

**COLOSCEUM MEDIA  
PRIVATE LIMITED**

**ANNUAL ACCOUNTS - FY : 2017-18**

## Independent Auditor's Report

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### TO THE MEMBERS OF COLOSCEUM MEDIA PRIVATE LIMITED

#### Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Colosceum Media Private Limited ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March 2018, 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 state of affairs (financial position), profit (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') specified 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 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.

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 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 these 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 controls 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these 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 accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Other Matter

The Ind AS financial statement of the company for the year ended 31st March 2017 were audited by Mohan L. Jain & Co., Chartered Accountants (Firm registration no. 005345N) who expressed unmodified opinion dated 13<sup>th</sup> April 2017. Our opinion is not modified in respect of said matter.

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**Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. Further to our comment in the "**Annexure B**", as required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 books of account.
  - d. In our opinion, the aforesaid Ind AS financial statements comply with Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the Company as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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**".
  - 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 Auditor's) 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, as detailed in Note 29 to the financial statements, has disclosed the impact of pending litigations on its financial position.
    - ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Chaturvedi & Shah**  
**Chartered Accountants**  
Firm Registration No. **101720W**

**Vijay Napawaliya**  
Partner  
Membership No. **109859**

Place: **Mumbai**  
Date: 19<sup>th</sup> April 2018

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**“ANNEXURE –A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENT OF COLOSCEUM MEDIA PRIVATE LIMITED****Report on the Internal Financial Controls 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 Colosceum Media Private Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the 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.

**Auditors’ 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

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**Opinion**

In our opinion, 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 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 **Chaturvedi & Shah**  
**Chartered Accountants**  
Firm Registration No. **101720W**

**Vijay Napawaliya**  
Partner  
Membership No. **109859**

Place: **Mumbai**  
Date: 19<sup>th</sup> April, 2018

## **Annexure B to the Independent Auditor's Report**

### **To the Members of Colosceum Media Private Limited**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2018.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. 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. Accordingly, the provision of paragraph 3 (i) (c) of the Order is not applicable to the Company.
- (ii) The Company does not have any inventory which requires physical verification. Accordingly, the provisions of paragraph 3 (ii) of the Order are not applicable to the Company.
- (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. Therefore, the provision of paragraph 3 (iii) of the Order are not applicable to the Company.
- (iv) According to the information and explanation given to us, the Company has not made any loan, investment and guarantees to any person specified under section 185 and section 186 of the Companies Act, 2013; and therefore paragraph 3(iv) of the Order is not applicable.
- (v) According to the information and explanation given to us, the Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and Companies (Acceptance of Deposits) Rules, 2014. Therefore, the provisions of paragraph 3(v) of the Order are not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub –section (1) of section 148 of the Companies Act, 2013. In respect of the Company's products/ services. Accordingly, the provisions of clause 3(vi) of the order are not applicable.
- (vii) (a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, employees state insurance (ESI), Investor Education and Protection Fund, Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Sales Tax, value added tax (VAT), Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it except few delays in Service Tax and GST, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company does not have any loans or borrowings from any financial institution or government nor has it issued any debentures as at the balance sheet date.
- (ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- (x) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and on the basis of information and explanations given by the management, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has not paid managerial remuneration. Therefore, provisions of clause 3 (xi) of the order are not applicable to the company.

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- (xii) The Company is not Nidhi Company as per Companies Act 2013. Accordingly, the provision of paragraph 3(xii) of the Order is not applicable.
- (xiii) All transactions with the related parties are in compliance with section 177 and 188 of the Companies act 2013 where applicable and details have been disclosed in 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 CARO 2016 is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provision of paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

For **Chaturvedi & Shah**  
**Chartered Accountants**  
Firm Registration No. **101720W**

**Vijay Napawaliya**  
Partner  
Membership No. **109859**

Place: **Mumbai**  
Date: 19<sup>th</sup> April 2018

## Balance Sheet as at 31st March, 2018

		₹ in lakh	
	Note No.	As at 31st March 2018	As at 31st March 2017
<b>I ASSETS</b>			
<b>(1) Non - current assets</b>			
(a)	Property, Plant and Equipment	115.28	66.28
(b)	Other Intangible Assets	1.60	2.00
(c)	Financial Assets		
-	Other Financial Assets	12.06	10.97
(d)	Deferred tax assets (net)	5.43	19.83
(e)	Other non - current assets	92.46	491.53
		<b>226.83</b>	<b>590.61</b>
<b>(2) Current assets</b>			
(a)	Inventories	214.97	164.65
(b)	Financial Assets		
(i)	Investments	1,291.57	401.94
(ii)	Trade Receivables	711.45	535.81
(iii)	Cash and cash equivalents	2.64	159.99
(iv)	Other Financial Assets	5.54	178.71
(c)	Other current assets	97.70	207.75
		<b>2,323.87</b>	<b>1,648.85</b>
<b>Total Assets</b>		<b>2,550.70</b>	<b>2,239.46</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a)	Equity Share capital	117.65	117.65
(b)	Other Equity	1,706.26	1,489.34
		<b>1,823.91</b>	<b>1,606.99</b>
<b>Liabilities</b>			
<b>(1) Non - current liabilities</b>			
(a)	Provisions	21.52	22.08
		<b>21.52</b>	<b>22.08</b>
<b>(2) Current liabilities</b>			
(a)	Financial Liabilities		
(i)	Trade payables	481.12	442.38
(b)	Other current liabilities	223.39	167.09
(c)	Provisions	0.76	0.92
		<b>705.27</b>	<b>610.39</b>
<b>Total Equity and Liabilities</b>		<b>2,550.70</b>	<b>2,239.46</b>

