AETN18 Media Private Limited

FINANCIAL STATEMENTS

2017-18

INDEPENDENT AUDITOR'S REPORT

To The Members of AETN18 Media Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of AETN18 Media Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and 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 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 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 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 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the 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 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 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 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its loss, total comprehensive loss, 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 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 Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid 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, 2018 taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2018 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 does not have any pending litigations which would impact its financial position.

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

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

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 **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Manoj H. Dama
Partner
Membership No. 107723

Place: Mumbai
Date: April 18, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AETN18 MEDIA PRIVATE LIMITED

(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 **AETN18 Media Private Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of 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 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 of the Company 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 March 31, 2018, based on the criteria for internal financial control over financial reporting 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 **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Manoj H. Dama
Partner
Membership No. 107723

Place: Mumbai
Date: April 18, 2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AETN18 MEDIA PRIVATE LIMITED

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

(i) In respect of its fixed assets:

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

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of paragraph 3 of the Order is not applicable.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of paragraph 3 of the Order is not applicable.

(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 any loans, made investments or provided guarantees and hence reporting under clause (iv) of paragraph 3 of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit from public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder and hence reporting under clause (v) of paragraph 3 of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie,* the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Services Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Sales Tax, Service Tax, Goods and Services Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2018 on account of disputes.

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of paragraph 3 of the Order is not applicable to the Company.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of paragraph 3 of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 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 Ind AS financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable. The Company does not have any holding, subsidiary or associate company.

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Manoj H. Dama
Partner
Membership No. 107723

Place: Mumbai
Date: April 18, 2018

Balance Sheet as at 31st March, 2018

	Notes	As at 31st March, 2018	₹ in lakh As at 31st March, 2017
ASSETS			
Non-current assets			
Property, Plant and Equipment	**1**	467.58	446.43
Intangible assets	**1**	3,517.99	2,602.92
Intangible assets under development	**1**	354.45	347.26
Financial Assets			
Other financial assets	**2**	22.55	22.55
Other non-current assets	**3**	645.71	691.80
Total Non-current assets		**5,008.28**	**4,110.96**
Current assets			
Financial Assets			
Investments	**4**	2,423.72	680.33
Trade receivables	**5**	2,613.19	1,137.29
Cash and cash equivalents	**6**	135.69	226.90
Bank balances other than in note 6	**7**	204.05	-
Loans	**8**	0.15	0.12
Other financial assets	**9**	19.70	1.46
Other current assets	**10**	1,357.09	924.84
Total Current assets		**6,753.59**	**2,970.94**
Total Assets		**11,761.87**	**7,081.90**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	**11**	5,597.95	5,143.41
Other Equity	**12**	1,204.83	(2,478.20)
Total Equity		**6,802.78**	**2,665.21**
Liabilities			
Non-current liabilities			
Provisions	**13**	58.64	42.33
Total Non-current Liabilties		**58.64**	**42.33**
Current liabilities			
Financial Liabilities			
Trade Payables	**14**	3,552.62	2,866.49
Other financial liabilities	**15**	942.93	1,140.84
Other current liabilities	**16**	403.55	365.98
Provisions	**17**	1.35	1.05
Total Current Liabilties		**4,900.45**	**4,374.36**
Total Liabilities		**4,959.09**	**4,416.69**
Total Equity and Liabilities		**11,761.87**	**7,081.90**

Significant Accounting Policies and accompanying notes (1 to 32) are part of the financial statements.

As per our report of even date
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Manoj H. Dama
Partner
Membership No. 107723

Place: Mumbai
Date : 18th April, 2018

For and on behalf of the Board of Directors of
AETN18 Media Private Limited

Rahul Joshi
Director
DIN 07389787

Ramesh Kumar Damani
Director
DIN 00049764

Jayesh Gokalgandhi
Chief Financial Officer

Pumit Kumar Chellaramani
Company Secretary

Place: Mumbai
Date : 18th April, 2018

Statement of Profit and Loss for the year ended 31st March, 2018

	Notes	Year ended 31st March, 2018	₹ in lakh Year ended 31st March, 2017
INCOME			
Value of sale of services		9,411.76	6,612.75
Less: Goods and Services Tax included in above		1,162.66	-
Revenue from operations	**18**	**8,249.10**	**6,612.75**
Other Income	**19**	201.40	235.02
Total Income		**8,450.50**	**6,847.77**
EXPENSES			
Employee benefits expense	**20**	1,366.79	1,304.99
Finance costs	**21**	-	3.24
Depreciation and amortisation expense	**1**	2,045.83	1,684.88
Marketing, distribution and promotional expense		4,264.45	4,507.26
Other expenses	**22**	1,632.63	1,933.48
Total Expenses		**9,309.70**	**9,433.85**
Profit/ (Loss) before Tax		(859.20)	(2,586.08)
Tax expense:			
Current tax	**23**	-	-
Deferred tax	**23**	-	-
Net tax expenses		-	-
Profit/ (Loss) for the year		**(859.20)**	**(2,586.08)**
Other Comprehensive Income			
Items that will not be reclassified to the Statement of profit and loss		(3.16)	(9.12)
Total Other Comprehensive Income		**(3.16)**	**(9.12)**
Total Comprehensive Income for the year		**(862.36)**	**(2,595.20)**
Earnings per equity share of face value of ₹ 10 each			
Basic and Diluted (in ₹)	**24**	**(1.58)**	**(5.14)**

Significant Accounting Policies and accompanying notes (1 to 32) are part of the financial statements.

