DIGITAL18 MEDIA LIMITED
ANNUAL ACCOUNTS - FY : 2017-18

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DIGITAL18 MEDIA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Digital18 Media Limited ('the Company'), which comprise the Balance Sheet as at 31 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') 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 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 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 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 controls 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 these 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 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/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure 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, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

c. The financial statements dealt with by this report are in agreement with the books of account.

d. In our opinion, the aforesaid 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 does not have any pending litigations which would impact 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 **Mohan L Jain & Co**
Chartered Accountants
Firm Registration No. 005345N

Ankush Jain
Partner
Membership No. 540194

Place: New Delhi
Date: 18th April, 2018

Annexure to the Independent Auditor's Report

To the Members of Digital18 Media 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.

On the basis of such checks as we considered appropriate and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) *Fixed assets:*

(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 clause 3 (i) (c) of the Order is not applicable to the Company.

(ii) *Inventories:*

(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(iii) *Granting of loans to certain parties:*

(a) According to the information and explanation given to us, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered by Section 2(76) of the Companies Act, 2013; and therefore clause 3(iii) of the Order is not applicable.

(iv) *Loans and investments:*

(a) 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 clause 3(iv) of the Order is not applicable.

(v) *Acceptance of Deposits:*

(a) In our opinion and according to the information and explanation given to us, the Company has not received any public deposits during the year.

(vi) *Maintenance of cost records:*

(a) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.

(vii) *Deposit of statutory dues:*

(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, GST, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities.

(b) According to the information and explanations given to us, there are no dues in respect of Income-tax, Custom Duty, Excise Duty, sales tax, VAT, Cess and other material statutory dues that have not been deposited with the appropriate authorities on account of any dispute.

(viii) *Default in repayment of dues:*

(a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.

(ix) *Application of term loans/public issue/follow on offer:*

(a) In our opinion and according to the information and explanations given to us, monies raised by way of debt instruments and the term loans have been applied by the Company for the purposes for which they were raised.

(x) *Fraud reporting:*

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

(xi) *Managerial remuneration:*

(a) The Company has not paid any managerial remuneration. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.

(xii) *Nidhi Company:*

(a) The Company is not Nidhi Company as per Companies Act 2013. Accordingly, the provision of clause 3(xii) of the Order is not applicable.

(xiii) *Related party transactions:*

(a) 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 etc., as required by the applicable accounting standards.

(xiv) *Preferential allotment/private placement:*

(a) 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 the order is not applicable.

(xv) *Non-cash transactions:*

(a) 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 clause 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 Mohan L Jain & Co.
Chartered Accountants
(Firm Registration No: 005345N)

Ankush Jain
Partner
Membership No: 540194

Place: New Delhi
Date: 18th April, 2018

"ANNEXURE –A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENT OF DIGITAL18 MEDIA 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 Digital18 Media 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, and the Guidance Note 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 were 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 judgment, 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.

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 **Mohan L Jain & Co**
Chartered Accountants
Firm Registration No. 005345N

Ankush Jain
Partner
Membership No. 540194

Place: New Delhi
Date: 18th April, 2018

Balance Sheet as at 31st March, 2018

	Notes	As at 31st March, 2018	₹ in lakh As at 31st March, 2017
ASSETS			
Non-current assets			
Property, Plant and Equipment	**1**	1.76	2.37
Intangible assets	**1**	0.04	0.16
Deferred tax assets (net)	**2**	35.77	15.28
Other non-current assets	**3**	16.97	50.16
Total Non-current Assets		**54.54**	**67.97**
Current assets			
Inventories	**4**	40.87	21.92
Financial Assets			
Trade receivables	**5**	1,390.41	1,123.11
Cash and cash equivalents	**6**	357.69	82.18
Bank balances other than (6) above	**7**	1.76	-
Loans	**8**	-	0.07
Other financial assets	**9**	4.58	0.74
Other current assets	**10**	80.43	131.59
Total Current Assets		**1,875.74**	**1,359.61**
Total Assets		**1,930.28**	**1,427.58**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	**11**	5.00	5.00
Other Equity	**12**	590.09	446.62
Total Equity		**595.09**	**451.62**
Liabilities			
Non-current liabilities			
Provisions	**13**	76.25	76.21
Total Non-current Liabilties		**76.25**	**76.21**
Current liabilities			
Financial Liabilities			
Borrowings	**14**	450.00	-
Trade Payables	**15**	486.20	571.68
Other financial liabilities	**16**	16.32	1.59
Other current liabilities	**17**	253.97	307.82
Provisions	**18**	52.45	18.66
Total Current Liabilties		**1,258.94**	**899.75**
Total Liabilities		**1,335.19**	**975.96**
Total Equity and Liabilities		**1,930.28**	**1,427.58**

