Unquoted, fully paid up	**Unit**	**Amount**	**Unit**	**Amount**	**Unit**	**Amount**
i) Panorama Television Private Limited of ₹ 10 each	24,959,608	11,052,300,000	24,959,608	11,052,300,000	24,959,608	11,052,300,000
ii) Prism TV Private Limited of ₹10 each	-	-	-	-	12,525,670	9,405,000,000
b. In Equity Shares of Joint Venture company						
Unquoted, fully paid up						
Prism TV Private Limited of ₹10 each**	-	-	13,576,616	10,054,999,592	-	-
c. In Equity Shares of Associates						
Unquoted, fully paid up						
Eenadu Television Private Limited of ₹ 10 each	6,094,190	2,329,900,000	6,094,190	2,329,900,000	6,094,190	2,329,900,000
Total A		**13,382,200,000**		**23,437,199,592**		**22,787,200,000**
B. Investment Classification at Fair Value through Other Comprehensive Income (FVTOCI)						
In Equity Shares of Other Investments						
Unquoted, fully paid up						
Ushodaya Enterprises Private Limited of ₹ 100 each.	27,500	2,750,000	27,500	2,750,000	27,500	2,750,000
Total B		**2,750,000**		**2,750,000**		**2,750,000**
* Refer note no. 18.1 (d)						
C. Investment Classification at cost						
In preference shares of Joint Venture						
Unquoted, fully paid up						
0.001% Optionally convertible non-cumulative redeemable preference shares of Prism TV Private Limited of ₹ 10 each**	-	-	2,000	1,236,980	-	-
Total C		**-**		**1,236,980**		**-**
Total (A+B+C)		**13,384,950,000**		**23,441,186,572**		**22,789,950,000**
Aggregate value of unquoted investments		13,384,950,000		23,441,186,572		22,789,950,000

** Transferred pursuant to the Scheme of Arrangement and Hon'ble Court Order upon merger w.e.f. 1st Sept 2016 (See note no. 21)

1.1 Category-wise Non current Investment

	As at 31.03.2017	**As at 31.03.2016**	**As at 1.04.2015**
Financial assets measured at cost	13,382,200,000	23,438,436,572	22,787,200,000
Investment Classification at Fair Value through Other Comprehensive Income (FVTOCI)	2,750,000	2,750,000	2,750,000
Total Non-Current Investment	**13,384,950,000**	**23,441,186,572**	**22,789,950,000**

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

(Amount in ₹)

		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
2	**OTHER NON- CURRENT ASSETS**			
	Advance income tax (net of provision for tax)	-	-	9,635
		-	**-**	**9,635**

(Amount in ₹)

		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
3	**CASH AND CASH EQUIVALENTS**			
	Balances with banks			
	in current accounts	153,705	217,376	24,029
	in deposit accounts	1,300,000	339,533	3,096,645
		1,453,705	**556,909**	**3,120,674**

3.1 Refer note no. 27 for details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016.

(Amount in ₹)

		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
4	**OTHER FINANCIAL ASSETS**			
	Interest accrued on deposits and advances	12,492	3,229	29,867
		12,492	**3,229**	**29,867**

(Amount in ₹)

		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
5	**OTHER CURRENT ASSETS**			
	Advances other than capital advances			
	Advances to vendors	33,000	33,000	33,000
		33,000	**33,000**	**33,000**

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

(Amount in ₹)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
6 EQUITY SHARE CAPITAL						
(a) Authorised Share Capital:						
Equity shares of Re. 1 each	3,220,000,000	3,220,000,000	3,220,000,000	3,220,000,000	3,220,000,000	3,220,000,000
Preference shares of Re. 1 each	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
(b) Issued, Subscribed and fully paid up						
(i) Issued	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
(ii) Subscribed and fully paid up	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
(iii) Shares forfeited	-	-	-	-	-	-
Total	**2,000,000,000**	**2,000,000,000**	**2,000,000,000**	**2,000,000,000**	**2,000,000,000**	**2,000,000,000**

Notes :

(i) The Company has only one class of equity share having par value of Rs. 1 per share. Each holder of equity share is entitled to one vote per share held. All the equity shares rank pari passu in all respects including but not limited to entitlement for dividend, bonus issue and rights issue. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Details of shares held by holding company and their subsidiaries:

(Amount in ₹)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
TV18 Broadcast Limited, the Holding Company *	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
	2,000,000,000	**2,000,000,000**	**2,000,000,000**	**2,000,000,000**	**2,000,000,000**	**2,000,000,000**