Significant Accounting Policies and accompanying Notes (1 to 34) are part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

**For Chaturvedi & Shah**

Chartered Accountants  
Firm Registration No.005345N

**Kshipra Jatana**  
Director  
DIN 02491225

**Ratnesh Rukhariyar**  
Director  
DIN 00004615

**Vijay Napawaliya**

Partner

Place: Mumbai  
Date: April 19, 2018

Place : Noida  
Date: April 19, 2018



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

		<i>₹ in lakh</i>		
		Note No.	Year ended 31st March 2018	Year ended 31st March 2017
<b>I</b>	Value of sale and services	17	6,222.01	5,214.66
	Less: GST included above		638.51	-
	Revenue from operations (Net)		5,583.50	5,214.66
<b>II</b>	Other income	18	95.14	91.32
<b>III</b>	<b>Total revenue (I+II)</b>		<b>5,678.64</b>	<b>5,305.98</b>
<b>IV</b>	<b>Expenses</b>			
	(a) Production and Other Direct Expenses	19	4,911.04	4,196.88
	(b) Changes in inventories of Work-In-Progress	20	(50.32)	485.07
	(c) Employee benefits expense	21	210.11	210.23
	(d) Finance costs	22	0.68	11.31
	(e) Depreciation and amortisation expense		14.58	17.58
	(f) Other expenses	23	239.59	291.71
	<b>Total expenses (IV)</b>		<b>5,325.68</b>	<b>5,212.78</b>
<b>V</b>	<b>Profit before tax (III-IV)</b>		352.96	93.20
<b>VI</b>	<b>Tax expense:</b>			
	(1) Current tax		107.08	33.86
	Short/(Excess) provision for tax relating to prior years		24.33	(28.22)
	(2) Deffered tax		3.73	(2.28)
	<b>Net tax expense (VI)</b>		<b>135.14</b>	<b>3.36</b>
<b>VII</b>	<b>Profit for the year (V-VI)</b>		<b>217.82</b>	<b>89.84</b>
<b>VIII</b>	<b>Other Comprehensive Income</b>			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans		(0.90)	0.17
<b>IX</b>	<b>Other Comprehensive Income for the year, Net of Tax</b>		<b>(0.90)</b>	<b>0.17</b>
<b>X</b>	<b>Total Comprehensive Income for the year (VII + IX)</b>		<b>216.92</b>	<b>90.01</b>
<b>XI</b>	<b>Earnings per equity share of face value of Rs.10/- each</b>			
	(a) Basic	27	18.51	7.64
	(b) Diluted		9.65	3.98

Significant Accounting Policies and accompanying Notes (1 to 34) are part of the financial statements

In terms of our report attached

**For Chaturvedi & Shah**

Chartered Accountants  
Firm Registration No.005345N

**Vijay Napawaliya**  
Partner

Place: Mumbai  
Date: April 19, 2018

**For and on behalf of the Board of Directors**

**Kshipra Jatana**  
Director  
DIN 02491225

**Ratnesh Rukhariyar**  
Director  
DIN 00004615

Place : Noida  
Date: April 19, 2018

## Statement of changes in equity for the year ended 31st March 2018

### a. Equity Share Capital

₹ in lakh

Balance at at the beginning of 1st April, 2016	Changes in equity share capital during the year 2016-17	Balance at at the beginning of 31st March, 2017	Changes in equity share capital during the year 2017-18	Balance at at the end of 31st March, 2018
117.65	-	117.65	-	117.65

### b. Other Equity

₹ in lakh

As on 31st March 2017	Equity component of financial instruments	Reserves and Surplus		Other Comprehensive Income	Total
		Securities premium account	Retained Earnings		
Balance at the beginning of the reporting year	10.81	1,260.20	126.47	1.85	1,399.33
Total Comprehensive Income for the year, Net of Tax	-	-	-	0.17	0.17
Transfer to retained earnings	-	-	89.84	-	89.84
Balance at the end of the reporting year	10.81	1,260.20	216.31	2.02	1,489.34

As on 31st March 2018	Equity component of financial instruments	Reserves and Surplus		Other Comprehensive Income	Total
		Securities premium account	Retained Earnings		
Balance at the beginning of the reporting year	10.81	1,260.20	216.31	2.02	1,489.34
Total Comprehensive Income for the year, Net of Tax	-	-	-	(0.90)	(0.90)
Transfer to retained earnings	-	-	217.82	-	217.82
Balance at the end of the reporting year	10.81	1,260.20	434.13	1.12	1,706.26

Significant Accounting Policies and accompanying Notes (1 to 34) are part of the financial statements