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

As per our Report of even date
For Mohan L Jain & Co.
Chartered Accountants
Firm Registration No. 005345N

Ankush Jain
Partner
Membership No. 540194

Place: New Delhi
Date: 18th April, 2018

For and on behalf of the Board of Directors

Ratnesh Rukhariyar
Director
DIN: 00004615

Deepak Gupta
Director
DIN: 07520015

Place: Noida
Date: 18th April, 2018

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

₹ in Lakh

	Notes	Year ended 31st March, 2018	Year ended 31st March, 2017
INCOME			
Value of Sales and Services		2,659.32	2,191.84
Goods and Services Tax included in above		168.34	-
Revenue from operations	**19**	2,490.98	2,191.84
Other Income	**20**	14.29	29.03
Total Income		**2,505.27**	**2,220.87**
EXPENSES			
Cost of materials consumed	**21**	90.34	93.24
Employee benefits expense	**22**	1,071.01	962.37
Finance costs	**23**	17.82	0.79
Depreciation and amortisation expense	**1**	1.20	2.18
Marketing, distribution and promotional expense		240.37	277.17
Other expenses	**24**	935.95	860.17
Total Expenses		**2,356.69**	**2,195.92**
Profit before Tax		148.58	24.95
Tax expense:			
Current tax	**25**	**-**	-
Deferred tax	**25**	**-**	-
		-	-
Profit/ (Loss) for the year		**148.58**	**24.95**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		(5.11)	1.35
Total Other Comprehensive Income		**(5.11)**	**1.35**
Total Comprehensive Income for the year		**143.47**	**26.30**
Earnings per equity share of face value of ₹ 10 each			
Basic (in ₹)	**26**	**297.16**	**49.90**
Diluted (in ₹)	**26**	**27.29**	**4.61**

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

As per our Report of even date
For Mohan L Jain & Co.
Chartered Accountants
Firm Registration No. 005345N

Ankush Jain
Partner
Membership No. 540194

Place: New Delhi
Date: 18th April, 2018

For and on behalf of the Board of Directors

Ratnesh Rukhariyar
Director
DIN: 00004615

Deepak Gupta
Director
DIN: 07520015

Place: Noida
Date: 18th April, 2018

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

A. Equity Share Capital

₹ in Lakh

Balance at the beginning of 1st April 2016	Changes in equity share capital during the year 2016-17	Balance as at 31st March 2017	Changes in equity share capital during the year 2017-18	Balance as at 31st March 2018
5.00	-	5.00	-	5.00

B. OTHER EQUITY

₹ in Lakh

	Equity component of compound financial instruments	Reserve and Surplus	Other Comprehensive Income	Total
		Retained Earnings	Remeasurements of the defined benefit plans	
Balance at the begining of 1st April, 2016	4,945.00	(4,515.96)	(8.72)	420.32
Total Comprehensive Income for the year	-	24.95	1.35	26.30
Balance as at the end of 31st March, 2017	**4,945.00**	**(4,491.01)**	**(7.37)**	**446.62**
Balance at the begining of 1st April, 2017	4,945.00	(4,491.01)	(7.37)	446.62
Total Comprehensive Income for the year	-	148.58	(5.11)	143.47
Balance as at the end of 31st March, 2018	**4,945.00**	**(4,342.43)**	**(12.48)**	**590.09**

As per our Report of even date
For Mohan L Jain & Co.
Chartered Accountants
Firm Registration No. 005345N