* includes shares held jointly by its nominees

(iii) Details of shares held by each shareholder holding more than 5% shares :

(Amount in ₹)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Number of shares	% Holding	Number of shares	% Holding	Number of shares	% Holding
TV18 Broadcast Limited	2,000,000,000	100.00%	2,000,000,000	100.00%	2,000,000,000	100.00%

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

(Amount in ₹)

		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
7	**OTHER EQUITY**			
a.	**Equity Instruments**			
	Opening balance			
	Zero Coupon Compulsorily, Fully Convertible			
	Debentures of Rs.100 each*	13,220,000,000	12,570,000,000	12,570,000,000
	Add: Additions during the year	439,000,000	650,000,000	-
	13,65,90,000 (Previous year 13,22,00,000; 2016 I 12,57,00,000; 2015) Zero Coupon Compulsorily, Fully Convertible Debentures of Rs.100 each*	13,659,000,000	13,220,000,000	12,570,000,000
b.	**Surplus/ (Deficit) in the Statement of Profit and Loss**			
	Opening balance	7,784,559,638	7,786,232,629	(25,315,990)
	Adjustment on fair valuation of investments on transition	-	-	7,811,548,619
	Adjustment for extinguishment of investment on merger **	(10,056,236,572)	-	-
	Profit / (Loss) for the year	(1,314,089)	(1,672,991)	-
		(2,272,991,023)	7,784,559,638	7,786,232,629
	Total Other Equity	**11,386,008,977**	**21,004,559,638**	**20,356,232,629**

Terms of Debentures :

* Zero Coupon Optionally Fully Convertible Debentures (ZOFCD) have tenure of 10 years from the date of allotment, are unsecured and" do not carry interest right. The debentures are convertible into equity shares of the Company in the ratio of 1 : 1 at the option of the" Issuer. The conversion option is exercisable any time after two years of the date of allotment. The debentures are held by TV18 Broadcasts Limited.

** Refer note no. 21.

(Amount in ₹)

		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
8	**BORROWINGS - UNSECURED (Current Liabilities)**			
	Loan from related party	-	436,500,000	436,500,000
		-	**436,500,000**	**436,500,000**

Amount in ₹)

		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
9	**PROVISIONS**			
	Provision for tax (net of advance tax)	17,025	6,088	-
		17,025	**6,088**	**-**

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

Amount in ₹)

		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
10	**OTHER CURRENT LIABILITIES**			
	Statutory dues	33,150	115,950	33,000
	Other payables	390,045	598,034	377,547
		423,195	**713,984**	**410,547**

Amount in ₹)

		Year ended 31.03.2017	Year ended 31.03.2016
11	**REVENUE FROM OPERATIONS**		
	Trading Income	89,320	27,250
		89,320	**27,250**

Amount in ₹)

		Year ended 31.03.2017	Year ended 31.03.2016
12	**OTHER INCOME**		
	Interest income on		
	Deposit accounts with banks	61,841	133,358
	Income tax refund	555	1,102
	Other non-operating income		
	Liabilities / provisions no longer required written back	170,750	-
		233,146	**134,460**

Amount in ₹)

		Year ended 31.03.2017	Year ended 31.03.2016
13	**COST OF TRADED GOODS SOLD**		
	Opening balance		
	Add : Purchased during the year	81,180	25,542
	Less: Closing balance	-	-
		81,180	**25,542**

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

Amount in ₹)

		Year ended 31.03.2017	Year ended 31.03.2016
14	**OTHER EXPENSES**		
	Establishment Expenses		
	Legal and professional expenses	198,800	359,435
	Directors sitting fees	442,300	513,950
	Auditor remuneration	897,000	891,600
	Miscellaneous expenses	17,275	44,174
		1,555,375	**1,809,159**
	Note:		
	14.1 Payments to the auditors comprises :		
	(a) To statutory auditors		
	For Statutory audit	149,500	148,850
	For other services (including limited reviews,consolidation,certifications)	747,500	742,750
		897,000	891,600

15 CORPORATE INFORMATION

Equator Trading Enterprises Private Limited ("The Company"), was incorporated in India on January 7, 2008, and having its registered office at Unit No. 501, 5th Floor, Tower-1,"One Indiabulls Centre" Jupiter Textile Mills, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013. The principal activities of the Company to carry on the business of trading, financing, investment and trading in shares.