In terms of our report attached

**For Chaturvedi & Shah**  
Chartered Accountants  
Firm Registration No.005345N

**Vijay Napawaliya**  
Partner

Place: Mumbai  
Date: April 19, 2018

**For and on behalf of the Board of Directors**

**Kshipra Jatana**  
Director  
DIN 02491225

**Ratnesh Rukhariyar**  
Director  
DIN 00004615

Place : Noida  
Date: April 19, 2018

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

	<b>₹ in lakh</b>	
	<b>Year ended 31st March 2018</b>	<b>Year ended 31 March 2017</b>
<b>Cash flows from Operating activities</b>		
Net Profit as per statement of Profit & Loss before tax	352.96	93.19
<b>Adjustments for:</b>		
Depreciation and amortisation expense	14.58	17.58
Finance Cost	0.68	11.30
Interest Income	(2.32)	(11.53)
Loss on sale/ discard of Property, Plant & Equipment (Net)	0.19	1.32
Net gain on sale of investments	(26.91)	-
Net gain arising on financial assets measured at FVTPL	(20.48)	(1.94)
<b>Operating profit before working capital change</b>	<b>318.70</b>	<b>109.92</b>
<b>Changes in working capital</b>		
- Trade and Other Payables	93.42	(108.38)
- Trade and Other Receivables	516.23	711.88
- Inventory	(50.32)	485.07
<b>Cash generated from Operations</b>	<b>878.03</b>	<b>1,198.49</b>
Taxes paid (net)	(131.41)	(5.64)
<b>Net cash flow generated from operating activities</b>	<b>746.62</b>	<b>1,192.85</b>
<b>Cash flow from Investing activities</b>		
Purchase of tangible and intangible assets	(63.57)	(76.88)
Purchase of Investment in Mutual Fund	(2,491.57)	(401.94)
Sale of Investment in Mutual Fund	1,628.85	-
Proceeds from disposal of tangible assets	0.20	4.89
Fair Value Through Profit & Loss In Mutual Fund	20.48	1.94
Interest Received	2.32	11.53
<b>Net cash flow (used in) / generated from investing activities</b>	<b>(903.29)</b>	<b>(460.46)</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	-	(599.55)
Interest Paid	(0.68)	(11.30)
<b>Net cash flow (used in) / generated from financing activities</b>	<b>(0.68)</b>	<b>(610.85)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(157.35)</b>	<b>121.54</b>
Cash and cash equivalents at beginning of year	159.99	38.45
<b>Cash and cash equivalents at end of year (Refer note no.8)</b>	<b>2.64</b>	<b>159.99</b>

Significant Accounting Policies and accompanying Notes (1 to 34) are part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

**For Chaturvedi & Shah**

Chartered Accountants  
Firm Registration No.005345N

**Kshipra Jatana**  
Director  
DIN 02491225

**Ratnesh Rukhariyar**  
Director  
DIN 00004615

**Vijay Napawaliya**

Partner

Place: Mumbai  
Date: April 19, 2018

Place : Noida  
Date: April 19, 2018

## Notes forming part of the financial statements for the year ended 31st March, 2017

### A Corporate information

Colosceum Media Private Limited ('the company') was incorporated in India to carry on business of media and media related services. The registered office of the company is at First Floor, Empire Complex, 414, Senapati Bapat marg, Lower Parel, Mumbai 400013. The company is engaged in the business of conceptualization and creation of multimedia assets and IPs. It offers content development capabilities for television and film entertainment as well as consulting, strategic and research advisory services to clients. The financial statements were authorised for issue by the Board of Directors on April, 19th 2018,

### B Accounting Policies

#### B.1 STATEMENT OF COMPLIANCE

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. The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting polices below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

#### B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (a) Property, plant and equipment:

###### Recognition and de-recognition

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes purchase price, taxes and duties, labour cost and other direct costs incurred up to the date the asset is ready for its intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Projects under which assets are not ready for their intended use are shown as Capital Work-in-progress. Gains or losses arising from de-recognition of fixed assets 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 de-recognised

###### Subsequent measurement (depreciation)

Depreciation on property, plant and equipment is provided to the extent of depreciable amount on the Straight Line (SLM) Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Cost of leasehold improvements is being amortised over the remaining period of lease of the premises. 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.

##### (b) 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 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.

## Notes forming part of the financial statements for the year ended 31st March, 2017

**(c) Intangible assets:**

**Recognition and de-recognition**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion 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 or loss when the asset is derecognised. Subsequent measurement (amortisation) The cost of intangible asset is amortized over a period of its useful life from the date of its acquisition. Computer software is being depreciated over a period of 5 years.

**(d) Development Expenses**

Revenue expenditure pertaining to pre-production activity is charged to the Profit and Loss Statement. Development costs of shows are charged to the Profit and Loss Statement unless a shows's feasibility has been established, in which case such expenditure is recognised as work-in-progress.

**(e) Borrowing Cost**

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured other reliably. ther borrowing costs are recognised as an expense in the year in which they are incurred.

**(f) Inventories**

Items of inventories are measured at lower of cost and net realisable value.

**(g) 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.

**(h) Provisions and Contingencies**

Provisions are recognised 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. 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.

**(i) 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.

**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 as at the Balance Sheet date on the basis of actuarial valuation.

## Notes forming part of the financial statements for the year ended 31st March, 2017

### 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.

### (j) 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 or 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.

### (k) 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.

### (l) Foreign currencies transactions and translation

Company's financial statements are presented in INR, which is also its functional currency.

#### Transactions and balances

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 spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss except to the extent that exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings are capitalized as cost of assets under construction. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2016 which are related to the acquisition or construction of fixed assets are adjusted in the carrying cost of such assets. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. 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 (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### (m) Revenue recognition

Revenue from operations includes income from media operations. Revenue 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

## Notes forming part of the financial statements for the year ended 31st March, 2017

collected on behalf of the government. Income from media operations is recognised to the extent 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.

### (n) 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.

#### (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.

## Notes forming part of the financial statements for the year ended 31st March, 2017

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### (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.