Ankush Jain
Partner
Membership No. 540194

Place: New Delhi
Date: 18th April, 2018

For and on behalf of the Board of Directors

Ratnesh Rukhariyar
Director
DIN: 00004615

Deepak Gupta
Director
DIN: 07520015

Place: Noida
Date: 18th April, 2018

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

					₹ in Lakh
			2017-18		**2016-17**
A:	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before tax as per Statement of Profit and Loss		148.58		24.95
	Adjusted for:				
	Bad debts and allowance for doubtful trade receivable	87.36		8.70	
	Depreciation and amortisation expense	1.20		2.18	
	Effect of exchange rate change	(1.39)		(0.34)	
	Interest income	(10.83)		(7.03)	
	Finance costs	17.82		0.79	
			94.16		4.30
	Operating profit before working capital changes		242.74		29.25
	Adjusted for:				
	Trade and other receivables	(303.98)		(179.14)	
	Inventories	(18.95)		-	
	Trade and other payables	(110.24)		24.83	
			(433.17)		(154.31)
	Cash used in operations		(190.43)		(125.06)
	Taxes paid (net)		12.70		(24.78)
	Net cash used in operating activities		(177.73)		(149.84)
B:	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Payment for Property, Plant and Equipment		(0.47)		0.56
	Net Withdrawal of/ (Investment in) fixed deposits		(1.76)		-
	Interest income		8.56		6.88
	Net cash generated from investing activities		6.33		7.44
C:	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Short term borrowings (net)		448.69		150.00
	Interest paid		(1.78)		(0.79)
	Net cash generated from financing activities		446.91		149.21
	Net increase / (decrease) in cash and cash equivalents		275.51		6.81
	Opening balance of cash and cash equivalents		82.18		75.37
	Closing balance of cash and cash equivalents (Refer Note 6)		**357.69**		**82.18**

As per our Report of even date
For Mohan L Jain & Co.
Chartered Accountants
Firm Registration No. 005345N

Ankush Jain
Partner
Membership No. 540194

Place: New Delhi
Date: 18th April, 2018

For and on behalf of the Board of Directors

Ratnesh Rukhariyar
Director
DIN: 00004615

Deepak Gupta
Director
DIN: 07520015

Place: Noida
Date: 18th April, 2018

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

A CORPORATE INFORMATION

Digital18 Media Limited (“the Company”) was incorporated on 16th April, 2007 in India.

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

The Company is engaged in the business of printing and publishing of business magazine with a brand name “Forbes India”.

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, Defined benefit plans - plan assets and Equity settled share based payments which have been measured at fair value amount.

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

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

B.2 Summary Of Significant Accounting Policies

(a) Property, plant and equipment:

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

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

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

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

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

(b) Intangible assets:

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

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

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

Computer Software are being amortised over its estimated useful life of 5 years.

(c) Leases:

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

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

Leased assets:

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

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized.

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

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

(d) Borrowing Cost

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

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

(e) Inventories

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

Raw materials is valued at lower of cost and net realizable value. Cost is determined on a first in first out basis

(f) 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 the 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.

(g) Provisions and Contingencies

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

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

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

(h) Employee Benefits

Short Term Employee Benefits

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

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

Long Term Employee Benefits

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

Post-Employment Benefits

Defined Contribution Plans

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

Defined Benefit Plans

The Company pays gratuity to the employees whoever has 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 gratuity 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.

(i) Tax Expenses

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

i **Current tax**

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

ii **Deferred tax**

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

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

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

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

(j) Foreign currencies transactions and translation

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

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

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

(k) Revenue recognition

Revenue from operations includes sale of goods and services. Sale of services includes advertisement revenue, subscription revenue, revenue from sponsorship of events. Sale of goods includes sale of magazines.

Sale of services is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and excluding taxes or duties collected on behalf of the government. Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed

Sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue from sale of goods, is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

(l) Interest income

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

(m) 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. Investment in subsidiaries, associates and joint ventures

The Company accounts for its investments in subsidiaries, associates and joint venture at cost.

D. Equity investments:

All equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

E. 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 and 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

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

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.

