Indiawin Sports Private Limited

Financial Statements

2017-18

Independent Auditor's Report

TO THE MEMBERS OF INDIAWIN SPORTS PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of

Indiawin Sports Private Limited ("the Company"), which comprise the Balance Sheet as at 31st 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 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 financial statements that give a true and fair view of the state of affairs (financial position) , profit or loss(financial performance including other comprehensive income) , cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Independent Auditor's Report (Contd.)

Report on Other Legal and Regulatory Requirements

1. 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 A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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, 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 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 as on 31st March, 2018 taken on record by the Board of Directors, none of the directors 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 B**".
   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, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 22 to the financial statements.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Pathak H.D. & Associates**
Chartered Accountants
(Firm Registration no. 107783W)

Ashutosh Jethlia
Partner
Membership No.: 136007

Place: Mumbai
Date: 23rd April, 2018

Independent Auditor's Report (Contd.)

"Annexure A" to the Independent Auditors' Report on the Financial Statements of Indiawin Sports Private Limited

(Referred to in Paragraph 1 under the heading of "Report on other legal and regulatory requirements" 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 on the basis of available information.

b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

c) As the Company has no immovable assets during the year, clause (c) (i) of paragraph 3 of the Order is not applicable to the company.

ii) As the Company had no Inventories during the year, clause (ii) of paragraph of 3 of the Order is 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 Act. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.

iv) Company not directly or indirectly advanced loan to the persons covered under Section 185 of the Act or given guarantees or securities in connection with the loan taken by such persons. Company has not made any investments or given any loan or any guarantee or security in connection with the loan to any person or body corporate covered under section 186 of the Act. Consequently, the requirement of clause (iv) of paragraph 3 of the Order is not applicable to the Company.

v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.

vi) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.

vii) In respect of Statutory dues :

a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no dues of income tax, sales tax, goods and service tax, duty of customs, duty of excise, value added tax, cess on account of any dispute, which have not been deposited.

viii) The Company has not raised loans from financial institutions or banks or government or by issue of debentures and hence the clause (viii) of paragraph 3 of the order is not applicable to the Company.

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

x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or 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, Section 197 of the Act is not applicable to the Company and hence clause (xi) of paragraph 3 of the Order is not applicable to the Company.

xii) In our opinion Company is not a nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

Independent Auditor's Report (Contd.)

xiii) In respect of transactions with related parties :

In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence 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, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.

xvi) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Pathak H.D. & Associates**
Chartered Accountants
(Firm Registration no. 107783W)

Ashutosh Jethlia
Partner
Membership No.: 136007

Place: Mumbai
Date: 23rd April, 2018

Independent Auditor's Report (Contd.)

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF INDIAWIN SPORTS PRIVATE LIMITED

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' 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 **INDIAWIN SPORTS PRIVATE Limited ("the** Company") as of 31st March, 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, 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.

Independent Auditor's Report (Contd.)

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 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 issued by the ICAI.

For **Pathak H.D. & Associates**
Chartered Accountants
(Firm Registration no. 107783W)

Ashutosh Jethlia
Partner
Membership No.: 136007

Place: Mumbai
Date: 23rd April, 2018

Balance Sheet as at 31st March, 2018

₹ Millions

	Notes	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	**1**	**0.23**	0.25
Other Non-Current Assets	**2**	**276.51**	228.18
Total Non-Current Assets		**276.74**	228.43
Current Assets			
Financial Assets			
Investments	**3**	**1,907.83**	775.57
Trade Receivables	**4**	**532.56**	658.18
Cash and Cash Equivalents	**5**	**10.04**	169.69
Other Current Assets	**6**	**430.16**	727.93
Total Current Assets		**2,880.59**	2,331.37
Total Assets		**3,157.33**	2,559.80
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	**7**	**26.50**	26.50
Other Equity	**8**	**2,021.22**	2,042.84
Total Equity		**2,047.72**	2,069.34
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Provisions	**9**	**1.01**	0.91
Total Non-Current Liabilities		**1.01**	0.91
Current Liabilities			
Financial Liabilities			
Trade Payables	**10**	**49.52**	4.64
Provisions	**11**	**0.65**	0.67
Other Current Liabilities	**12**	**1,058.43**	484.24
Total Current Liabilities		**1,108.60**	489.55
Total Liabilities		**1,109.61**	490.46
Total Equity & Liabilities		**3,157.33**	2,559.80
Significant Accounting Policies			
See accompanying Notes to Financial Statements	**1 to 26**		

As per our Report of even date
For **Pathak H.D. & Associates**
Chartered Accountants
(Firm Registration No. 107783W)