16.0 ACCOUNTING POLICIES

16.1 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities measured at fair value amount on transition.

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

Up to the year ended March 31, 2016, the Company has prepared its financial statements in accordance with the requirements of Indian GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

These financial statements are the Company`s first Ind AS financial statements and as covered by Ind AS 101 - First time adoption of Indian Accounting Standards.

Company's financial statements are presented in Indian Rupees (INR), which is its functional currency.

16.2 Other significant accounting policies

16.2.1 Property, plant and equipment:

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and arrangements arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow the entity and the cost can be measured reliably.

Depreciation on property, plant and equipment is provided using straight line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

16.2.2 Intangible assets:

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

16.2.3 Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as a lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

16.2.4 Borrowings Cost

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

16.2.5 Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. Cost of inventories comprises of purchase cost and other overheads, net of recoverable taxes, incurred in bringing them to their respective present location and condition.

16.2.6 Impairment of non-financial assets

At each balance sheet date, the Company assesses whether there is an indication that any property, plant and equipment and intangible assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit or loss.

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

16.2.7 Provisions and Contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

16.2.8 Employee Benefits

(i) Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee render the services.

(ii) Long Term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date on the basis of actuarial valuation.

(iii) Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which specified contributions are made. The contributions are recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service.

Defined Benefit Plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment and other long term benefits are charged to the Other Comprehensive Income.

16.2.9 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income and equity.

- **Current tax**

  Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

- **Deferred tax**

  Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

  Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

16.2.10 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits with any qualifying financial institution, repayable on demand or maturing within three months of the date of acquisition and which are subject to an insignificant risk of change in value.

16.2.11 Foreign currencies

Transactions and Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

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

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction.

16.2.12 Revenue recognition

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

Revenue is recognised only if the following conditions are satisfied:

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

Revenue from operations includes sale of goods and services measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and excluding taxes or duties collected on behalf of the government.

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

Dividends Income is recognised when the Company's right to receive the payment has been established.

16.2.13 Financial instruments

1) Financial assets

1.a Initial recognition and measurement:

Financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised using trade date accounting.

1.b Subsequent measurement

i) Financial assets carried at amortised cost (AC)

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

1.c Equity Investments:

Equity investments are measured at fair value, with value changes recognised in statement of profit and loss, except for those equity investments for which the company has elected to present the value changes in 'Other Comprehensive Income'.

1.d Investment in subsidiaries, associates and joint ventures

The company has accounted for its investments in subsidiary, joint venture and associate at deemed cost being the fair value of investments on the date of transition to Ind AS i.e. 1st April, 2015.

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

1.e Impairment of financial assets

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

a. Financial assets at amortised cost

b. Financial assets measured at fair value through Other Comprehensive income

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

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

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

2) **Financial liabilities**

2.a Initial recognition and measurement:

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

2.b Subsequent measurement:

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

2.c Derecognition of financial instruments

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or is transferred and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

17.0 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

17.1 Depreciation and useful lives of Property, Plant and Equipments :

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Intangible assets are amortised over its estimated useful lives. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/ amortisation for future periods is adjusted if there are significant changes from previous estimates.

17.2 Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

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

17.3 Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

17.4 Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

17.5 Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

18.0 FIRST TIME ADOPTION OF IND AS:

The company has adopted Ind AS with effect from 1st April, 2016 with comparatives being restated. Accordingly, the impact of transition differences has been provided in the Opening Reserve as at 1st April, 2015 and all the periods presented have been restated accordingly.

18.1 Exemptions from retrospective application:

(a) Business combination exemption

The Company has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combinations" to business combinations consummated prior to April 1, 2015 (the "Transition Date"), pursuant to which goodwill arising from a business combination is stated at the carrying amount prior to the date of transition under Indian GAAP. The Company has also applied the exemption for past business combinations to acquisitions of investments in associate consumated prior to the transaction date.

(b) Fair value as deemed cost exemption :

The Company has elected to measure any item of property, plant and equipment at its carrying value at the transition date except for certain assets which are measured at fair value as deemed cost.

(c) Lease exemption :

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

(d) Investments in subsidiaries, joint ventures and associates

The company has elected to measure investments in subsidiary, joint venture and associate at deemed cost being the fair value of investments on the date of transition i.e. 1st April, 2015 as prescribed under Ind AS 101-"First time Adoption of Indian Accounting Standards" (Para D14 and D15 of Appendix D).