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

1. Property, Plant and Equipment and intangible assets ₹ in lakh

	Gross Block				Depreciation/Amortisation				Net Block	
Particular	As at 1st April, 2017	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March, 2018	As at 1st April, 2017	For the Year	Deductions/ Adjustments	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
1.1 Tangible Assets:										
Own Assets:										
Plant and Machinery	10.95	-	-	10.95	10.54	0.08	-	10.62	0.33	0.41
Electrical installations	-	-	-	-	-	-	-	-	-	-
Office Equipment	83.01	0.47	-	83.48	81.70	0.71	-	82.41	1.07	1.31
Furniture and fixtures	-	-	-	-	-	-	-	-	-	-
Vehicles	2.08	-	-	2.08	1.43	0.29	-	1.72	0.36	0.65
Total	**96.04**	**0.47**	**-**	**96.51**	**93.67**	**1.08**	**-**	**94.75**	**1.76**	**2.37**
1.2 Capital work-in-progress	-	-	-	-	-	-	-	-	-	-
1.3 Intangible assets										
Software	42.01	-	-	42.01	41.85	0.12	-	41.97	0.04	0.16
Total	**42.01**	**-**	**-**	**42.01**	**41.85**	**0.12**	**-**	**41.97**	**0.04**	**0.16**
Grand Total	**138.05**	**0.47**	**-**	**138.52**	**135.52**	**1.20**	**-**	**136.72**	**1.80**	**2.53**
Previous Year	**(137.21)**	**(0.84)**	**-**	**(138.05)**	**(133.34)**	**(2.18)**	**-**	**(135.52)**	**(2.53)**	**(3.87)**

₹ in lakh

		As at 31st March, 2018	As at 31st March, 2017
2	**Deferred tax assets**		
	Deferred Tax Assets (MAT Credit Entitlement)	35.77	15.28
	Total	**35.77**	**15.28**

2.1 Deferred tax assets at the end of the reporting period and deferred tax (credit) / charge in Profit or loss:

₹ in lakh

	As at 31st March, 2018	As at 31st March, 2017
At the beginning of the year	15.28	8.87
Charge/ (credit) to Statement of Profit or Loss related to MAT credit Entitlement.	20.49	6.41
At the end of the year	**35.77**	**15.28**

The Company has not recognised the deferred tax assets arising out of tangible and intangible assets, financials assets, unabsorbed depreciation, brought forward tax losses and other items due to non-existence of probability of taxable income against which the assets can be realised. The same shall be reassessed at subsequent balance sheet date.

₹ in lakh

		As at 31st March, 2018	As at 31st March, 2017
3	**Other non-current assets** (Unsecured and Considered Good)		
	Advance Income Tax (Net of allowance) (Refer Note 25)	16.97	50.16
	Total	**16.97**	**50.16**

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

₹ in lakh

4	Inventories	As at 31st March, 2018	As at 31st March, 2017
	Raw Materials	40.87	21.92
	Total	**40.87**	**21.92**

₹ in lakh

5	Trade receivables	As at 31st March, 2018	As at 31st March, 2017
	Trade Receivables		
	Unsecured, considered good	1,390.41	1,123.11
	Unsecured, considered doubtful	88.70	88.70
		1,479.11	1,211.81
	Less:- Allowance for doubtful receivables	88.70	88.70
	Total	**1,390.41**	**1,123.11**

₹ in lakh

6	Cash and cash equivalents	As at 31st March, 2018	As at 31st March, 2017
	Cash and cash equivalents		
	Cash on hand	-	-
	Balances with bank		
	In current accounts	23.41	6.61
	in deposit accounts (Refer Note below)	334.28	75.57
	Total	**357.69**	**82.18**

Note:

There is no deposit with maturity of more than 12 months.

₹ in lakh

7	Bank balances other than cash and cash equivalents	As at 31st March, 2018	As at 31st March, 2017
	In other deposit accounts (Refer Note 7.1 below)	1.76	-
	Total	**1.76**	**-**

Note:

7.1 Deposits of ₹ 1.76 Lakhs (Previous Year (Nil) are given as lien against bank gurantees to GST Authorities.

₹ in lakh

8	Loans - current (Unsecured and Considered Good)	As at 31st March, 2018	As at 31st March, 2017
	Loans and advances to others	-	0.07
	Total	**-**	**0.07**

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

₹ in lakh

9	Other financial assets - current	As at 31st March, 2018	As at 31st March, 2017
	Interest accrued on Deposits/ Investments	2.99	0.72
	Security deposits	1.59	0.02
	Total	**4.58**	**0.74**

₹ in lakh

10	Other current assets (Unsecured)	As at 31st March, 2018	As at 31st March, 2017
	Advances to vendor	12.83	64.91
	Prepaid expenses	10.18	8.79
	Balance with Government Tax Authorities	57.24	57.89
	Others	0.18	-
	Total	**80.43**	**131.59**