Ashutosh Jethlia
Partner
Membership No. 136007

Place : Mumbai
Dated : April 23, 2018

For and on behalf of the Board

Ashwin Khasgiwala
Director

Sudhakar Saraswatula
Director

S. Rajagopal
Director

Dilip Doshi
Director

Harsh Jain
Director

Devang Bhimjyani
Manager

Sandeep Gupta
Chief Financial Officer

Anshul Jain
Company Secretary

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

(₹ in millions)

	Notes	2017-18	2016-17
INCOME			
Income from Services	**13**	**1,958.06**	1,800.55
Other Income	**14**	**68.13**	23.52
Total Income		**2,026.19**	1,824.07
EXPENSES			
Employee Benefits Expenses	**15**	**14.25**	12.19
Finance Costs	**16**	**-**	31.59
Depreciation		**0.02**	0.03
Other Expenses	**17**	**2,033.65**	1,805.92
Total Expenses		**2,047.92**	1,849.73
Profit / (Loss) Before Tax		**(21.73)**	(25.66)
Tax Expense			
Current tax	**18**	**-**	0.05
Profit / (Loss) for the Year		**(21.73)**	(25.71)
Other Comprehensive Income/ (Loss):			
Items that will not be reclassified to Profit or Loss			
Remeasurement of Defined Benefit Plan	**15.1**	0.11	(0.01)
Income Tax on Above		**-**	-
Total Comprehensive Income/(Loss) for the year		**(21.62)**	**(25.72)**
Earnings per equity share of face value of ₹ 10 each			
Basic (in ₹)	**19**	**(0.07)**	(9.70)
Diluted (in ₹)		**(0.07)**	(9.70)
Significant Accounting Policies See accompanying Notes to Financial Statements	**1 to 26**		

As per our Report of even date
For **Pathak H.D. & Associates**
Chartered Accountants
(Firm Registration No. 107783W)

Ashutosh Jethlia
Partner
Membership No. 136007

Place : Mumbai
Dated : April 23, 2018

For and on behalf of the Board

Ashwin Khasgiwala
Director

Sudhakar Saraswatula
Director

S. Rajagopal
Director

Dilip Doshi
Director

Harsh Jain
Director

Devang Bhimjyani
Manager

Sandeep Gupta
Chief Financial Officer

Anshul Jain
Company Secretary

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

A. Equity Share Capital

(₹ in millions)

	Total
As on 31st March, 2017	
Balance at the beginning of the reporting period i.e 1st April 2016	26.50
Changes in equity share capital during the year 2016-17	-
Balance at the end of the reporting period i.e. 31st March, 2017	**26.50**
As on 31st March, 2018	
Balance at the beginning of the reporting period i.e 1st April 2017	26.50
Changes in equity share capital during the year 2017-18	-
Balance at the end of the reporting period i.e. 31st March,2018	**26.50**

B. Other Equity

	Share Application money pending allotment	Instruments Classified as equity	Reserves and Surplus	Other	Total
			Retained Earnings	Comprehensive Income	
As on 31st March, 2017					
Balance at beginning of reporting period i.e. 1st April, 2016	-	2,240.90	(1,052.76)	1.36	1,189.50
For issue of Optionally Convertible Preference Shares	3,119.96	-	-	-	3,119.96
Redemption of Zero Coupon Optionally Fully Convertible Debenture	-	(2,240.90)	-	-	(2,240.90)
Total Comprehensive Income/ (Loss) for the year	-	-	(25.71)	(0.01)	(25.72)
Balance at the end of the reporting period i.e. 31st March, 2017	3,119.96	-	(1,078.47)	1.35	2,042.84
As on 31st March, 2018					
Balance at beginning of reporting period i.e. 1st April, 2017	3,119.96	-	(1,078.47)	1.35	2,042.84
For issue of Optionally Convertible Preference Shares	(3,119.96)	3,119.96	-	-	-
Total Comprehensive Income/ (Loss) for the year	-	-	(21.73)	0.11	(21.62)
Balance at the end of the reporting period i.e. 31st March, 2018	**-**	**3,119.96**	**(1,100.20)**	**1.46**	**2,021.22**

As per our Report of even date
For **Pathak H.D. & Associates**
Chartered Accountants
(Firm Registration No. 107783W)

Ashutosh Jethlia
Partner
Membership No. 136007

Place : Mumbai
Dated : April 23, 2018

For and on behalf of the Board

Ashwin Khasgiwala
Director

Sudhakar Saraswatula
Director

S. Rajagopal
Director

Dilip Doshi
Director

Harsh Jain
Director

Devang Bhimjyani
Manager

Sandeep Gupta
Chief Financial Officer

Anshul Jain
Company Secretary

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

(₹ in millions)