## 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) Recent Accounting Standard (Ind AS) Issued:

Ind AS 115 'Revenue from Contracts with customers' notified on 28th March, 2018 and effective from 1st April 2018, establishes a five-step model to account for revenue arising from contracts with customers. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company continues to evaluate the available transition methods, the changes to accounting system and processes and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 115 on the Financial Statements will be possible once the assessment has been completed.



## Notes forming part of the financial statements for the year ended 31st March, 2017

Particulars	Gross Block			Depreciation/Amortisation				Net Block	
	As at 01.04.2017	Additions	Deductions/ Adjustments	As at 31.03.2018	As at 01.04.2017	Depreciation/ amortisation expense for the year	On disposals/ Adjustments	As at 31.03.2018	As at 31.03.2017
<b>(a) Property, Plant and Equipment</b>									
(i) Plant and equipment	1.43	-	0.31	1.12	0.43	0.08	0.11	0.40	0.99
(ii) Computers	23.02	34.31	2.30	55.03	18.58	3.99	2.30	20.27	4.45
(iii) Furniture and fixtures	64.51	22.66	1.61	85.56	14.94	8.11	1.45	21.61	49.57
(iv) Vehicles	9.72	-	-	9.72	0.32	1.22	-	1.54	9.40
(v) Office equipment	5.45	6.60	0.63	11.42	3.58	0.78	0.60	3.76	1.87
<b>Total Property, Plant &amp; Equipment (A)</b>	<b>104.13</b>	<b>63.57</b>	<b>4.85</b>	<b>162.85</b>	<b>37.85</b>	<b>14.18</b>	<b>4.46</b>	<b>47.57</b>	<b>66.28</b>
<b>Previous Year</b>	<b>47.54</b>	<b>74.88</b>	<b>18.29</b>	<b>104.13</b>	<b>32.35</b>	<b>17.58</b>	<b>12.07</b>	<b>37.85</b>	<b>66.28</b>
<b>(b) Intangible Assets</b>									
(i) Computers software	2.37	-	-	2.37	0.38	0.40	-	0.78	2.00
<b>Total (B)</b>	<b>2.37</b>	<b>-</b>	<b>-</b>	<b>2.37</b>	<b>0.38</b>	<b>0.40</b>	<b>-</b>	<b>0.78</b>	<b>2.00</b>
<b>Previous Year</b>	<b>0.37</b>	<b>2.00</b>	<b>-</b>	<b>2.37</b>	<b>0.37</b>	<b>0.00</b>	<b>-</b>	<b>0.38</b>	<b>2.00</b>
<b>Total (A+B)</b>	<b>106.51</b>	<b>63.57</b>	<b>4.85</b>	<b>165.23</b>	<b>38.23</b>	<b>14.58</b>	<b>4.46</b>	<b>48.35</b>	<b>68.28</b>
<b>Previous Year</b>	<b>47.92</b>	<b>76.88</b>	<b>18.29</b>	<b>106.51</b>	<b>32.72</b>	<b>17.58</b>	<b>12.07</b>	<b>38.23</b>	<b>68.28</b>

## 1. Property, Plant and Equipment and Intangibles

₹ in lakh

## Notes forming part of the financial statements for the year ended 31st March, 2017

		<i>₹ in lakh</i>	
		As at 31st March 2018	As at 31st March 2017
<b>2</b>	<b>Other Financials Assets</b>		
(i)	Security deposits - Unsecured, considered good	12.06	10.97
		<b>12.06</b>	<b>10.97</b>
		<i>₹ in lakh</i>	
		As at 31st March 2018	As at 31st March 2017
<b>3</b>	<b>Deffered Tax (Net)</b>		
(i)	Deffered Tax (Net)	5.43	9.16
(ii)	MAT credit entitlements	-	10.67
		<b>5.43</b>	<b>19.83</b>
		<i>₹ in lakh</i>	
		As at 31st March 2018	As at 31st March 2017
<b>4</b>	<b>Other non - current assets</b>		
(i)	<b>Others</b>		
	Assets for Current Tax (Net provision)	92.46	491.53
		<b>92.46</b>	<b>491.53</b>
		<i>₹ in lakh</i>	
		As at 31st March 2018	As at 31st March 2017
<b>5</b>	<b>Inventories</b>		
	Work in progress	214.97	164.65
		<b>214.97</b>	<b>164.65</b>
		<i>₹ in lakh</i>	
		As at 31st March 2018	As at 31st March 2017
<b>6</b>	<b>Investments</b>		
(i)	Investments In Mutual Fund		
	(Aditya BSL Cash Plus - Growth Regular Plan Units 4,64,204=693 @ 278=2338)	1,291.57	-
	(UTI Money Market Fund - Institutional Plan Growth - Units 22,123=238 @ 1808=0536)	-	401.94
		<b>1,291.57</b>	<b>401.94</b>