19 Based on the available information with the Company under the Micro, Small and Medium Enterprises Development Act, 2006, amounts unpaid as at year end/payment made during the year/ payable at the year end to such Enterprises under this Act is Nil (Previous year 2016 : Nil | 2015 : Nil).

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

20 Prism TV Private Limited, a subsidiary by virtue of composition of board of directors till 31st July 2015, became a Joint venture of the Company w.e.f. 1st August 2015 till 31st August 2016 and thereafter merged with Viacom18 Media Private Limited pursuant to Scheme of Arrangement and Hon'ble Bombay High Court Order w.e.f. September 1, 2016.

21 Scheme of Amalgamation & Arrangement of Prism TV Private Limited:

The Hon'ble High Court Judicature at Bombay, on August 12, 2016, approved the Scheme of Amalgamation & Arrangements ("the Scheme") between Prism TV Private Limited ("Prism") and Viacom18 Media Private Limited ("Viacom") and their respective Shareholders and Creditors. The said order was filed with the Office of Registrar of Companies Mumbai on September 1, 2016("the Effective Date") Pursuant to the Scheme, all the assets and liabilities of Prism have been transferred to Viacom at their respective fair values on April 1, 2015 ('the Appointed Date') .The Scheme was given effect to in the financial statements as prescribed in the Hon'ble High Court order with effect from April 1, 2015 ("the Appointed Date").

During the year, consequent to the Scheme becoming effective 9,096,333 Equity Shares of Rupees. 10 each at a premium of Rupees. 1,053/- and 2,078 0.001% Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rupees. 10/- each at a premium of Rupees 585/- in Viacom have been issued to TV18 Broadcast Limited pursuant to the order of the Hon'ble High Court.

22 Scheme of arrangement

"The Board of Directors, have approved the amalgamation of the Company with TV18 Broadcast Limited, the holding Company ("Transferee Company") in accordance with the proposed Scheme of Amalgamation for amalgamation of the Equator Trading Enterprises Private Limited, Panorama Television Private Limited, RVT Media Private Limited and ibn18 (Mauritius) Limited with the 'Transferee Company' with appointed date as 1st April, 2016, subject to necessary approvals.

23 The Company operates solely in one segment, hence no separate segment information is provided.

24 Related parties disclosures

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

i. List of related Party where control exist and related parties with whom transactions have taken place and relationships:

S.No.	Name of the Related Party	Relationship
1	Independent Media Trust	Enterprises exercising control
2	Adventure Marketing Private Limited*	
3	Watermark Infratech Private Limited *	
4	Colorful Media Private Limited*	
5	RB Media Holdings Private Limited*	
6	RB Mediasoft Private Limited*	
7	RRB Mediasoft Private Limited*	
8	RB Holdings Private Limited*	
9	Teesta Retail Private Limited (formerly Shinano Retail Private Limited which has merged with Teesta Retail Private Limited effective 29.12.2016)*	
10	TV18 Broadcast Limited	
11	Network18 Media & Investments Limited	
12	Reliance Industries Limited (RIL)	Beneficiary/Protector of Independent Media Trust
13	Reliance Industrial Investments and Holdings Limited	
14	Panorama Television Private Limited	Subsidiary Company
15	Prism TV Private Limited (upto 31.07.2015)	
16	Prism TV Private Limited (Joint Venture w.e.f 01.08.2015, merged with Viacom18 Media Private Limited w.e.f 01.09.2016)@	Joint Venture

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

S.No.	Name of the Related Party	Relationship
17 18	Viacom18 Media Private Limited@ IndiaCast Media Distribution Private Limited@	Joint Ventures of Holding Company
19 20	IndiaCast Distribution Private Limited@ IndiaCast UK Limited@	Jointly controlled Entities of Holding Company
21	Eenadu Television Private Limited	Associate
22	Reliance Retail Limited#	Fellow Subsidiary - Reliance Group
23	AETN18 Media Private Limited	Fellow Subsidiary