			2017-18		2016-17
A:	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit/ (Loss) before Tax as per Profit and Loss Statement		**(21.62)**		(25.66)
	Adjusted for:				
	Depreciation	**0.02**		0.03	
	Effect of Exchange Rate Change	**(1.33)**		1.37	
	Net Loss /(Gain) on Sale of Investments	**(44.76)**		(1.53)	
	Provision for Doubtful Debts	**-**		19.27	
	Finance Costs	**-**		31.59	
			(46.07)		50.73
	Operating Profit/ (Loss) before Working Capital Changes		**(67.69)**		25.07
	Adjusted for:				
	Trade and Other Receivables	**424.75**		(37.97)	
	Trade and Other Payables	**619.12**		7.15	
			1,043.87		(30.82)
	Cash Used in Operations		**976.18**		(5.75)
	Taxes (paid) / refund (net)		**(48.33)**		(58.01)
	Net Cash Flow (Used in) Operating Activities		**927.85**		(63.76)
B:	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Other Investments		**(2,571.50)**		(905.00)
	Proceeds from sale of financial assets		**1,484.00**		266.07
	Net Cash Flow (Used in) Investing Activities		**(1,087.50)**		(638.93)
C:	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Share Application Money pending allotment		**-**		3,119.96
	Proceeds from Borrowings		**-**		782.50
	Repayment of Borrowings		**-**		(3,023.40)
	Interest paid		**-**		(31.59)
	Net Cash Generated from Financing Activities		**-**		847.47
	Net Increase/ (Decrease) in Cash and Cash Equivalents		**(159.65)**		144.78
	Opening Balance of Cash and Cash Equivalents		**169.69**		24.91
	Closing Balance of Cash and Cash Equivalents *(Refer Note no.5)*		**10.04**		169.69

As per our Report of even date	For and on behalf of the Board		
For **Pathak H.D. & Associates** Chartered Accountants (Firm Registration No. 107783W)	**Ashwin Khasgiwala** Director	**Sudhakar Saraswatula** Director	**S. Rajagopal** Director
Ashutosh Jethlia Partner Membership No. 136007	**Dilip Doshi** Director	**Harsh Jain** Director	
Place : Mumbai Dated : April 23, 2018	**Devang Bhimjyani** Manager	**Sandeep Gupta** Chief Financial Officer	**Anshul Jain** Company Secretary

Notes on Financial Statements for the Year ended 31st March, 2018

A. Corporate Information

Indiawin Sports Private Limited ("the Company") is a Limited Company incorporated in India with its registered office at 3rd Floor, Court House, Lokmanya Tilak Marg, Dhobi Talao, Mumbai - 400002.

The Company owns and operates Mumbai Indians, the Franchisee of Indian Premier League (IPL) Twenty 20 cricket competition, organised by the Board of Control for Cricket in India (BCCI).

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 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.

Company's Financial Statements are presented in Indian Rupees (₹), which is its functional currency and all values are rounded to the nearest million (₹ 000,000), except when otherwise indicated.

B.2 Summary of Significant Accounting Policies

(a) Property, Plant and Equipment:

Property, 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 direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

Depreciation on Property, plant and equipment is provided to the extent of depreciable amount on the Straight Line Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013, except in respect of Vehicles, where estimated useful life is 5 years.

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.

Company as Lessee

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.

(c) Finance Cost

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest 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.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

(d) Impairment of Non-Financial Assets

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessment

Notes on Financial Statements for the Year ended 31st March, 2018

of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of operations.

(e) Provisions

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.

(f) Employee Benefits Expense

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.

Post-Employment Benefits

Defined Contribution Plans

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

Defined Benefit Plans

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

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

(g) Tax Expenses

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

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are 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.

(h) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits with any qualifying financial institution repayable on

Notes on Financial Statements for the Year ended 31st March, 2018

demand or maturing within three months of the date of acquisition and which are subject to an insignificant risk of change in value.

(i) Foreign currencies Transactions and Translations

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.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated 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 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).

(j) Revenue Recognition

The Company recognizes significant items of Income & Expenditure which directly relate to particular tournament in the financial year in which such tournament is concluded. Fees paid for players transfer are charged to Statement of Profit and Loss.

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

Revenue from operations includes sale of services, adjusted for discounts (net) and GST.

Interest Income

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

Dividend Income

Revenue is recognised when the Company's right to receive the payment is established.

(k) Financial Instruments

i) Financial Assets

A. Initial recognition and measurement:

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

B. Subsequent measurement

a) Financial assets carried at Amortised Cost (AC)

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

Notes on Financial Statements for the Year ended 31st March, 2018

b) **Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)**

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

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 subsequently fair valued through profit or loss.

C. Impairment of Financial Assets

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

a. **Financial assets at Amortised Cost.**

b. **Financial assets measured at Fair Value Through Other Comprehensive Income**

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

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

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

ii) Financial Liabilities

A. Initial Recognition and Measurement:

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

B. Subsequent Measurement

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

iii) Derecognition of Financial Assets

The Company derecognises 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 financial liability) is derecognised 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.