## Notes forming part of the financial statements for the year ended 31st March, 2017

		<i>₹ in lakh</i>	
		As at 31st March 2018	As at 31st March 2017
<b>6.1</b>	<b>Category-wise Investment</b>		
	Financial assets measured at fair value through Profit (FVTPL)	1,291.57	401.94
	<b>Total Investment</b>	<b>1,291.57</b>	<b>401.94</b>
	Agreegate amount of quoted investment	1,291.57	401.94
	Agreegate market value of quoted investment	1,291.57	401.94
		<i>₹ in lakh</i>	
		As at 31st March 2018	As at 31st March 2017
<b>7</b>	<b>Trade receivables (unsecured)</b>		
	Unsecured considered good	711.45	535.81
	Unsecured considered doubtful	-	-
		<b>711.45</b>	<b>535.81</b>
		<i>₹ in lakh</i>	
		As at 31st March 2018	As at 31st March 2017
<b>8</b>	<b>Cash and cash equivalents</b>		
	- Cash on hand	0.16	0.31
	- Balances in current accounts with banks	1.66	16.80
	- Balances with banks in Cash Credit	0.82	37.48
		<b>2.64</b>	<b>54.59</b>
	<b>Other bank balances</b>		
	Fixed Deposit with bank	-	105.40
		<b>2.64</b>	<b>159.99</b>
		<i>₹ in lakh</i>	
		As at 31st March 2018	As at 31st March 2017
<b>9</b>	<b>Other financial assets</b>		
	(i) Interest Accrued Due & Deposits	-	1.12
	(ii) Unbilled Production Income	-	175.45
	(iii) Security deposits - Unsecured, considered good	5.54	2.14
		<b>5.54</b>	<b>178.71</b>

## Notes forming part of the financial statements for the year ended 31st March, 2017

	₹ in lakh	
	As at 31st March 2018	As at 31st March 2017
<b>10 Other current assets</b>		
(i) Advances to vendors	71.64	157.97
(ii) Prepaid expenses	3.21	3.61
(iii) Prepaid Lease	4.19	5.44
(iv) Service tax / GST credit receivable	18.66	40.72
	<b>97.70</b>	<b>207.75</b>

Particulars	₹ in lakh			
	As at 31st March 2018		As at 31st March 2017	
	Number of Shares	₹ in lakh	Number of Shares	₹ in lakh
<b>a. Authorised Share Capital:</b>				
Equity shares of Rs. 10 each	1,500,000	150.00	1,500,000	150.00
Preference shares of Rs. 10 each	500,000	50.00	500,000	50.00
<b>b. Issued, Subscribed and fully paid up - Equity Shares</b>				
Issued, Subscribed and fully paid up	1,176,500	117.65	1,176,500	117.65
<b>Total</b>	<b>1,176,500</b>	<b>117.65</b>	<b>1,176,500</b>	<b>117.65</b>

### Notes :

(i) The Company has only one class of equity share having par value of Rs. 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.

### (ii) Details of equity shares held by holding company

Particulars	As at 31st March 2018		As at 31st March 2017	
	Number of Shares	₹ in lakh	Number of Shares	₹ in lakh
Capital18 Fincap Pvt Ltd	1,176,500	117.65	1,176,500	117.65
	<b>1,176,500</b>	<b>117.65</b>	<b>1,176,500</b>	<b>117.65</b>

\* Including shares jointly held by its nominee

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

Particulars	As at 31st March 2018		As at 31st March 2017	
	Number of Shares	% Holding	Number of Shares	% Holding
Capital18 Fincap Pvt. Ltd.	1,176,500	99.99%	1,176,500	99.99%

## Notes forming part of the financial statements for the year ended 31st March, 2017

### (iv) 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		As at 31st March 2017	
	Number of Shares	₹ in lakh	Number of Shares	₹ in lakh
Equity Shares opening balance	1,176,500	117.65	1,176,500	117.65
Add : Shares issued during the year	-	-	-	-
Equity Shares closing balance	1,176,500	117.65	1,176,500	117.65

*₹ in lakh*

	As at 31st March 2018	As at 31st March 2017
<b>12 Other Equity</b>		
<b>(i) Preference Shares *</b>		
Opening Balance	10.81	10.81
Issued during the year	-	-
	<b>10.81</b>	<b>10.81</b>
<b>(ii) Retained Earnings</b>		
Opening balance	216.31	126.47
Profit for the year	217.82	89.84
	<b>434.13</b>	<b>216.31</b>
<b>(iii) Reserves</b>		
<b>Other Reserves</b>		
<b>Securities premium account</b>		
Opening balance	1,260.20	1,260.20
Add: Received during the year	-	-
	<b>1,260.20</b>	<b>1,260.20</b>
<b>(iv) Other Comprehensive Income</b>		
Opening balance	2.02	1.85
Add.: Amount recognised during the year	(0.90)	0.17
Balance at the end of the year	<b>1.12</b>	<b>2.02</b>
<b>Total Other Equity</b>	<b>1,706.26</b>	<b>1,489.34</b>

#### \* Description of the rights, preferences and restrictions attached preference shares

- 11.1. Each Preference Share shall have a tenure of 10 (ten) years from the date of issue and shall not carry any right to dividend.
- 11.2. The Preference Share Holder shall have an option, exercisable at any time during a period of 10 (ten) years following the date of Subscription, to convert all or part of the Preference Shares into Equity Shares of the Company.
- 11.3. Each Preference Share is convertible into 10 Equity Shares of the Company. The Equity Shares of the Company so allotted on conversion shall rank pari passu and shall have the same rights as the existing Equity Shares of Company.
- 11.4. The Preference Shares shall be freely transferable to any third party subject to applicable law.
- 11.5. The Preference Shares which are not redeemed or converted and outstanding on the expiry of 10 years from the date of subscription shall be redeemed by the Company within 1 month from the expiry of the tenure at the same price at which the Preference Shares were issued