As per our report of even date
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Manoj H. Dama
Partner
Membership No. 107723

Place: Mumbai
Date : 18th April, 2018

For and on behalf of the Board of Directors of
AETN18 Media Private Limited

Rahul Joshi
Director
DIN 07389787

Ramesh Kumar Damani
Director
DIN 00049764

Jayesh Gokalgandhi
Chief Financial Officer

Pumit Kumar Chellaramani
Company Secretary

Place: Mumbai
Date : 18th April, 2018

Statement of Changes in Equity for the year ended 31st March, 2018

A. Equity Share Capital

₹ in lakh

Balance at the beginning of 1st April, 2016	Changes in equity share capital during the year 2016-17	Balance as at 31st March, 2017	Changes in equity share capital during the year 2017-18	Balance as at 31st March, 2018
4,961.60	181.81	5,143.41	454.54	**5,597.95**

B. Other Equity

₹ in lakh

	Reserve and Surplus		Other Comprehensive Income	Total
	Securities Premium	Retained Earnings	Remeasurements of the defined benefit plans	
Balance as at 1st April, 2016	**8,807.07**	**(10,483.81)**	**(24.44)**	**(1,701.18)**
Total Comprehensive Income for the year	-	(2,586.08)	(9.12)	(2,595.20)
Amount received during the year	1,818.18	-	-	1,818.18
Balance as at 31st March, 2017	**10,625.25**	**(13,069.89)**	**(33.56)**	**(2,478.20)**
Balance as at 1st April, 2017	**10,625.25**	**(13,069.89)**	**(33.56)**	**(2,478.20)**
Total Comprehensive Income for the year	-	(859.20)	(3.16)	(862.36)
Amount received during the year	4,545.39	-	-	4,545.39
Balance as at 31st March, 2018	**15,170.64**	**(13,929.09)**	**(36.72)**	**1,204.83**

As per our report of even date
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Manoj H. Dama
Partner
Membership No. 107723

Place: Mumbai
Date : 18th April, 2018

For and on behalf of the Board of Directors of
AETN18 Media Private Limited

Rahul Joshi
Director
DIN 07389787

Ramesh Kumar Damani
Director
DIN 00049764

Jayesh Gokalgandhi
Chief Financial Officer

Pumit Kumar Chellaramani
Company Secretary

Place: Mumbai
Date : 18th April, 2018

Cash Flow Statement for the year ended 31st March, 2018

			Year ended 31st March, 2018		₹ in lakh Year ended 31st March, 2017
A:	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit/ (Loss) before tax as per Statement of Profit and Loss		(859.20)		(2,586.08)
	Adjusted for:				
	Bad debts and allowance for doubtful trade receivables	84.05		50.70	
	Depreciation and amortisation expense	2,045.83		1,684.88	
	Effect of exchange rate change	20.48		(22.02)	
	Liabilities and provisions written back	(17.09)		(108.18)	
	Net gain arising on sale of investments	(68.84)		(43.44)	
	Net gain arising on financial assets measured at fair value through profit or loss	(58.90)		(24.87)	
	Dividend income	-		(1.64)	
	Interest income on bank deposits and others	(18.05)		(22.28)	
	Interest income on income tax refund	(38.51)		(34.58)	
	Finance costs	-		3.24	
			1,948.97		1,481.81
	Operating profit before working capital changes		**1,089.77**		**(1,104.27)**
	Adjusted for:				
	Trade and other receivables	(1,992.94)		1,387.30	
	Trade and other payables	733.82		(321.61)	
			(1,259.12)		1,065.69
	Cash used in operations		**(169.35)**		**(38.58)**
	Taxes paid (net)		82.59		(21.09)
	Net cash used in operating activities		**(86.76)**		**(59.67)**
B:	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Payment for Property, Plant and Equipment		(3,185.14)		(2,576.85)
	Purchase of investments		(10,634.00)		(1,880.00)
	Proceeds from Sale of Investments		9,018.35		1,267.98
	Fixed deposits placed with banks		(204.05)		-
	Interest received		0.46		25.59
	Dividend received		-		1.64
	Net cash used in investing activities		**(5,004.38)**		**(3,161.64)**
C:	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from issue of equity share capital		4,999.93		1,999.99
	Interest paid		-		(3.24)
	Net cash generated from financing activities		**4,999.93**		**1,996.75**
	Net increase/ (decrease) in cash and cash equivalents		(91.21)		(1,224.56)
	Opening balance of cash and cash equivalents		226.90		1,451.46
	Closing balance of cash and cash equivalents (Refer Note 6)		**135.69**		**226.90**

As per our report of even date
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Manoj H. Dama
Partner
Membership No. 107723

Place: Mumbai
Date : 18th April, 2018

For and on behalf of the Board of Directors of
AETN18 Media Private Limited

Rahul Joshi
Director
DIN 07389787

Ramesh Kumar Damani
Director
DIN 00049764

Jayesh Gokalgandhi
Chief Financial Officer

Pumit Kumar Chellaramani
Company Secretary

Place: Mumbai
Date : 18th April, 2018

Notes to the Financial Statements for the year ended 31st March, 2018

A CORPORATE INFORMATION

AETN18 Media Private Limited ("the Company") is a Company incorporated in India. It is a joint venture between A&E Television Network, LLC and RVT Media Private Limited.

The registered office of the company is situated at First Floor, Empire Complex, 414 Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, Maharashtra.

The Company is engaged in the business of broadcasting entertainment content, digital and allied businesses.

B SIGNIFICANT ACCOUNTING POLICIES

B.1 Basis of Preparation and Presentation

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

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

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

B.2 Summary Of Significant Accounting Policies

(a) 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 adjustments 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 to 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.