Notes on Financial Statements for the Year ended 31st March, 2018

i) 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.

ii) 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.

iii) 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 fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

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.

a) 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.

b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards.

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

ii. Ind AS 40 - Investment Property

iii. Ind AS 12 - Income Taxes

iv. Ind AS 28 - Investments in Associates and Joint Ventures and

v. 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 on Financial Statements for the Year ended 31st March, 2018

1. Property, Plant and Equipment

(₹ in millions)

	Gross Block				Depreciation			Net Block	
	As at 1st April, 2017	Additions	Deductions/ Adjustments	**As at 31st March, 2018**	As at 1st April, 2017	For the year	**As at 31st March, 2018**	**As at 31st March, 2018**	As at 31st March, 2017
Property, Plant and Equipment:									
Own Assets:									
Office Equipment	1.14	-	-	**1.14**	0.90	0.01	**0.91**	**0.23**	0.24
Furniture & Fixtures	0.05	-	-	**0.05**	0.04	0.01	**0.05**	**-**	0.01
Total	**1.19**	**-**	**-**	**1.19**	**0.94**	**0.02**	**0.96**	**0.23**	**0.25**
Previous year	1.19	-	-	1.19	0.91	0.03	0.94	0.25	0.28

(₹ in millions)

2. Other Non-Current Assets	**As at**	As at
(Unsecured and Considered Good)	**31st March, 2018**	31st March, 2017
Advance Income Tax (Net of Provisions)	**276.51**	228.18
Total	**276.51**	228.18

(₹ in millions)

2.1 Taxation	**As at 31st March, 2018**	As at 31st March, 2017
At start of year	**228.18**	170.22
Charge for the year	**-**	(0.05)
Tax paid during the year	**48.33**	58.01
At end of year	**276.51**	228.18

(₹ in millions)

3. Investments - Current		**As at**		As at
Financial assets carried at Fair Value Through Profit and Loss (FVTPL)	**Units**	**31st March,2018**	Units	31st March, 2017
Investment in Mutual Funds - Unquoted				
HDFC Liquid Fund Regular Plan - Growth	**559,388**	**1,907.83**	242,393	775.57
Total		**1,907.83**		775.57
Aggregate amount of Unquoted Investments		**1,907.83**		775.57

(₹ in millions)

4. Trade Receivables	**As at**	As at
(Unsecured and Considered Good)	**31st March,2018**	31st March, 2017
Considered Good	**532.56**	658.18
Doubtful	**31.07**	31.07
	563.63	689.25
Less:- Provision for Doubtful Debts	**31.07**	31.07
Total	**532.56**	658.18

Notes on Financial Statements for the Year ended 31st March, 2018

(₹ in millions)

		As at 31st March,2018	As at 31st March, 2017
5.	**Cash and Cash Equivalents**		
	Cash and Cash Equivalents		
	Bank Balances :		
	In Current Accounts	**10.04**	169.69
	Cash and cash equivalents as per Balance Sheet	**10.04**	169.69
	Cash and cash equivalents as per Cash Flow Statement	**10.04**	169.69

(₹ in millions)

		As at 31st March,2018	As at 31st March, 2017
6.	**Other Current Assets** (Unsecured and Considered Good)		
	Balance with Government authorities	**383.15**	467.14
	Others [#]	**47.01**	260.79
	Total	**430.16**	727.93

[#] Includes advances to vendors and Prepaid expense.

(₹ in millions)

		As at 31st March,2018		As at 31st March, 2017	
7.	**Share Capital**				
	Authorised Share Capital:				
	Equity shares of ₹ 10 each	**10,000,000**	**100.00**	10,000,000	100.00
	Preference shares of ₹ 10 each	**440,000,000**	**4,400.00**	440,000,000	4,400.00
			4,500.00		4,500.00
	Issued, Subscribed and Paid-up:				
	Equity shares of ₹ 10 each fully paid up	**2,650,000**	**26.50**	2,650,000	26.50
			26.50		26.50

7.1 **The details of Shareholders holding more than 5% shares :**

Name of the Shareholders	As at 31st March,2018		As at 31st March, 2017	
	No. of Shares	**% held**	No. of Shares	% held
Holding Company : Equity Shares				
Reliance Industrial Investments And Holdings Limited	**2,650,000**	**100.00**	2,650,000	100.00

7.2 **Reconciliation of the number of Equity Shares outstanding is set out below :**

Particulars	As at 31st March,2018	As at 31st March, 2017
	Equity (Nos.)	Equity (Nos.)
Shares at the beginning of the year	**2,650,000**	2,650,000
Add: Shares issued during the year	**-**	-
Shares at the end of the year	**2,650,000**	2,650,000

Notes on Financial Statements for the Year ended 31st March, 2018

7.3 Rights, Preferences and Restrictions attached to Shares :

The Company has one class of ordinary shares which carry equal voting rights on income and distribution of assets on liquidation or otherwise.