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

Subsidiary of RIL, the sole beneficiary of Independent Media Trust

@ As per Companies Act, 2013, a subsidiary company

ii. Transactions during the period with related parties

S.No.	Particulars	Enterprises exercising control	Subsidiary Company	Joint Venture
1	**Issue of Zero Coupon Compulsorily and Fully Convertible Debentures**			
	TV18 Broadcast Limited	439,000,000	-	-
		(650,000,000)	-	-
2	**Repayment of Loan**			
	Panorama Television Private Limited	-	436,500,000	-
		-	(-)	-
3	**Investment in Equity shares**			
	Prism TV Private Limited upto 31st Aug 2016	-	-	-
		-	-	(649,999,592)
4	**Investment in Preference shares**			
	Prism TV Private Limited upto 31st Aug 2016	-	-	-
		-	-	(1,236,980)
5	**Reimbursement of expenses paid**			
	TV18 Broadcast Limited	278,326	-	-
		(137,780)	-	-
Balances as at 31st March 2017				
1	**Unsecured Loan payable**			
	Panorama Television Private Limited:	-	-	-
		-	(436,500,000)	-
		-	[436,500,000]	-
2	**Debentures - Unsecured**			
	TV18 Broadcast Limited	13,659,000,000	-	-
		(13,220,000,000)	-	-
		[12,570,000,000]	-	-

Balances as at 31-03-2016 represented under ( ) and Balances as at 01-04-2015 represented under [ ].

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

25 First time IND AS Adoption Reconciliations

There are no changes as at 31st March, 2016 and 1st April, 2015 in the Balance Sheet and the Statement of Profit and Loss for the year ended 31st March, 2016 in the financial statements under the previous GAAP and the financial statements presented under Ind-AS, other than re-classification of convertible debenture and fair value of investments as described under note no. 25.1 below.

25.1 Reconciliation of Reserve between IND AS and Previous GAAP (Amount in ₹)

Nature of adjustments	As at 31st March, 2016	As at 1st April, 2015
Reserves as per Previous Indian GAAP	(26,988,981)	(25,315,990)
1. Reclassification of ZCCFCD	13,220,000,000	12,570,000,000
2. Fair Valuation of non-current investment on transitions date	7,811,548,619	7,811,548,619
Total	21,031,548,619	20,381,548,619
Reserves as per Ind AS	**21,004,559,638**	**20,356,232,629**

Notes:

1. The debentures were classified as Long Term Borrowing under the previous GAAP which are presented as Other Equity under Ind AS.
2. Difference between the book value and fair value of non-current investments Rs. 7,811,548,619 has been adjusted in Reserve on the date of transition to Ind AS i.e. 01.04.2015.

(Amount in ₹)

26 EARNINGS PER SHARE (EPS)

	Year ended 31.03.2017	Year ended 31.03.2016
Net Loss for the year attributable to equity shareholders (₹)	(13 14 089)	(16 72 991)
Weighted average number of equity shares used as denominator for calculating Basic EPS	200 00 00 000	200 00 00 000
Add: Weighted average number of Equity shares to be issued on conversion of Debentures	1365 90 00 000	1322 00 00 000
Weighted average number of equity shares used as denominator for calculating Diluted EPS	1565 90 00 000	1522 00 00 000
Basic Earnings per share (₹)	(0.00066)	(0.00084)
Diluted Earnings per share (₹)	(0.00008)	(0.00011)
Face value per share (₹)	1	1

27 Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016 is as under:

(Amount in ₹)

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

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

28 CURRENT TAX ASSETS AND LIABILITIES (Amount in ₹)

Particulars	**As at 31st March, 2017**	**As at 31st March, 2016**	**As at 1st April, 2015**
Current tax Asset / (Liabilities) Net			
At start of year	(6,088)	9,635	9,635
Charge for the year	-	-	-
Income tax refund	(15,925)	(31,648)	-
Tax paid during the year	4,989	15,925	-
At end of year	(17,025)	-	9,635

29 CONTINGENT LIABILITIES AND OTHER COMMITMENTS (Amount in ₹)

Particulars	**As at 31st March, 2017**	**As at 31st March, 2016**	**As at 1st April, 2015**
Contingent liabilities	NIL	NIL	NIL
Other Commitments	NIL	NIL	NIL

30 The Company has no foreign currency exposure at the repording date as at 31.03.2017, 31.03.2016 and 01.04.2015.

31 The Company has no deferred tax assets or liabilities in accordance with Clause 7 of the Significant Accounting Policies.

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

As per report of even date

For A.K.Sabat & Co.
Chartered Accountants
(Firm Registration No. 321012E)

D. VIJAYA KUMAR
Partner
Membership No. : 051961

Hyderabad, Dated 15th April, 2017

For and on behalf of the Board of Directors

Kshipra Jatana
Director
DIN - 02491225

Sanjiv Kulshreshtha
Director & CFO
DIN - 06788866

Bindu Trivedi
Company Secretary

Noida, Dated 15th April, 2017