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.

(b) Intangible assets:

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebate less accumulated amortisation/ depletion and impairment loss, if any. Such cost includes 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.

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

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.

Computer Software are being amortised over its estimated useful life of 5 years. Programming costs are being amortised over 2 years for all programs purchased from A&E Television Networks, LLC, over the license period for programs purchased from others and over 5 years for all programs produced by the Company. Website development costs are capitalised and amortised over their estimated useful life of 2 years.

Intangible assets under development: Expenditure on programming costs eligible for capitalisaiton are carried as Intangible assets under development where such assets are not yet ready for their intended use.

Notes to the Financial Statements for the year ended 31st March, 2018

(c) 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.

Leased assets:

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 Statement of 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.

(d) Borrowing 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.

(e) Impairment of non-financial assets - property, plant and equipment and intangible assets:

The Company assesses at each reporting dates as to whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such indication exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any.

An impairment loss is recognized in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(f) Provisions and Contingencies

Provisions are recognised when the Company has a present obligation as a result of a past events, 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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

(g) Employee Benefits

Short Term Employee Benefits

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

Notes to the Financial Statements for the year ended 31st March, 2018

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 recongnised as a liability as at the Balance Sheet date on the basis of actuarial valuation.

Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions towards Provident Fund, Employee State Insurance and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans

The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation/ superannuation. The gratuity is paid @ 15 days salary for the every completed year of service as per the Payment of Gratuity Act, 1972.

The liability in respect of defined benefit plan 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.

(h) Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity.

i **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.

ii **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 income tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilised.

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.

(i) 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.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and 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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

Notes to the Financial Statements for the year ended 31st March, 2018

(j) Revenue recognition

Revenue from operations includes sale of services. Sale of services includes advertisement revenue, mobile and digital revenue, subscription revenue and revenue from sale of content.

Sale of services is 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. Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

Interest income

Interest Income from a financial asset is recognised using effective interest rate method.

Dividend income

Dividend income is recognised when the Company's right to receive the payment has been established.

(k) Financial instruments

(i) Financial Assets

A. Initial recognition and measurement:

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement:

a) Financial assets carried at amortised cost

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.

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

A financial asset is 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.

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

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

C. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment assessment of financial assets other than those measured at fair value through profit or loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables, Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivable. Further, Company uses historical default rates to determine impairment loss on the portfolio of the trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Notes to the Financial Statements for the year ended 31st March, 2018

(ii) Financial Liabilities

A. Initial recognition and measurement:

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

B. Subsequent measurement:

Financial liabilities are 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.

(iii) Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset 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.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

C CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:

The preparation of the Company's financial statements requires management to make judgement, 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 require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Depreciation and useful lives of property, plant and Equipment and intangible assets:

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.

b) 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.

c) 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 judgement 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.

d) 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 Cash Generating Units ("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

Notes to the Financial Statements for the year ended 31st March, 2018

inflows that are largely independent of those from other assets or a groups 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.

e) 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.

f) Defined benefit plans:

The employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ income include the discount rate, inflation and mortality assumptions. Any changes in these assumptions will impact upon the carrying amount of employment benefit obligations.

D STANDARDS ISSUED BUT NOT EFFECTIVE:

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

i. **Issue of Ind AS 115 - Revenue from Contracts with Customers:**

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

ii. **Amendment to Existing issued Ind AS**

The MCA has also carried out amendments following accounting standards. These are:

a Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

b Ind AS 40 - Investment Property

c Ind AS 12 - Income Taxes

d Ind AS 28 - Investments in Associates and Joint Ventures and

e Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Company's financial statements.

Notes to the Financial Statements for the year ended 31st March, 2018

1. Property, plant and equipment and Intangible

₹ in lakh

Description	Gross Block				Depreciation/ Amortisation				Net Block	
	As at 1st April, 2017	Additions	Deductions/ Adjustments	As at 31st March, 2018	As at 1st April, 2017	For the year	Deductions/ Adjustments	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
A Property, Plant and Equipment										
Tangible Assets:										
Own Assets:										
Plant and Machinery	853.46	74.33	1.60	926.19	443.10	65.61	1.60	507.11	**419.08**	**410.36**
Office Equipment (Computer Hardware)	124.38	37.25	0.44	161.19	88.86	24.76	0.44	113.18	**48.01**	**35.52**
Furniture and fixtures	0.58	-	-	0.58	0.03	0.06	-	0.09	**0.49**	**0.55**
Total	**978.42**	**111.58**	**2.04**	**1,087.96**	**531.99**	**90.43**	**2.04**	**620.38**	**467.58**	**446.43**
Previous year	530.82	447.60	-	978.42	317.55	214.44	-	531.99	446.43	213.27
B Intangible assets										
Programing and other Intangible Assets	4,346.03	2,870.47	1,251.45	5,965.05	1,743.11	1,955.40	1,251.45	2,447.06	3,517.99	2,602.92
Total	**4,346.03**	**2,870.47**	**1,251.45**	**5,965.05**	**1,743.11**	**1,955.40**	**1,251.45**	**2,447.06**	**3,517.99**	**2,602.92**
Previous year	2,944.60	2,806.98	1,405.55	4,346.03	1,678.22	1,470.44	1,405.55	1,743.11	2,602.92	1,266.38
Grand Total (A+B)	**5,324.45**	**2,982.05**	**1,253.49**	**7,053.01**	**2,275.10**	**2,045.83**	**1,253.49**	**3,067.44**	**3,985.57**	**3,049.35**
Previous year	3,475.42	3,254.58	1,405.55	5,234.45	1,995.77	1,684.88	1,405.55	2,275.10	3,049.35	1,479.65
C Intangible Assets under development									**354.45**	**347.26**