11 Equity Share capital

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Number of Shares	₹ in lakh	Number of Shares	₹ in lakh
(a) Authorised Share Capital:				
Equity shares of Rs. 10 each	2,000,000	200.00	2,000,000	200.00
(b) Issued, Subscribed and fully paid up				
Equity Shares of Rs. 10 each				
(i) Issued	50,000	5.00	50,000	5.00
(ii) Subscribed and fully paid up	50,000	5.00	50,000	5.00
(iii) Shares forfeited	-	-	-	-
Total	**50,000**	**5.00**	**50,000**	**5.00**

11.1 The Company has only one class of equity share having par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share held. All the equity shares rank pari passu in all respects including but not limited to entitlement for dividend, bonus issue and rights issue. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all liabilities, in proportion to their shareholding.

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

Particulars	31st March, 2018		31st March, 2017	
	Number of Shares	% Holding	Number of Shares	% Holding
1 Network18 Media & Investment Limited, Holding Company	50,000	100.00%	50,000	100.00%

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

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

Particulars	31st March, 2018		31st March, 2017	
	Number of Shares	**₹ in lakh**	**Number of Shares**	**₹ in lakh**
1 Network18 Media & Investments Limited, Holding Company	50,000	5.00	50,000	5.00
	50,000	**5.00**	**50,000**	**5.00**

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

Particulars	31st March, 2018		31st March, 2017	
	Number of Shares	**₹ in lakh**	**Number of Shares**	**₹ in lakh**
Equity Shares opening balance	50,000	5.00	50,000	5.00
Add : Shares issued during the year	-	-	-	-
Equity Shares closing balance	**50,000**	**5.00**	**50,000**	**5.00**

₹ in lakh

	As at 31st March, 2018	As at 31st March, 2017
12 Other Equity		
(a) Equity component		
Optionally convertible denetures		
494,500 (Previous year 494,500) Zero coupon Optionally Fully Convertible Debentures of ₹ 1,000/- each *	4,945.00	4,945.00
	4,945.00	**4,945.00**

*** Terms of Debenture**

Zero Coupon Optionally Fully Covertible Debentures (ZOFCD) has a tenure of 10 years from the allotment date, are unsecured and do not carry interest right. The debenture are convertible into paid up equity share of ₹ 10 of the Company in 1:1 ratio, at the option of the issuer. The coversion option is exercisable at any time after two years of the allotment date. The debentures are held by Network18 Media & Investments Limited.

	As at 31st March, 2018	As at 31st March, 2017
(b) Retained Earnings		
Opening balance as per last Balance Sheet	(4,491.01)	(4,515.96)
Add: Profit for the year	148.58	24.95
	(4,342.43)	**(4,491.01)**
(‘c) Other Comprehensive Income		
Remeasurements of the defined benefit plans	(7.37)	(8.72)
Add: Additions during the year	(5.11)	1.35
	(12.48)	**(7.37)**
Total of Other Equity	**590.09**	**446.62**

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

13 Provisions - non-current

	As at 31st March, 2018	As at 31st March, 2017
		₹ in lakh
Provision for employee benefits		
Provision for compensated absences	24.42	25.07
Provision for gratuity (Refer Note 22.1)	51.83	51.14
Total	**76.25**	**76.21**

14 Borrowings - current

	As at 31st March, 2018	As at 31st March, 2017
		₹ in lakh
Unsecured		
Loans and advances from related parties	450.00	-
Total	**450.00**	-

15 Trade payables

	As at 31st March, 2018	As at 31st March, 2017
		₹ in lakh
Micro, Small and Medium Enterprises	-	-
Others	486.20	571.68
Total	**486.20**	**571.68**

According to the records available with the Company, there were no transactions with Micro, Small and Medium Enterprises and no dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 during the period 1st April 2017 to 31st March 2018. Hence disclosures, if any, relating to amounts unpaid as at the year end together with the interest paid / payable as required under the said Act have not been given.