(₹ in millions)

8. Other Equity	As at 31st March,2018	As at 31st March, 2017
Share Application money pending allotment	-	3,119.96
Zero Coupon Optionally Fully Convertible Debenture		
As per Last Balance Sheet	**-**	2,240.90
Issued during the year	**-**	-
Redeemed during the year	**-**	(2,240.90)
	-	-
9% Non-Cumulative Optionally Convertible Preference Shares of ₹ 10 each fully paid up		
As per Last Balance Sheet	-	-
Issued during the year	**3,119.96**	-
Redeemed during the year	-	-
	3,119.96	-
Retained Earnings		
Profit and Loss Account		
As per last Balance Sheet	**(1,078.47)**	(1,052.76)
Add: Profit / (Loss) for the Year	**(21.73)**	(25.71)
	(1,100.20)	(1,078.47)
Other Comprehensive Income		
As per last Balance Sheet	**1.35**	1.36
Add:- Movement in OCI (net) during the year	**0.11**	(0.01)
	1.46	1.35
Total	**2,021.22**	2,042.84

8.1 9% Non-Cumulative Optionally Convertible Preference Shares of ₹ 10 each includes:-

31,19,96,000 Preference shares issued to Reliance Industrial Investments And Holdings Limited (the holding company) are redeemable at ₹10 or converted into 1 (One) Equity Shares of ₹ 10 Each at any time at the option of the company, but not later than ten years from the date of allotment i.e 17th April, 2017.

8.2 Reconciliation of the number of Preference Shares outstanding is set out below :

Particulars	As at 31st March, 2018	As at 31st March, 2017
	Preference (Nos.)	Preference (Nos.)
Shares at the beginning of the year	**-**	-
Add: Shares issued during the year	**311,996,000**	-
Shares at the end of the year	**311,996,000**	-

Notes on Financial Statements for the Year ended 31st March, 2018

(₹ in millions)

9.	Provisions - Non-Current	As at 31st March, 2018	As at 31st March, 2017
	Provision for Employee Benefits (Refer Note 15.1)	**1.01**	0.91
	Total	**1.01**	0.91

(₹ in millions)

10.	Trade Payables	As at 31st March,2018	As at 31st March, 2017
	Micro, Small and Medium Enterprises	**-**	-
	Other Payables	**49.52**	4.64
	Total	**49.52**	4.64

10.1 There are no amounts overdue to Micro, Small and Medium Enterprises as at March 31, 2018 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

(₹ in millions)

11.	Provisions - Current	As at 31st March, 2018	As at 31st March, 2017
	Provision for Employee Benefits (Refer Note 15.1)*	**0.65**	0.67
	Total	**0.65**	0.67

* The provision for employee benefit includes annual leave and vested long service leave entitlement accrued and compensation claims made by employees.

(₹ in millions)

12.	Other Current Liabilities	As at 31st March, 2018	As at 31st March, 2017
	Revenue received in Advance	**974.48**	451.53
	Others #	**83.95**	32.71
	Total	**1,058.43**	484.24

Includes statutory dues.

(₹ in millions)

13.	Income from Services	2017-18	2016-17
	Share in Net Revenue of BCCI-IPL Central Rights	**804.37**	737.74
	Income from Sponsorship	**519.77**	534.11
	Income from Event Management	**324.47**	298.66
	Prize Money Received	**154.10**	1.30
	Others	**155.35**	228.74
	Total	**1,958.06**	1,800.55

Notes on Financial Statements for the Year ended 31st March, 2018

(₹ in millions)

14. Other Income	2017-18	2016-17
Net Gain on Sale of Investments	**10.21**	0.96
Net Gain / (loss) arising on financial assets designated as at FVTPL	**34.55**	0.57
Insurance Claims Received	**22.32**	3.87
Other non-operating income	**1.05**	18.12
Total	**68.13**	23.52

Above other income comprises of assets measured at Fair Value through Profit and Loss ₹ 68.13 million (Previous year ₹ 23.52 million)

(₹ in millions)

15. Employee Benefits Expense	2017-18	2016-17
Salaries and Wages	**13.31**	11.31
Contribution to Provident fund, other funds and Gratuity	**0.66**	0.61
Staff welfare expenses	**0.28**	0.27
Total	**14.25**	12.19

15.1 As per Ind- AS 19 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below:

Defined contribution plans (₹ in millions)

Contribution to defined contribution plan, recognised as an expense for the year are as under:	2017-18	2016-17
Employer's contribution to provident fund	**0.39**	0.38
Employer's contribution to pension scheme	**0.03**	0.04

(₹ in millions)