## Notes forming part of the financial statements for the year ended 31st March, 2017

	<i>₹ in lakh</i>	
	As at 31st March 2018	As at 31st March 2017
<b>13 Provisions</b>		
<b>Provision for employee benefits:</b>		
Provision for compensated absences	5.09	9.48
Provision for gratuity	16.43	12.60
	<u>21.52</u>	<u>22.08</u>
<b>14 Financial Liabilities</b>		
<b>Trade payables:</b>		
(i) Total outstanding dues of MSMED (Refer Note 30)	7.24	-
(ii) Total outstanding dues of other than MSMED	473.88	442.38
	<u>481.12</u>	<u>442.38</u>
		<i>₹ in lakh</i>
	As at 31st March 2018	As at 31st March 2017
<b>15 Other current liabilities</b>		
(i) Unearned revenue	53.54	64.76
(ii) Other payables		
- Statutory dues	55.42	28.08
- Others *	114.43	74.25
	<u>223.39</u>	<u>167.09</u>
* Provision for Expenses		
		<i>₹ in lakh</i>
	As at 31st March 2018	As at 31st March 2017
<b>16 Provisions</b>		
Provision for employee benefits		
(i) Provision for compensated absences	0.16	0.36
(ii) Provision for gratuity	0.60	0.56
	<u>0.76</u>	<u>0.92</u>
		<i>₹ in lakh</i>
	Year ended 31st March 2018	Year ended 31st March 2017
<b>17 Revenue from operations</b>		
Income from Media Operations	5,583.50	5,214.66
	<u>5,583.50</u>	<u>5,214.66</u>

## Notes forming part of the financial statements for the year ended 31st March, 2017

	<i>₹ in lakh</i>	
	Year ended 31st March 2018	Year ended 31st March 2017
<b>18 Other income</b>		
(i) Interest income on Deposit accounts with banks	1.22	10.84
(ii) Fair Value Through Profit & Loss In Mutual Fund	20.48	1.94
(iii) Interest income on Income Tax Refunds	37.21	17.96
(iv) Interest income (On Security Deposit )	1.10	0.69
(v) Other non-operating income		
- Liabilities / provisions no longer required written back	0.02	0.08
- Miscellaneous income	0.25	0.09
(vi) Profit on exchange differences	2.80	-
(vii) Net Gain on sale of Investments	26.91	-
(viii) Insurance claim received	5.15	59.72
	<b>95.14</b>	<b>91.32</b>
		<i>₹ in lakh</i>
	Year ended 31st March 2018	Year ended 31st March 2017
<b>19 Production and other direct expenses</b>		
(i) Media Professional Fee	1,883.57	1,111.12
(ii) Material Consumed	235.69	238.00
(iii) Travelling & Conveyance	510.76	395.92
(iv) Event Expenses	107.00	59.21
(v) Artist Fees	177.17	444.66
(vi) Set Expenses	285.17	293.68
(vii) Production Equipment Expenses	729.71	705.23
(viii) Studio and Location Expenses	202.36	333.64
(ix) Production General Expenses	519.52	456.10
(x) Line Production Fees	260.09	159.32
	<b>4,911.04</b>	<b>4,196.88</b>
		<i>₹ in lakh</i>
	Year ended 31st March 2018	Year ended 31st March 2017
<b>20 Change in inventories of work-in-progress</b>		
Work-in-progress at the beginning of the year	164.65	649.72
Less :Work in progress at the end of the year	214.97	164.65
	<b>(50.32)</b>	<b>485.07</b>

## Notes forming part of the financial statements for the year ended 31st March, 2017

	<i>₹ in lakh</i>	
	Year ended 31st March 2018	Year ended 31st March 2017
<b>21 Employee benefits expense</b>		
Salaries and wages	199.74	197.14
Contribution to provident and other fund	6.24	6.95
Gratuity and compensated absences	2.96	2.67
Staff welfare expenses	1.17	3.47
	<b>210.11</b>	<b>210.23</b>

### 21.1 Defined contribution plans

The Company makes Provident Fund and Pension contributions to the relevant authorities, which are defined contribution plans for qualifying employees. Under the Schemes, 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:

	<i>₹ in lakh</i>	
Particulars	2017-18	2016-17
Employer's Contribution to Provident Fund	5.62	6.45
Employer's Contribution to Pension Fund	0.62	0.50

### 21.2 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:

Particulars	<i>₹ in lakh</i>	
	Year ended 31.03.2018	Year ended 31.03.2017
Defined Benefit obligation at beginning of the year	13.16	11.89
Current Service Cost	1.95	1.77
Interest Cost	1.01	0.89
Actuarial (gain)/ loss	0.90	(0.17)
Benefits paid	-	(1.22)
Defined Benefit obligation at year end	17.02	13.16

#### ii) Expenses recognised during the year:

Particulars	<i>₹ in lakh</i>	
	Year ended 31.03.2018	Year ended 31.03.2017
<b>In Income Statement</b>		
Current Service Cost	1.95	1.77
Interest Cost	1.01	0.89
<b>Net Cost</b>	<b>2.96</b>	<b>2.66</b>
<b>In Other Comprehensive Income</b>		
Actuarial gain / (loss) on defined benefit obligation	0.90	(0.17)
<b>Net (Income) /Expense recognized in OCI</b>	<b>0.90</b>	<b>(0.17)</b>



## Notes forming part of the financial statements for the year ended 31st March, 2017

### iii) Actuarial assumptions:

₹ in lakh

Particulars	Gratuity (Unfunded)	
	31.03.2018	31.03.2017
Mortality Table (IALM)	2006-08	2006-08
	(Ultimate)	(Ultimate)
Discount rate (per annum)	7.70%	7.51%
Rate of escalation in salary (per annum)	5.50%	6.50%

The discount rate is based on prevailing market yields of Government of India bonds as at the balance sheet date for the estimated term of the obligation.