Notes to the Financial Statements for the year ended 31st March, 2018

		₹ in lakh As at 31st March, 2018	As at 31st March, 2017
2	**Other financial assets - non-current**		
	Security deposits		
	Unsecured and considered good	22.55	22.55
	Total	**22.55**	**22.55**

		₹ in lakh As at 31st March, 2018	As at 31st March, 2017
3	**Other non-current assets** (Unsecured and Considered Good)		
	Capital Advances	-	2.01
	Advance Income Tax (Net of provision) (Refer Note 23)	645.71	689.79
	Total	**645.71**	**691.80**

₹ in lakh

		As at 31st March, 2018		As at 31st March, 2017	
4	**Investments - current**				
	Investments measured at fair value through profit or loss (FVTPL)	**No. of units**	**Amount**	**No. of units**	**Amount**
	In Mutual Fund- Quoted				
	UTI Floating Rate Fund - Short Term - Regular Growth Plan	8,898.25	251.33	8,898.25	236.25
	UTI Short Term Income Fund - Institutional Plan-Growth	1,055,874.32	223.02	1,055,874.32	210.53
	HDFC High Interest Fund-Short Term - Growth Plan	714,032.12	247.04	714,032.12	233.55
	Birla Cash Plus Growth Regular Plan	244,235.63	679.55	-	-
	Birla Cash Plus Growth Direct Plan	5,612.29	15.68		
	DSP Black Rock Liquidity Fund- Regular Growth	40,707.45	1,007.10	-	-
	Total		**2,423.72**		**680.33**
	Aggregate amount of quoted investments		2,423.72		680.33
	Aggregate market value of quoted investments		2,423.72		680.33

		₹ in lakh As at 31st March, 2018	As at 31st March, 2017
5	**Trade receivables**		
	Unsecured, considered good	2,613.19	1,137.29
	Unsecured, considered doubtful	163.36	88.38
		2,776.55	1,225.67
	Less:- Allowance for doubtful receivables	(163.36)	(88.38)
	Total	**2,613.19**	**1,137.29**

Notes to the Financial Statements for the year ended 31st March, 2018

		As at 31st March, 2018	As at 31st March, 2017
			₹ in lakh
5.1	**Movement in the expected credit loss allowance**		
	At the beginning of the year	88.38	84.86
	Movement in the expected credit loss allowance during the year	74.98	3.52
	At the end of the year	**163.36**	**88.38**

		As at 31st March, 2018	As at 31st March, 2017
			₹ in lakh
6	**Cash and cash equivalents**		
	Cash on hand	-	0.02
	Balances with bank		
	In current accounts	5.69	126.88
	In deposit accounts (Refer Note 6.1)	130.00	100.00
	Total	**135.69**	**226.90**

6.1 Includes deposits of ₹ Nil (Previous year ₹ 100 Lakh) with maturity of more than 12 months.

		As at 31st March, 2018	As at 31st March, 2017
			₹ in lakh
7	**Bank balances other than cash and cash equivalents**		
	In other deposit accounts (Refer Note 7.1)	204.05	-
	Total	**204.05**	**-**

7.1 Represents fixed deposit certificates given to government authorities under lien.

		As at 31st March, 2018	As at 31st March, 2017
			₹ in lakh
8	**Loans - current** (Unsecured and considered good)		
	Loans and advances to others	0.15	0.12
	Total	**0.15**	**0.12**

		As at 31st March, 2018	As at 31st March, 2017
			₹ in lakh
9	**Other financial assets - current**		
	Interest accrued on deposits and advances	19.05	1.46
	Security deposits	0.65	-
	Total	**19.70**	**1.46**

Notes to the Financial Statements for the year ended 31st March, 2018

₹ in lakh

		As at 31st March, 2018	As at 31st March, 2017
10	**Other current assets**		
	(Unsecured and considered good)		
	Advances to vendor	0.24	45.92
	Prepaid expenses	37.23	35.82
	Balance with Government Authorities	1,319.51	842.70
	Advances to employees	0.11	0.40
	Total	**1,357.09**	**924.84**

11 Equity Share capital

Particulars	As at 31st March, 2018 Number of Shares	₹ in lakh	As at 31st March, 2017 Number of Shares	₹ in lakh
(a) Authorised Share Capital:				
Equity shares of ₹ 10 each	90,000,000	9,000.00	90,000,000	9,000.00
(b) Issued, Subscribed and fully paid up				
Equity Shares of ₹ 10 each				
(i) Issued	559,79,520	5,597.95	51,434,139	5,143.41
(ii) Subscribed and fully paid up	559,79,520	5,597.95	51,434,139	5,143.41
Total	**559,79,520**	**5,597.95**	**51,434,139**	**5,143.41**

11.1 The Company has only one class of equity share having par value of ₹ 10 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.