Defined benefit plan	Gratuity (Unfunded)	
	2017-18	2016-17
I. Reconciliation of opening and closing balances of Defined Benefit Obligation		
Defined Benefit obligation at beginning of the year	**0.93**	0.73
Current Service Cost	**0.15**	0.13
Interest Cost	**0.07**	0.06
Actuarial (gain)/ loss	**(0.11)**	0.01
Benefits paid	**-**	-
Defined Benefit obligation at year end	**1.04**	0.93

(₹ in millions)

	Gratuity (Unfunded)	
II. Reconciliation of fair value of assets and obligations	**2017-18**	2016-17
Fair value of Plan assets	**-**	-
Present value of Obligation	**1.04**	0.93
Amount recognised in Balance Sheet	**1.04**	0.93

Notes on Financial Statements for the Year ended 31st March, 2018

(₹ in millions)

III. Expenses recognised during the year	Gratuity (Unfunded)	
In Income Statement	**2017-18**	2016-17
Current Service Cost	**0.15**	0.13
Interest Cost	**0.07**	0.06
Net Cost	**0.22**	0.19
In Other Comprehensive Income		
Actuarial (gain)/ loss	**(0.11)**	0.01
Net (Income)/Expense For the period	**(0.11)**	0.01

Recognised in OCI	**Gratuity (Unfunded)**	
IV. Actuarial assumptions	**2017-18**	2016-17
Mortality Table	**2006-08 (Ultimate)**	2006-08 (Ultimate)
Discount rate (per annum)	**8.00%**	7.46%
Rate of escalation in salary (per annum)	**6.00%**	6.00%

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

V. Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade, expected salary increase and employee turnover. 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:

Particulars	**As at 31st March,2018**		As at 31st March, 2017	
	Decrease	**Increase**	Decrease	Increase
Change in rate of discounting (delta effect of +/- 0.5%)	**(0.07)**	**0.06**	0.06	(0.06)
Change in rate of salary increase(delta effect of +/- 0.5%)	**0.64**	**(0.07)**	(0.06)	0.06
Change in rate of employee turnover (delta effect of +/- 0.5%)	**0.01**	**-**	(0.01)	0.01

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

Interest risk :-

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

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.

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 on Financial Statements for the Year ended 31st March, 2018

(₹ in millions)

16.	Finance Costs	2017-18	2016-17
	Interest Expense	-	31.59
	Total	-	31.59

(₹ in millions)

17.	Other Expenses		2017-18		2016-17
	Operational Expense				
	Event Management Expenses	**257.65**		170.46	
	Advertisement & Promotional Expenses	**164.56**		130.08	
	Franchise Fees	**449.84**		449.84	
	Prize Money	**158.48**		7.69	
	Players & Support Staff fees	**765.42**		784.18	
	Stadium Costs	**46.26**		41.73	
	Travelling Expenses	**75.69**		82.45	
	Professional Fees	**91.87**		67.03	
	Insurance	**12.76**		12.52	
			2,022.53		1,745.98
	Establishment Expense				
	Rates & Taxes	**2.34**		29.00	
	General Expenses	**8.13**		9.05	
	Payment to Auditors	**0.37**		0.35	
	Exchange Differences (Net)	**0.28**		2.27	
	Provision for Doubtful Debts	**-**		19.27	
			11.12		59.94
	Total		**2,033.65**		1,805.92

₹ Millions

17.1 Payment to Auditors as:		2017-18	2016-17
(a)	Auditor		
	Statutory Audit Fees	**0.29**	0.25
	Tax Audit Fees	**0.08**	0.07
(b)	Certification and Consultation Fees	**-**	0.03
		0.37	0.35

(₹ in millions)

18	Taxation	2017-18	2016-17
	Income tax recognised in Statement of profit and loss		
	Current tax		
	In respect of the current year	-	0.05
	Total income tax expenses recognised in the current year	-	0.05

Notes on Financial Statements for the Year ended 31st March, 2018

The income tax expenses for the year can be reconciled to the accounting profit as follows: (₹ in millions)

	2017-18	2016-17
Profit before tax from continuing operations	**(21.73)**	(25.66)
Applicable Tax Rate	**30.90%**	30.90%
Computed Tax Expense	**(6.71)**	(7.93)
Tax Effect of:-		
Income not considered for tax purposes	**(9.90)**	(0.14)
Expenses disallowed	**0.05**	14.98
Carried forward losses utilised/Losses brought Forward	**16.56**	(6.86)
Tax expenses recognised in Statement of profit and loss	**(0.00)**	0.05

19	**Earnings per share (EPS)**	**2017-18**	2016-17
(i)	Net Profit/ (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in millions)	**(21.73)**	(25.71)
(ii)	Weighted Average number of equity shares used as denominator for calculating Basic and Diluted EPS*	**300,114,679**	2,650,000
(iii)	Total Weighted Average Potential Equity Shares	**300,114,679**	-
(iv)	Weighted Average number of equity shares used as denominator for calculating Diluted EPS *	**600,229,358**	2,650,000
(v)	Basic earnings/ (loss) per share (₹)	**(0.07)**	(9.70)
(vi)	Diluted earnings/(loss) per share (₹)	**(0.07)**	(9.70)
(vii)	Face Value per equity share (₹)	**10.00**	10.00

* Diluted earnings per share is same as basic earnings per share, since the potential equity share are anti dilutive.