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.

### iv) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate 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
<b>a) Impact of the change in discount rate</b>		
Present value of obligation at the end of the period		
i) Impact due to increase of 1%	(2.26)	(0.89)
ii) Impact due to decrease of 1%	2.68	0.97
<b>b) Impact of the change in salary increase</b>		
Present value of obligation at the end of the period		
i) Impact due to increase of 1%	2.72	0.98
ii) Impact due to decrease of 1%	(2.33)	(0.90)

These plan typically expose the Company to actuarial risks such as : investment risk, 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.

## Notes forming part of the financial statements for the year ended 31st March, 2017

	<i>₹ in lakh</i>	
	Year ended 31st March 2018	Year ended 31st March 2017
<b>22 Finance costs</b>		
(i) Interest expense on		
- Cash credit balances	0.01	10.96
- Others *	0.15	0.27
(ii) Other borrowing costs	0.52	0.08
	<b>0.68</b>	<b>11.31</b>

\* Others - Interest on Delayed Payment of Service Tax/GST

	<i>₹ in lakh</i>	
	Year ended 31st March 2018	Year ended 31st March 2017
<b>23 Other Expenses</b>		
Electricity expenses	7.86	7.53
Rent	37.19	36.95
Repairs and maintenance - Others	9.30	8.25
Insurance	5.09	3.02
Professional and legal fees (Refer footnote below)	61.61	129.55
Loss on sale / disposal of assets	0.19	1.32
Sundry Balance written off	3.69	0.19
Project Development	60.65	41.20
Communication costs	5.68	6.68
Printing and stationery	0.34	0.83
Loss on exchange differences	-	0.09
Lease Expenses (On Security Deposit)	1.26	0.84
Miscellaneous expenses	46.73	55.27
	<b>239.59</b>	<b>291.71</b>

**Note:**

**Payments to the auditors comprises (net of service tax, where applicable):**

<b>(a) To statutory auditors</b>		
For Statutory audit fees	1.50	1.50
	<b>1.50</b>	<b>1.50</b>

## Notes forming part of the financial statements for the year ended 31st March, 2017

### 24 Related party transactions

#### Details of related parties:

Description of relationship	Names of related parties
<b>Enterprises exercising control</b> Adventure Marketing Private Limited Watermark Infratech Private Limited Colorful Media Private Limited RB Media Holdings Private Limited RB Mediasoft Private Limited RRB Mediasoft Private Limited RB Holdings Private Limited Network18 Media & Investments Limited Capital18 Fincap Private Limited	Independent Media Trust
<b>Beneficiary/Protector of Independent Media Trust</b> Reliance Industrial Investments and Holdings Limited	Reliance Industries Limited
<b>Fellow Subsidiary</b> Viacom 18 Media Pvt.Ltd.w.e.f 01.03.2018	TV18 Broadcast Limited
<b>Joint Venture of Fellow Subsidiary Company</b>	Viacom18 Media Pvt.Ltd. (Upto 28.02.2018)

#### (ii) Transactions and details of balances during the year with related parties :

₹ in lakh

Particulars	Ultimate Holding Company	Joint Venture of Fellow Subsidiary Company	Fellow Subsidiary
<b>Transactions during the year</b>			
<b>Rendering of services</b>			
Viacom18 Media Private Limited	-	1,773.81	279.71
	-	(2,934.10)	-
Network18 Media & Investment Limited	2.25	-	-
	-	-	-
<b>Reimbursement of expenses (paid)</b>			
Network18 Media & Investment Limited	-	-	-
	(1.41)	-	-
<b>Balances outstanding at the end of the year</b>			
Viacom18 Media Private Limited	-	493.75	-
	-	(262.78)	-

Note: Figures in bracket relates to the previous year ended 31st March 2017

## Notes forming part of the financial statements for the year ended 31st March, 2017

	<i>₹ in lakh</i>	
	Year ended 31st March 2018	Year ended 31st March 2017
<b>25 Earning Per Share (EPS)</b>		
(i) Net Profit after Tax As per Profit and Loss statement attributable to equity shareholders	217.82	89.84
(ii) Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	1,176,500	1,176,500
(iii) Total Weighted Average Potential Equity Shares	1,081,010	1,081,010
(iv) Weighted Average number of Equity Shares used as denominator for Calculating Diluted EPS	2,257,510	2,257,510
(v) Basic Earning Per Share	<b>18.51</b>	<b>7.64</b>
(vi) Diluted Earning Per Share	<b>9.65</b>	<b>3.98</b>
(vii) Face Value Per Equity Shares	10	10

### 26 Taxation *₹ in lakh*

Particulars	As at 31st March 2018	As at 31st March 2017
Income tax recognised in profit or loss		
<b>Current Tax</b>		
In respect of current year	107.08	33.86
In respect of prior year	24.33	(28.22)
<b>Deferred Tax</b>		
In respect of current year	3.73	(2.28)
<b>Tax expenses recognised in the current year</b>	<b>135.14</b>	<b>3.36</b>

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

*₹ in lakh*

Particulars	As at 31st March 2018	As at 31st March 2017
Profit before tax	352.96	93.20
Applicable Tax Rate	33.06%	33.06%
Computed Tax Expense	116.70	30.81
Effect of income not considered for tax purposes	(7.13)	(0.87)
Effect of expenses not allowed for tax purposes	(2.49)	3.92
<b>Income tax expenses recognised in statement of profit and loss</b>	<b>107.08</b>	<b>33.86</b>