11.2 Details of shares held by holding company and their subsidiaries:

Particulars	As at 31st March, 2018 Number of Shares	₹ in lakh	As at 31st March, 2017 Number of Shares	₹ in lakh
RVT Media Private Limited	28,549,555	2,854.96	26,231,411	2,623.14
	28,549,555	**2,854.96**	**26,231,411**	**2,623.14**

11.3 Details of shares held by each shareholder holding more than 5% shares :

	Particulars	As at 31st March, 2018 Number of Shares	% Holding	As at 31st March, 2017 Number of Shares	% Holding
1	RVT Media Private Limited	28,549,555	51.00	26,231,411	51.00
2	A&E Television Networks, LLC	27,429,965	49.00	25,202,728	49.00

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

Notes to the Financial Statements for the year ended 31st March, 2018

11.4 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at 31st March, 2018 Number of Shares	₹ in lakh	As at 31st March, 2017 Number of Shares	₹ in lakh
Equity Shares opening balance	51,434,139	5,143.41	49,615,958	4,961.60
Add : Shares issued during the year	4,545,381	454.54	1,818,181	181.81
Equity Shares closing balance	**55,979,520**	**5,597.95**	**51,434,139**	**5,143.41**

₹ in lakh

12 Other Equity	As at 31st March, 2018	As at 31st March, 2017
Reserves and Surplus		
i Securities premium account		
As per last Balance Sheet	10,625.25	8,807.07
Add: Received during the year	4,545.39	1,818.18
	15,170.64	**10,625.25**
ii Retained Earnings		
As per last Balance Sheet	(13,069.89)	(10,483.81)
Add: Profit/ (Loss) for the year	(859.20)	(2,586.08)
	(13,929.09)	**(13,069.89)**
iii Other Comprehensive Income (OCI)		
Remeasurements of the defined benefit plans		
As per last Balance Sheet	(33.56)	(24.44)
Add: Movement in OCI during the year	(3.16)	(9.12)
	(36.72)	**(33.56)**
Total of Other Equity	**1,204.83**	**(2,478.20)**

13 Provisions - non-current

₹ in lakh

	As at 31st March, 2018	As at 31st March, 2017
Provision for employee benefits (Refer Note 20.1)		
Provision for compensated absences	23.53	16.52
Provision for gratuity	35.11	25.81
Total	**58.64**	**42.33**

14 Trade payables

₹ in lakh

	As at 31st March, 2018	As at 31st March, 2017
Micro, Small and Medium Enterprises	-	-
Others	3,552.62	2,866.49
Total	**3,552.62**	**2,866.49**

According to the records available with the Company, there were no transactions with Micro, Small and Medium Enterprises and 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 1st April 2017 to 31st March 2018. Hence disclosures, if any, relating to amounts unpaid as at the year end together with the interest paid / payable as required under the said Act have not been given.

Notes to the Financial Statements for the year ended 31st March, 2018

		₹ in lakh	
		As at	**As at**
15	**Other financial liabilities - current**	**31st March, 2018**	**31st March, 2017**
	Creditors for capital expenditure	**942.93**	1,140.84
	Total	**942.93**	**1,140.84**

		₹ in lakh	
		As at	**As at**
16	**Other Current Liabilities**	**31st March, 2018**	**31st March, 2017**
	Unearned revenue	38.06	100.12
	Other payables		
	Statutory dues	134.32	75.36
	Advances from customers	37.81	7.18
	Other payables (Refer Note 16.1)	193.36	183.32
	Total	**403.55**	**365.98**

16.1 Includes employee related liabilities

		₹ in lakh	
		As at	**As at**
17	**Provisions - current**	**31st March, 2018**	**31st March, 2017**
	Provision for employee benefits (Refer Note 20.1)		
	Provision for compensated absences	0.63	0.44
	Provision for gratuity	0.72	0.61
	Total	**1.35**	**1.05**

		₹ in lakh	
		Year ended	**Year ended**
18	**Revenue from operations**	**31st March, 2018**	**31st March, 2017**
	Advertisement and Subscription revenue	8,012.02	6,561.86
	Sale of content	162.34	15.93
	Mobile and digital revenue	74.74	34.96
	Total	**8,249.10**	**6,612.75**

Notes to the Financial Statements for the year ended 31st March, 2018

₹ in lakh

19	Other income	Year ended 31st March, 2018	Year ended 31st March, 2017
	Interest income		
	Deposit accounts with banks	18.02	22.28
	Income tax refund	38.51	34.58
	Others	0.03	0.03
		56.56	**56.89**
	Dividend income	-	1.64
	Net gain/loss arising on sale of investments	68.84	43.44
	Libilities and provisions written back	17.09	108.18
	Net gain/ (loss) arising on financial assets designated at fair value through profit or loss	58.90	24.87
	Miscellaneous income	0.01	-
	Total	**201.40**	**235.02**

₹ in lakh

20	Employee benefits expense	Year ended 31st March, 2018	Year ended 31st March, 2017
	Salaries and wages	1,264.03	1,212.98
	Contribution to provident and other funds	48.23	53.11
	Gratuity expense (Refer Note 20.1)	12.95	10.11
	Staff welfare expenses	41.58	28.79
	Total	**1,366.79**	**1,304.99**

20.1 Defined contribution plans

The Company makes Provident Fund and Pension Fund contributions to the relevant authorities, which are defined contribution plans for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

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

₹ in lakh

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Employer's Contribution to Provident Fund	35.17	46.02
Employer's Contribution to Pension Fund	10.20	6.94

Notes to the Financial Statements for the year ended 31st March, 2018

20.2 Defined benefit plans

The Company provides gratuity (which is unfunded) as employee benefit schemes to its employees. The following table sets out the status of the defined benefit scheme and the amount recognised in the financial statements:

i) Reconciliation of opening and closing balances of Defined Benefit Obligation:

₹ in lakh

Particulars	Gratuity (Unfunded)	
	As at 31st March, 2018	**As at 31st March, 2017**
Defined Benefit obligation at beginning of the year	26.42	20.99
Current Service Cost	10.94	8.43
Interest Cost	2.01	1.68
Actuarial loss	3.16	9.12
Benefits paid	(6.70)	(13.80)
Defined Benefit obligation at year end	35.83	26.42

ii) Expenses recognised during the year:

₹ in lakh

Particulars	Gratuity	
	Year ended 31st March, 2018	**Year ended 31st March, 2017**
In Income Statement	2017-18	2016-17
Current Service Cost	10.94	8.43
Interest Cost	2.01	1.68
Net Cost	12.95	10.11
In Other Comprehensive Income (OCI)		
Actuarial loss	3.16	9.12
Net expense for the year recognised in OCI	3.16	9.12

iii) Actuarial assumptions:

₹ in lakh

Particulars	Gratuity (Unfunded)	
	As at 31st March, 2018	**As at 31st March, 2017**
Mortality Table	IALM (06-08)	IALM (06-08)
Discount rate (per annum)	7.70%	7.60%
Rate of escalation in salary (per annum)	5.50%	5.50%

IALM- Indian Assured Lives Mortality

The discount rate is based on the prevailing market yields of Government of India Bonds as at the Balance Sheet date for the estimated terms of the obligations.

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.

Notes to the Financial Statements for the year ended 31st March, 2018

iv) **Sensitivity Analysis**

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade and expected salary increase. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period , while holding all other assumptions constant. The result of Sensitivity analysis is given below:

₹ in lakh

Particulars	**Gratuity (Unfunded)**	
	As at 31st March, 2018	**As at 31st March, 2017**
a) **Impact of the change in discount rate**		
Present value of obligation at the end of the period	35.83	26.42
i) Impact due to increase of 0.50%	(2.76)	(2.07)
ii) Impact due to decrease of 0.50%	3.06	2.29
b) **Impact of the change in salary increase**		
Present value of obligation at the end of the period	35.83	26.42
i) Impact due to increase of 0.50%	3.11	2.33
ii) Impact due to decrease of 0.50%	(2.83)	(2.11)

These plans typically expose the Company to actuarial risks such as: interest risk, longevity risk and salary risk.

(A) Interest risk – The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Hence, a decrease in the discount rate will increase the plan liability.

(B) Longevity risk – The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

(C) Salary risk – The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

₹ in lakh

	Year ended 31st March, 2018	**Year ended 31st March, 2017**
21 Finance Costs		
Interest cost	-	0.01
Other borrowing costs	-	3.23
Total	**-**	**3.24**

Notes to the Financial Statements for the year ended 31st March, 2018

		₹ in lakh	
		Year ended 31st March, 2018	**Year ended 31st March, 2017**
22	**Other Expenses**		
	Telecast and uplinking fees	621.60	526.05
	Royalty expenses	360.30	522.60
	Content and other production expenses	234.39	422.11
	Repairs to machinery	11.88	12.05
	Other repairs	0.56	5.21
	Electricity expenses	12.96	9.14
	Insurance	10.79	19.98
	Travelling and conveyance expenses	90.69	141.37
	Professional and legal fees (Refer Note 22.1 below)	30.66	43.52
	Directors Sitting Fees	1.65	1.11
	Rent	49.71	36.89
	Net foreign exchange loss/ (gain)	(17.94)	16.92
	Bad debts and allowance for doubtful trade receivable	84.05	50.70
	Other establishment expenses	141.33	125.83
	Total	**1,632.63**	**1,933.48**

		₹ in lakh	
		Year ended 31st March, 2018	**Year ended 31st March, 2017**
22.1	**Includes payment to Auditors :**		
	Statutory audit fees	12.06	12.25
	Limited review fees	9.00	9.00
		21.06	**21.25**

		₹ in lakh	
		Year ended 31st March, 2018	**Year ended 31st March, 2017**
23	**Taxation**		
a)	**Income tax recognised in Statement of Profit and Loss**		
	Current tax	-	-
	Deferred tax	-	-
	Total income tax expenses recognised in the current year-	**-**	**-**

The income tax expenses for the year can be reconciled to the accounting profit as follows:

	Year ended 31st March, 2018	**Year ended 31st March, 2017**
Loss before tax	(859.20)	(2,586.08)
Applicable Tax Rate	25.75%	30.90%
Computed Tax Expense	(221.24)	(799.10)
Tax effect of:		
Deferred tax on unused tax losses and tax offset	221.24	799.10
Tax expenses recognised in Statement of Profit and Loss	**-**	**-**

The tax rate used for the reconciliations above is the corporate tax rate payable by corporate entities in India on taxable profit under the Income tax law.

Notes to the Financial Statements for the year ended 31st March, 2018

₹ in lakh

		As at 31st March, 2018	As at 31st March, 2017
b)	**Advance tax (net of provision)**		
	At start of year	689.79	634.11
	Tax paid during the year (Net)	(44.08)	55.68
	At end of the year	**645.71**	**689.79**

The Company has not recognised the deferred tax assets (net) amounting to ₹ 4,512 lakh (Previous year ₹ 3,632 lakh) arising out of tangible and intangible assets, financials assets, unabsorbed depreciation, brought forward tax losses and other items due to non-existence of probability of taxable income against which the assets can be realised. The same shall be reassessed at subsequent balance sheet date.