(₹ in millions)

20	**Deferred Tax Asset (Net)**	**As at 31st March,2018**	As at 31st March, 2017
	Deferred Tax Liability		
	Related to Fixed Assets	**0.05**	0.07
	Deferred Tax Assets		
	Unabsorbed depreciation, disallowances and business loss carried forward under Income Tax Act, 1961	**105.07**	354.90

20.1 Deferred tax assets being higher than deferred tax liabilities, the Company recognizes deferred tax assets only to the extent of deferred tax liabilities on a conservative basis and any excess of deferred tax asset has not been given effect to in the balance sheet.

Notes on Financial Statements for the Year ended 31st March, 2018

21 Related Parties Disclosures

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

(i) List of Related Parties with whom transactions have taken place and relationships:

Sr. No.	Name of the related party	Relationship
1	Reliance Industries Limited (RIL)	Ultimate Holding Company
2	Reliance Industrial Investments and Holdings Limited	Holding Company
3	Reliance Retail Limited	Fellow Subsidiary
4	Reliance Corporate IT Park Limited	Fellow Subsidiary
5	Big Tree Entertainment Private Limited	Parent's Associate
6	Brooks Brothers India Private Limited	Parent's JV
7	Reliance Jio Infocomm Limited	Fellow Subsidiary
8	Shri Anshul Jain	Key Managerial Personnel
9	Shri Sandeep Gupta	Key Managerial Personnel

(ii) Transactions during the year with related parties: (₹ in millions)

Sr. No.	Nature of Transactions (excluding reimbursements)	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Parent's JV/ Associates	Total
1	Application money pending allotment	**-**	**-**	**-**	**-**	**-**
	for Optionally Convertible Preference Shares	-	*3,119.96*	-	-	*3,119.96*
2	Issue / (Redemption) of Debentures	**-**	**-**	**-**	**-**	**-**
		-	*(2,240.90)*	-	-	*(2,240.90)*
3	Revenue from Operations	**-**	**-**	**-**	**-**	**-**
		329.45	-	-	-	*329.45*
4	Professional Fees	**3.04**	**-**	**28.32**	**10.26**	**41.62**
		-	-	-	*12.91*	*12.91*
5	Advertisement & Sales Promotion Expenses	**-**	**-**	**12.87**	**-**	**12.87**
		-	-	*3.46*	*1.18*	*4.64*
6	Prize Money	**-**	**-**	**-**	**-**	**-**
		-	-	*4.96*	-	*4.96*
7	Finance Cost	**-**	**-**	**-**	**-**	**-**
		-	*31.59*	-	-	*31.59*
8	Sponsorship Income	**-**	**-**	**25.00**	**-**	**25.00**
		-	-	-	-	-
9	General expenses	**-**	**-**	**0.14**	**-**	**0.14**
		-	-	-	-	-
Balance as at 31st March, 2018						
10	Share application money pending allotment	**-**	**-**	**-**	**-**	**-**
		-	*3,119.96*	-	-	*3,119.96*
11	Trade and Other Payables	**0.05**	**-**	**25.93**	**-**	**25.98**
		-	-	-	-	-
12	Equity Share Capital	**-**	**26.50**	**-**	**-**	**26.50**
		-	*26.50*	-	-	*26.50*
13	Preference Share Capital	**-**	**3,119.96**	**-**	**-**	**3,119.96**
		-	-	-	-	-

Figures in *italics* represents previous year's amount.

Notes on Financial Statements for the Year ended 31st March, 2018

Disclosure in respect of Material Related Party Transactions during the year : (₹ in millions)

	Particulars	Relationship	2017-18	2016-17
1	**Application money pending allotment for Optionally Convertible Preference Shares**			
	Reliance Industrial Investments and Holdings Limited	Holding Company	**-**	3,119.96
2	**Issue / (Redemption) of Debentures**			
	Reliance Industrial Investments and Holdings Limited	Holding Company	**-**	(2,240.90)
3	**Revenue from Operations**			
	Reliance Industries Limited	Ultimate Holding Company	**-**	329.45
4	**Professional Fees**			
	Big Tree Entertainment Private Limited	Parent's Associate	**10.26**	12.91
	Reliance Corporate IT Park Limited	Fellow Subsidiary	**28.32**	-
	Reliance Industries Limited	Ultimate Holding Company	**3.04**	-
6	**Advertisement & Sales Promotion Expenses**			
	Reliance Retail Limited	Fellow Subsidiary	**12.87**	*3.46*
	Brooks Brothers India Pvt Ltd	Parent's JV	-	*1.18*
7	**Prize Money**			
	Reliance Retail Limited	Fellow Subsidiary	**-**	4.96
8	**Finance Cost**			
	Reliance Industrial Investments and Holdings Limited	Holding Company	**-**	31.59
9	**Sponsorship Income**			
	Reliance Jio Infocomm Limited	Fellow Subsidiary	**25.00**	-
10	**General expenses**			
	Reliance Jio Infocomm Limited	Fellow Subsidiary	**0.14**	-
11	**Payment to Key Managerial Personnel**			
	Shri Anshul Jain	Key Managerial Personnel	**2.53**	-
	Shri Sandeep Gupta	Key Managerial Personnel	**1.06**	-