*₹ in lakh*

Particulars	As at 31st March 2018	As at 31st March 2017
<b>B) Current tax assets (net)</b>		
At start of year	491.53	459.02
Charge for the year	(107.08)	(33.86)
Over provision prior period	24.33	28.22
Tax paid during the year (net of refund)	(316.32)	38.15
<b>At end of year</b>	<b>92.46</b>	<b>491.53</b>

## Notes forming part of the financial statements for the year ended 31st March, 2017

### 27 Contingent Liabilities

A demand of Rs. 1,720/- (Previous year Rs.1,630/-) has been made by the Income Tax Department on account of default in deduction and payment of TDS liability pertaining to Financial Year 2009-10 onwards. The same is being examined and appropriate representations will be made to the department. No provision has been created for the same.

### 28 Micro, Small and Medium Enterprises Disclosures :

Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is Rs. 7.24 Lacs (Previous year Rs. Nil) and no interest has been paid or is payable under the terms of the MSMED Act, 2006

### 29 Deferred Tax Assets (net)

Deferred tax is calculated, in full, on all temporary timing difference under the assets method using a principal tax rate prevalent in the various jurisdiction the Company operates in. The movement on the deferred tax account is as follows :

Particulars	<i>₹ in lakh</i>	
	As at 31st March 2018	As at 31st March 2017
<b>Deferred Tax Assets (Net)</b>		
(i) At the start of the year	19.83	17.55
(ii) Charge/(credit) to profit or loss	(3.73)	2.28
(iii) Set-off taken for MAT Credit Entitlement	(10.67)	-
<b>(iv) At the end of the year</b>	<b>5.43</b>	<b>19.83</b>

Deferred tax liabilities and assets at the end of the reporting period and deferred tax (credit) / charge in profit & loss and other comprehensive income

Particulars	<i>₹ in lakh</i>			
	As at 1st April 2017	Charge/(credit) to profit or loss	Others	As at 31st March 2018
<b>Deferred Tax Assets in relation to</b>				
(i) MAT Credit entitlement	10.67		(10.67)	-
(ii) Property, plant and equipment	9.99	(4.76)		5.23
(iii) Provisions	(0.83)	1.03	-	0.20
<b>Total</b>	<b>19.83</b>	<b>(3.73)</b>	<b>(10.67)</b>	<b>5.43</b>

### 30 Obligation on long term, non-cancellable operating leases

The Company has taken office premises under operating lease agreements. The lease term of these leases ranges between 1 to 5 years and they are cancellable at the option of lessor and lessee on giving a notice of 1 to 3 months. The cancellable lease agreements are normally renewed on expiry. Rent amounting to Rs 35.94 Lacs (Previous Year Rs.36.95 Lacs) has been debited to the profit and loss account during the period

Sr. No.	Particulars	<i>₹ in lakh</i>	
		As at 31st March 2018	As at 31st March 2017
1	Not later than one year	35.94	36.95
2	Later than one year but not later than five years	90.77	95.99
3	More than five years	-	-
	<b>Toal Amount</b>	<b>126.71</b>	<b>132.94</b>

## Notes forming part of the financial statements for the year ended 31st March, 2017

### 31 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 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 primarily trade receivables.

Customer credit risk is managed by 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.

### 32 Fair value measurements

#### Financial instruments by category

₹ in lakh

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	Carrying amount	Level of Input used in		Carrying amount	Level of Input used in	
		Level 1	Level 2		Level 1	Level 2
<b>At Amortised Cost</b>						
Trade receivables	711.45			535.81		
Cash and cash equivalents	2.64			159.99		
Security Deposit	17.60			176.57		
Others	-			13.11		
<b>AT FVTPL</b>						
Investment	1,291.57	1,291.57		401.94	401.94	
<b>Total financial assets</b>	<b>2,023.26</b>			<b>1,287.42</b>		
<b>Financial liabilities</b>						
<b>AT Amortised Cost</b>						
Trade payables	481.12			442.38		
<b>Total financial liabilities</b>	<b>481.12</b>			<b>442.38</b>		

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 market for identical assets and liabilities

Level 2: Inputs are other than the quoted prices included within the 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.

## Notes forming part of the financial statements for the year ended 31st March, 2017

### 33 Segment Reporting

- (i) The Company is engaged in only one segment i.e. “Media Operation” and as such there is no separate reportable segment as per Ind As 108 operating segments. further Company’s operation are only in India, it has determined single geographical segment.
- (ii) Since the Company’s operations are primarily in India, it has determined single geographical segment.
- (iii) One customer represents more than 10% of Company’s total revenue during the current year as well as previous year.

### 34 Particulars of Unhedged Foreign Currency Exposure

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Amount of Currency	₹ in lakh	Amount of Currency	₹ in lakh
<b>Export Trade receivable</b>				
Trade receivable US\$	1,21,982	79.34	3,030	1.75
<b>Exchange Rates</b>				
Rate of US\$	65.04		64.81	

In terms of our report attached

**For Chaturvedi & Shah**

Chartered Accountants  
Firm Registration No.005345N

**Vijay Napawaliya**

Partner

Place: Mumbai  
Date: April 19, 2018

For and on behalf of the Board of Directors

**Kshipra Jatana**

Director  
DIN 02491225

**Ratnesh Rukhariyar**

Director  
DIN 00004615

Place : Noida  
Date: April 19, 2018