24	**Earnings Per Share (EPS)**	**Year ended 31st March, 2018**	**Year ended 31st March, 2017**
i)	Net loss after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in lakh)	(859.20)	(2,586.08)
ii)	Weighted average number of equity shares used as denominator for calculating basic EPS and dilluted EPS	54,315,801	50,309,332
iii)	Face Value per Equity Share (₹)	10.00	10.00
iv)	Basic and Diluted Earnings per Share (₹)	**(1.58)**	**(5.14)**

25 Related Party Disclosure

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

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

Sr. No.	Name of the Related Party	Relationship
1	RVT Media Private Limited *	Enterprises exercising control
2	TV18 Broadcast Limited	
3	Independent Media Trust	
4	Adventure Marketing Private Limited #	
5	Watermark Infratech Private Limited #	
6	Colorful Media Private Limited #	
7	RB Media Holdings Private Limited #	
8	RB Mediasoft Private Limited #	
9	RRB Mediasoft Private Limited #	
10	RB Holdings Private Limited #	
11	Network18 Media & Investments Limited	
12	Teesta Retail Private Limited #	
13	Reliance Industries Limited $	Beneficiary/ Protector of Independent Media Trust
14	Reliance Industrial Investments and Holdings Limited $	
15	A&E Television Networks, LLC	Company exercising significant influence
16	TV18 Home Shopping Network Limited	Fellow subsidiaries
17	Viacom18 Media Private Limited @	
18	IndiaCast Media Distribution Private Limited @	
19	Panorama Television Private Limited	
20	Viacom18 Media Private Limited @	Joint Venture of TV18 Broadcast Limited, a parent Company
21	IndiaCast Media Distribution Private Limited @	
22	IBN Lokmat News Pvt Limited	

Notes to the Financial Statements for the year ended 31st March, 2018

* Immediate holding company

\# Controlled by Independent Media Trust of which Reliance Industries Limited is the sole beneficiary.

$ Entities exercising control

@ Accounted as Joint Venture of TV18 Broadcast Limited till 28.02.2018. Accounted as fellow subsidiary w.e.f. 01.03.2018.

(ii) Details of transaction and balances with related party:

₹ in lakh

Particulars	**Enterprises exercising control**	**Company exercising significant influence**	**Fellow subsidiaries**	**JV of TV18 Broadcast Ltd, a Parent Company**
(i) Transactions during the year				
1 Purchase of Intangible assets				
A&E Television Networks, LLC	-	801.74	-	-
	(-)	(680.10)	(-)	(-)
Total	**-**	**801.74**	**-**	**-**
	(-)	**(680.10)**	**(-)**	**(-)**
2 Telecast and Uplinking Fees				
TV18 Broadcast Limited	217.00	-	-	-
	(144.04)	(-)	(-)	(-)
3 Distribution expense				
TV18 Broadcast Limited	278.90	-	-	-
	(290.67)	(-)	(-)	(-)
Indiacast Media Distribution Private Limited	-	-	1.00	11.00
	(-)	(-)	(-)	(52.54)
4 Content and franchise expense				
A&E Television Networks, LLC	-	359.25	-	-
	(-)	(535.29)	(-)	(-)
Total	**495.90**	**359.25**	**1.00**	**11.00**
	(434.71)	**(535.29)**	**(-)**	**(52.54)**
5 Advertisement expenses				
TV18 Broadcast Limited	32.50	-	-	-
	(13.83)	(-)	(-)	(-)
Panorama Television Private Limited	-	-	39.58	-
	(-)	(-)	(3.26)	(-)
Viacom18 Media Private Limited	-	-	-	7.96
	(-)	(-)	(-)	(112.14)
IBN Lokmat News Pvt Ltd	-	-	-	19.04
	(-)	(-)	(-)	(-)
Total	**32.50**	**-**	**39.58**	**27.00**
	(13.83)	**-**	**(3.26)**	**(112.14)**
6 Reimbursement of expenses (paid)				
Network18 Media & Investments Limited	-	-	-	-
	(3.60)	(-)	(-)	(-)
TV18 Broadcast Limited	719.41	-	-	-
	(641.20)	(-)	(-)	(-)
Viacom18 Media Private Limited	-	-	18.12	-
	(-)	(-)	(-)	(12.90)
Indiacast Media Distribution Private Limited	-	-	1,928.11	1,745.21
	(-)	(-)	(-)	(3,502.71)
Total	**719.41**	**-**	**1,946.23**	**1,745.21**
	(644.80)	**-**	**-**	**(3,515.61)**

Notes to the Financial Statements for the year ended 31st March, 2018

₹ in lakh

Particulars	Enterprises exercising control	Company exercising significant influence	Fellow subsidiaries	JV of TV18 Broadcast Ltd, a Parent Company
7 Recovery of cost / advances from				
A&E Television Networks, LLC	-	2.00	-	-
	(-)	(2.03)	(-)	(-)
Total	**-**	**2.00**	**-**	**-**
	(-)	**(2.03)**	**(-)**	**(-)**
8 Income from operations				
TV18 Broadcast Limited	4,218.66	-	-	-
	(3,600.39)	(-)	(-)	(-)
Network18 Media & Investments Limited	3.25	-	-	-
	(-)	(-)	(-)	(-)
Viacom18 Media Private Limited	-	-	-	4.35
	(-)	(-)	(-)	(16.44)
Indiacast Media Distribution Private Limited	-	-	28.21	157.45
	(-)	(-)	(-)	(102.29)
Total	**4,221.91**	**-**	**28.21**	**161.80**
	(3,600.39)	**(-)**	**(-)**	**(118.73)**
9 Advertisement revenue				
Viacom18 Media Private Limited	-	-	-	-
	(-)	(-)	(-)	(2.84)
Total	**-**	**-**	**-**	**-**
	(-)	**(-)**	**(-)**	**(2.84)**
10 Issue of Shares				
RVT Media Private Limited	23.18	-	-	-
	(9.27)	(-)	(-)	(-)
A&E Television Networks, LLC	-	22.27	-	-
	(-)	(8.91)	(-)	(-)
(ii) Balance outstanding with related parties at year end				
1 Trade receivables				
TV18 Broadcast Limited	1,333.25	-	-	-
	(297.81)	(-)	(-)	(-)
A&E Television Networks, LLC	-	2.33	-	-
	(-)	(2.33)	(-)	(-)
TV18 Home Shopping Network Limited	-	-	13.94	-
	(-)	(-)	(13.94)	(-)
Viacom18 Media Private Limited	-	-	-	-
	(-)	(-)	(-)	(8.54)
Indiacast Media Distribution Private Limited	-	-	75.55	-
	(-)	(-)	(-)	(42.87)
Total	**1,333.25**	**2.33**	**89.49**	**-**
	(297.81)	**(2.33)**	**(13.94)**	**(51.41)**
2 Trade payables				
Network18 Media & Investments Limited	-			
	(1.76)	(-)	(-)	(-)
TV18 Broadcast Limited	303.59	-	-	-
	(388.87)	(-)	(-)	(-)
A&E Television Networks, LLC	-	648.57	-	-
	(-)	(1,136.01)	(-)	(-)