16 Other financial liabilities - current

	As at 31st March, 2018	As at 31st March, 2017
		₹ in lakh
Security Deposits	0.28	1.59
Interest accrued but not due on borrowings	16.04	-
Total	**16.32**	**1.59**

17 Other Current Liabilities

	As at 31st March, 2018	As at 31st March, 2017
		₹ in lakh
Unearned revenue	34.15	16.77
Other payables		
Statutory dues	41.08	31.03
Advances from customers	73.81	113.12
Others	104.93	146.90
Total	**253.97**	**307.82**

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

18 Provisions - current

	As at 31st March, 2018	As at 31st March, 2017
Provision for employee benefits		
Provision for compensated absences	0.61	0.58
Provision for gratuity (Refer Note 22.1)	1.10	1.00
	1.71	**1.58**
Other Provisions		
Provision for Sales Return	50.74	17.08
Total	**52.45**	**18.66**

₹ in lakh

19 Revenue from Operations	Year ended 31st March, 2018	Year ended 31st March, 2017
Advertisement and subscription revenue	1,947.11	1,969.50
Other media income and equipment rentals	481.65	141.47
Sale of magazines	62.22	80.87
Total	**2,490.98**	**2,191.84**

₹ in lakh

20 Other Income	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest income		
Loans and advances	-	0.06
Deposit accounts with banks	10.83	6.97
Income tax refund	3.46	-
	14.29	**7.03**
Miscellaneos income	-	22.00
Total	**14.29**	**29.03**

₹ in lakh

21 Cost of materials consumed and traded goods sold	Year ended 31st March, 2018	Year ended 31st March, 2017
Opening balance	21.92	64.28
Add: Purchase	109.29	50.88
Less: Closing balance	40.87	21.92
Total	**90.34**	**93.24**

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

₹ in lakh

22	Employee Benefits Expense	Year ended 31st March, 2018	Year ended 31st March, 2017
	Salaries and wages	968.70	836.08
	Contribution to provident and other funds	47.61	44.54
	Gratuity expense (Refer Note 22.1)	16.20	24.05
	Staff welfare expenses	38.50	57.70
	Total	**1,071.01**	**962.37**

22.1 Defined contribution plans

The Company makes Provident Fund and Employee State Insurance scheme 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:

₹ in lakh

Particulars	For the year 2017-18	For the year 2016-17
Employer’s Contribution to Provident Fund	35.19	34.65
Employer’s Contribution to Pension Fund	9.46	6.29
Employer’s Contribution to Employees State Insurance	0.14	0.09

22.2 Defined benefit plans

The employees’ gratuity fund scheme managed by a Trust is a defined benefit plan. The Company makes contributions to the trust which in turn makes contributions to the employees group gratuity cum life assurance scheme of the Life Insurance Corporation of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for compensated absences is recognised in the same manner as gratuity.

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

₹ in lakh

Particulars	Gratuity	
	2017-18	**2016-17**
Defined Benefit obligation at beginning of the year	52.14	42.60
Current Service Cost	12.24	10.70
Interest Cost	3.96	3.41
Actuarial (gain)/ loss	5.12	(1.35)
Benefits paid	(20.53)	(3.22)
Defined Benefit obligation at year end	**52.93**	**52.14**

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

ii) Expenses recognised during the year: **₹ in lakh**

Particulars	**Gratuity**	
	2017-18	**2016-17**
Current Service Cost	12.24	10.70
Interest Cost	3.96	3.41
Net Cost	**16.20**	**14.11**
In Other Comprehensive Income (OCI)		
Actuarial gain / (loss) for the year on defined benefit obligation	5.12	(1.35)
Net expense/ income for the period recognised in OCI	**5.12**	**(1.35)**

iii) Actuarial assumptions:

Particulars	**Gratuity**	
	2017-18	**2016-17**
Mortality Table	IALM (06-08)	IALM (06-08)
Discount rate (per annum)	7.70%	7.60%
Rate of escalation in salary (per annum)	5.50%	5.50%

IALM - Indian Assured Lives Mortality.

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

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

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of Plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

iv) The expected contributions for Defined Benefit Plan for the next financial year will be in line with financial year 2017-18.

v) Sensitivity Analysis

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

Particulars	**Gratuity**	
	2017-18	**2016-17**
a) Impact of the change in discount rate		
Present value of obligation at the end of the period	52.93	52.14
i) Impact due to increase of 0.50%	(3.61)	(3.46)
ii) Impact due to decrease of 0.50%	3.95	3.78
b) Impact of the change in salary increase		
Present value of obligation at the end of the period	52.93	52.14
i) Impact due to increase of 0.50%	4.02	3.84
ii) Impact due to decrease of 0.50%	(3.97)	3.54

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

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

(A) **Investment 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; if the return on plan asset is below this rate, it will create a plan deficit.