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions Review of Outstanding Balances are undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. This balances are unsecured and settlement occurs through banking channel.

(₹ in millions)

		2017-18	2016-17
22	**Contingent Liabilities and Commitments**		
	Contingent Liabilities		
	(I) Claim against the Company /disputed liability not acknowledged as debt	**45.54**	45.54

(II) The Income Tax Assessments of the Company have been completed up to Assessment Year 2015-16. There is an outstanding demand of ₹ 15.11 million. Based on the decisions of the Appellate authorities and the relevant provisions of the Income-tax Act 1961, the management of the company is of the view that the demand raised is likely to be either deleted or reduced and accordingly no provision is considered necessary.

Notes on Financial Statements for the Year ended 31st March, 2018

23 Capital Management

The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders. The company manages its capital structure and make adjustment in light of changes in business condition. The overall strategy remains unchanged as compared to last year.

24 Financial Instruments

A. Fair Value Measurement Hierarchy: (₹ in millions)

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 1
<u>Financial Assets</u>				
At Amortised Cost				
Trade Receivable	532.56	-	658.18	-
Cash and Cash Equivalents	10.04	-	169.69	-
At FVTPL				
Investments	1,907.83	1,907.83	775.57	775.57
<u>Financial Liabilities</u>				
At Amortised Cost				
Borrowings	-	-	-	-
Trade Payables	49.52	-	4.64	-

The financial instruments are categorized into levels based on the inputs used to arrive at fair value measurements as described below:

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

Valuation

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

a) The fair value of investment in Mutual Funds is measured at NAV.

b) The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

c) All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

B. Financial Risk Management

The Company's activities expose it to Foreign currency risk, Interest rate risk, credit risk and liquidity risk.

Foreign Currency Risk

The following table shows foreign currency exposures in USD on financial instruments at the end of the reporting period. The exposure to foreign currency for all other currencies are not material.

(₹ in millions)

Foreign Currency Exposure		
Particulars	**As at 31st March, 2018 USD**	As at 31st March, 2017 USD
Trade and Other Payable	9.11	0.03
Trade and Other Receivables	-	(0.49)
Exposure	9.11	(0.46)

Notes on Financial Statements for the Year ended 31st March, 2018

Sensitivity analysis of 1% change in exchange rate at the end of reporting period (₹ in millions)

Foreign Currency Sensitivity		
Particulars	**As at 31st March, 2018 USD**	As at 31st March, 2017 USD
1% Depreciation in INR		
Impact on P&L	(0.09)	0.00
1% Appreciation in INR		
Impact on P&L	0.09	(0.00)

Liquidity Risk

Liquidity risk is the risk that arises from the company's inability to meet its cash flow commitments on the due date. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. Company effectively manages its cash and cash equivalents through a diversified investment portfolio which has an appropriate mix of steady accrual and tax efficient with lower reinvestment risk.

Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the company. It arises from its investment activities, derivative instruments and receivables from customers.

25 Principal business of the company is to own and operate the franchisee of Indian Premiere League (IPL) and tournament is organized by The Board of Control for Cricket in India (BCCI) in India. The Board (the 'Chief Operating Decision Maker' as defined in Ind AS 108 'Operating Segments'), monitors the operating results of the entity's business as a whole for the purpose of making decisions about resource allocation and performance assessment. Accordingly the Company has single reportable segment under IND-AS-108 "Operating Segment".

26 Approval of Financial Statements

The Financial Statements were approved for issue by the Board of Directors on April 23,2018.

As per our Report of even date
For **Pathak H.D. & Associates**
Chartered Accountants
(Firm Registration No. 107783W)

Ashutosh Jethlia
Partner
Membership No. 136007

Place : Mumbai
Dated : April 23, 2018

For and on behalf of the Board

Ashwin Khasgiwala
Director

Sudhakar Saraswatula
Director

S. Rajagopal
Director

Dilip Doshi
Director

Harsh Jain
Director

Devang Bhimjyani
Manager

Sandeep Gupta
Chief Financial Officer

Anshul Jain
Company Secretary