Notes to the Financial Statements for the year ended 31st March, 2018

₹ in lakh

Particulars	Enterprises exercising control	Company exercising significant influence	Fellow subsidiaries	JV of TV18 Broadcast Ltd, a Parent Company
Panorama Television Private Limited	-	-	-	-
	(-)	(-)	(2.94)	(-)
Viacom18 Media Private Limited	-	-	19.57	-
	(-)	(-)	(-)	(88.72)
Indiacast Media Distribution Private Limited	-	-	2,615.07	-
	(-)	(-)	(-)	(1,476.49)
Total	**303.59**	**648.57**	**2,634.64**	**-**
	(390.63)	**(1,136.01)**	**(2.94)**	**(1,565.21)**
3 Security Deposit				
TV18 Broadcast Limited	22.55	-	-	-
	(22.55)	(-)	(-)	(-)
Total	**22.55**	**-**	-	-
	(22.55)	**-**	(-)	(-)

c. There is no provisions for doubtful debts or amount written off / written back in respect of dues from / to related parties

26 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for

₹ in lakh

	Year ended 31st March, 2018	Year ended 31st Marach, 2017
Tangible assets	-	78.02
Intangible assets	83.62	415.00
	83.62	493.02

27 Obligation on long term, non cancellable operating lease

The Company has taken office premises on operating leases, which are cancellable in nature. Operating lease charges amounting to ₹ 49.71 lakh (Previous year ₹ 36.89 lakh) have been debited to the Statement of Profit and Loss during the year.

28 Foreign exchange exposure/ currency risk

The Company does not use foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to firm commitments and forecasted transactions.

The Company's foreign currency exposure not hedged by a derivative instrument or otherwise as at year end is as follows:

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Trade payables		
USD	1,168,762	2,021,379
₹ in lakh	761.74	1,310.66
Trade receivable		
USD	42,502	38,608
₹ in lakh	27.70	25.03
Exchange Rate		
INR per USD	65.18	64.84

Notes to the Financial Statements for the year ended 31st March, 2018

28.1 Sensitivity analysis of 2% change in exchange rate at the end of the reporting period.

2% appreciation/ depreciation of the respective foreign currencies with respect to the functional currency of the Company would result increase/ decrease in the Company's profit before tax by approximately ₹ 14.68 lakh for the year ended 31st March, 2018 and ₹ 25.71 lakh for the year ended 31st March, 2017 respectively.

29 Financial Risk Management

The Company's activities exposes it mainly to credit risk. The finance team identifies and evaluates financial risk in close coordination with the Company's business teams.

Credit risk

Credit risk is the risk that customers or counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities which is primarily trade receivables.

Customer credit risk is managed by each business team subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customers receivables are regularly monitored.

An impairment analysis is performed at each reporting date for major customers. Receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company evaluates the concentration of risk with respect to receivables as low.

30 Fair value measurement hierarchy:

₹ in lakh

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Carrying Amount	Level of input used in Level 1	Carrying Amount	Level of input used in Level 1
Financial Assets				
At Amortised Cost				
Trade Receivables	2,613.19		1,137.29	
Cash and Bank Balances	339.74		226.90	
Loans	0.15		0.12	
Other Financial Assets	42.25		24.01	
AT FVTPL				
Investments	2,423.72	2,423.72	680.33	680.33
Financial Liabilities				
At Amortised Cost				
Trade Payables	3,552.62		2,866.49	
Other Financial Liabilities	942.93		1,140.84	

Notes to the Financial Statements for the year ended 31st March, 2018

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three level.

Level 1: Inputs are Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs are other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

31 Segment Reporting

a The Company is engaged in only one segment i.e. "Media Operations- Broadcasting of television programmes" and hence there is no separate reportable segment as per Ind AS 108 'Operating Segments'.

b Since the Company's operations are primarily in India, it has determined single geographical segment.

c One customer represents more than 10% of Company's total revenue during the current year as well as previous year.

32 The financial statements were approved for issue by the Board of Directors on 18th April 2018.

For and on behalf of the Board of Directors of
AETN18 Media Private Limited

Rahul Joshi
Director
DIN 07389787

Ramesh Kumar Damani
Director
DIN 00049764

Jayesh Gokalgandhi
Chief Financial Officer

Pumit Kumar Chellaramani
Company Secretary

Place: Mumbai
Date : 18th April, 2018