(B) **Interest risk -** A decrease in the discount rate will increase the plan liability.

(C) **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.

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

₹ in lakh

		Year ended 31st March, 2018	Year ended 31st March, 2017
23	**Finance Costs**		
	Interest cost	17.82	0.01
	Other borrowing costs	-	0.78
	Total	**17.82**	**0.79**

₹ in lakh

		Year ended 31st March, 2018	Year ended 31st March, 2017
24	**Other Expenses**		
	Royalty expenses	160.12	186.49
	Content expenses	77.90	103.29
	Other production expenses	316.75	261.57
	Insurance	5.04	4.07
	Travelling and conveyance expenses	74.12	116.32
	Professional and Legal fees (Refer note 24.1)	12.41	15.78
	Rent	47.47	45.27
	Net foreign exchange loss/ (gain)	0.47	(2.40)
	Bad debts and allowance for doubtful trade receivable	87.36	30.70
	Other establishment expenses	154.31	99.08
	Total	**935.95**	**860.17**

24.1 Payment to Auditors :

₹ in lakh

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
(a) Statutory Audit Fees	2.00	2.00
(b) Limited Review Fees	1.50	1.50
(c) Tax Audit Fees	-	0.50
Total	**3.50**	**4.00**

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

₹ in lakh

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

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

	Year ended 31st March, 2018	**Year ended 31st March, 2017**
Profit before tax	148.58	24.95
Applicable Tax Rate	19.055%	19.055%
Computed Tax Expense	28.31	4.75
Tax effect of:		
Exempted income	-	(4.19)
Expenses disallowed	-	5.85
Additional allowances	(1.41)	-
MAT Credit generated	(26.90)	(6.41)
Tax expenses recognised in Statement of Profit and Loss	**0.00**	**0.00**
Effective Tax Rate	0.00%	0.02%

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

b) Advance tax (net of provision) — ₹ in lakh

	As at 31st March, 2018	**As at 31st March, 2017**
At start of year	50.16	31.79
Charge for the year	-	-
Adjusted with Minimum alternate tax entitlement	(20.49)	(6.41)
Tax paid during the year	(12.70)	24.78
At end of the year	**16.97**	**50.16**

26 EARNINGS PER SHARE (EPS)	**2017-18**	**2016-17**
i) Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in lakh)	148.58	24.95
ii) Weighted average number of equity shares used as denominator for calculating basic EPS	50,000	50,000
iii) Total weighted average potential equity shares	494,500	491,664
iv) Weighted average number of equity shares used as denominator for calculating diluted EPS	544,500	541,664
v) Basic Earnings per Share (₹)	**297.16**	**49.90**
vi) Diluted Earnings per Share (₹)	**27.29**	**4.61**
vii) Face Value per Equity Share (₹)	10.00	10.00

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

27 Related party disclosures

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

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

Sr. No.	Name of Related Party	Relationship
1	Independent Media Trust	Enterprises exercising Control
2	Adventure Marketing Private Limited*	
3	Watermark Infratech Private Limited*	
4	Colorful Media Private Limited*	
5	RB Media Holdings Private Limited*	
6	RB Mediasoft Private Limited*	
7	RRB Mediasoft Private Limited*	
8	RB Holdings Private Limited*	
9	Teesta Retail Private Limited	
10	Network18 Media & Investments Limited	
11	Reliance Industries Limited	Beneficiary/Protector of Independent Media Trust
12	Reliance Industrial Investments and Holdings Limited #	
13	e-Eighteen.com Limited	Fellow Subsidiaries
14	Reliance Jio Digital Services Private Limited #	
15	Reliance Corporate IT Park Limited #	
16	Brooks Brothers India Private Limited #	
17	TV18 Broadcast Limited	

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

Subsidiary of Reliance Industries Limited, the sole beneficiary of Independent Media Trust

b) Details of major transactions and balances with related parties:

₹ in Lakh

Particulars	Enterprises exercising control	Subsidiaries/ Fellow subsidiaries
A Transaction During the year		
i) Income from operations and other Income		
TV18 Broadcast Limited	-	309.52
	-	(262.36)
Network18 Media & Investments Limited	4.64	-
	-	-
Reliance Jio Messaging Service Private Limited	-	-
	-	(6.50)
Brooks Brothers India Private Limited	-	-
	-	(4.00)
ii) Interest Expenses		
Network 18 Media & Investments Limited	17.82	-
	-	-

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

₹ in Lakh

Particulars		Enterprises exercising control	Subsidiaries/ Fellow subsidiaries
iii)	**Expenditure incurred for services received**		
	Network 18 Media & Investments Limited	2.12	-
		-	-
	TV18 Broadcast Limited	-	37.44
		-	(64.62)
	Reliance Corporate It Park Ltd	-	1.16
		-	-
	Reliance Jio Infocomm Ltd	-	0.09
		-	-
iv)	**Reimbursement of Expenses Paid**		
	Network18 Media & Investments Limited	12.48	-
		(8.82)	-
	TV18 Broadcast Limited	-	69.66
		-	(67.86)
	e - Eighteen.com Limited	-	1.79
		-	(1.24)
v)	**Zero coupon Optionally Fully Convertible Debentures issued during the year**		
	Network18 Media and Investments Ltd	-	-
		(150.00)	-
vi)	**Loans/ advances given during the year**		
	Network18 Media & Investments Limited	450.00	-
		-	-
B	**Balances at end of the year**		
i)	**Trade Receivables**		
	TV18 Broadcast Limited	-	183.88
		-	(79.22)
	Network18 Media & Investments Limited	2.39	-
		-	-
	Brook Brothers India Private Limited	-	-
		-	(4.00)
ii)	**Loan outstanding**		
	Network18 Media & Investments Limited	466.04	-
		-	-
iii)	**Zero coupon Optionally Fully Convertible Debentures**		
	Network18 Media & Investments Limited	4,945.00	-
		(4,945.00)	-
iv)	**Trade Payables**		
	Network18 Media & Investments Limited	5.55	-
		(0.60)	-
	TV18 Broadcast Limited	-	24.07
		-	(202.99)
	Reliance Corporate It Park Ltd	-	1.25
		-	-
	e-Eighteen.com Ltd	-	0.43
		-	(0.95)

(Figures in the brackets represent previous year's amounts)

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

28 Contingent Liabilities

There are no contingent liabilities existing as on 31st March, 2018 (Previous Year ‘ Nil)

29 Foreign Exchange Exposure

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

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

Particulars	31st March, 2018	31st March, 2017
Trade receivables		
USD	128,146.44	38,304
₹ in lakh	83.52	24.84
CHF	2,532.00	-
₹ in lakh	1.73	-
SGD	3,442.70	-
₹ in lakh	1.72	-
Trade Payables		
USD	21,899.87	-
₹ in lakh	14.27	-

30 Operating Segments

a. The Company is engaged in only one segment i.e. “Media Operations” and hence there is no separate reportable segment as per Ind AS 108 ‘Operating Segments’.

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

c. One customer represents 10% or more of Company’s total revenue during the current year.

31 The Scheme for Merger by Absorption (the ‘Scheme’) for merger of Digital18 Media Limited, Capital18 Fincap Private Limited, RVT Finhold Private Limited, RRK Finhold Private Limited, RRB Investments Private Limited, Setpro18 Distribution Limited, Reed Infomedia India Private Limited, Web18 Software Services Limited, Television Eighteen Media and Investments Limited, Television Eighteen Mauritius Limited, Web18 Holdings Limited, E18 Limited and Network18 Holdings Limited in to Network18 Media & Investments Limited (‘Transferee Company’) with appointed date as 1st April, 2016, has been filed with National Company Law Tribunal, Mumbai Bench, for approval. The Transferee Company has decided to continue Colosceum Media Private Limited, a wholly owned subsidiary of the Transferee Company and the Scheme was filed accordingly.

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

As per our Report of even date
For Mohan L Jain & Co.
Chartered Accountants
Firm Registration No. 005345N

Ankush Jain
Partner
Membership No. 540194

Place: New Delhi
Date: 18th April, 2018

For and on behalf of the Board of Directors

Ratnesh Rukhariyar
Director
DIN: 00004615

Deepak Gupta
Director
DIN: 07520015

Place: Noida
Date: 18th April, 2018