PANORAMA TELEVISION PRIVATE LIMITED

Independent Auditor's Report

TO THE MEMBERS OF PANORAMA TELEVISION PRIVATE LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **PANORAMA TELEVISION 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 Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the

Company as at 31st March, 2018, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
   e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements, as referred to in the Note 26 to the Ind AS financial statements.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

D. Vijaya Kumar
Partner
(Membership No. 051961)

Place: Hyderabad
Dated: April 19, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **PANORAMA TELEVISION PRIVATE LIMITED** ("the Company") as of 31st March, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 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 A.K. Sabat & Co.
Chartered Accountants
(Firm's Registration No.321012E)

D. Vijaya Kumar
Partner
(Membership No. 051961)

Place: Hyderabad
Dated: April 19, 2018

Annexure B to the Independent Auditors' Report

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

As per the information and explanations given by the Company and the books and records examined in the course of audit and to the best of our knowledge and belief, we state that:

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) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. The Company is in the process of reconciling the assets verified with its book records and does not expect any material discrepancies.

  c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.

ii. In respect of its Inventories:

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

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

iv. The Company has not granted loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.

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

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

vii. In respect of statutory dues:

  a) Undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues, where applicable, have been generally regularly deposited with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2018 for a period of more than six months from the date of becoming payable.

b) Details of dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax, where applicable, which have not been deposited as on 31st March, 2018 on account of disputes are given below:

Name of the Statute	Nature of Dues	Amount (in Rupees)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2,95,84,970	Assessment year 2014-15	CIT (A)
Income Tax Act, 1961	Income Tax	3,32,55,330	Assessment year 2015-16	CIT (A)
Finance Act, 1994	Service Tax	2,53,74,887	April 2003 to March 2012	CESTAT

viii. In our opinion, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company does not have dues to financial institutions and government and has not issued debentures.

ix. In our opinion, monies raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised monies by way of initial public offer or further public offer, including debt instruments.

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

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

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

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

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

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

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

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

D. Vijaya Kumar
Partner
(Membership No. 051961)

Place: Hyderabad
Dated: April 19, 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**	**9,674.58**	11,469.66
Intangible assets	**1**	**518.58**	705.18
Financial Assets			
Other financial assets	**2**	**773.66**	522.15
Deferred tax assets (net)	**3**	**273.39**	273.39
Other non-current assets	**4**	**1,936.15**	1,451.77
Total Non-current Assets		**13,176.36**	**14,422.15**
Current assets			
Financial Assets			
Trade receivables	**5**	**6,687.21**	6,528.70
Cash and cash equivalents	**6**	**161.88**	172.77
Other financial assets	**7**	**102.39**	225.10
Other current assets	**8**	**1,534.02**	1,512.49
Total Current Assets		**8,485.50**	**8,439.06**
Total Assets		**21,661.86**	**22,861.21**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	**9**	**2,495.96**	2,495.96
Other Equity	**10**	**(20,012.56)**	(3,616.23)
Total Equity		**(17,516.60)**	**(1,120.27)**
Non-current liabilities			
Provisions	**11**	**1,490.90**	1,308.50
Total Non-current Liabilties		**1,490.90**	**1,308.50**
Current liabilities			
Financial Liabilities			
Borrowings	**12**	**26,850.64**	12,341.68
Trade Payables	**13**	**8,272.31**	8,113.15
Other financial liabilities	**14**	**1,283.36**	617.51
Other current liabilities	**15**	**1,081.07**	1,405.22
Provisions	**16**	**200.18**	195.42
Total Current Liabilties		**37,687.56**	**22,672.98**
Total Liabilities		**39,178.46**	**23,981.48**
Total Equity and Liabilities		**21,661.86**	**22,861.21**

Significant Accounting Policies
See accompanying Notes to the Financial Statements 1 to 32

As per our Report of even date

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

D.Vijaya Kumar
Partner
Membership No. : 051961

Place: Hyderabad
Date: 19th April, 2018

For and on behalf of the Board of Directors

Hariharan Mahadevan
Director
DIN 07036483

Rohit Bansal
Director
DIN 02067348

N. Jagannath
Chief Financial Officer

Bindu Trivedi
Company Secretary

Mumbai
Date: 19th 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 Sale of Services		**24,413.78**	24,938.41
Less: Goods and Services Tax included in above		**2,920.28**	-
Revenue from operations	**17**	**21,493.50**	**24,938.41**
Other Income	**18**	**12.83**	159.82
Total Income		**21,506.33**	**25,098.23**
EXPENSES			
Employee benefits expense	**19**	**13,144.01**	12,258.05
Finance costs	**20**	**1,664.93**	1,035.41
Depreciation and amortisation expense		**2,306.57**	2,169.36
Marketing, distribution and promotional expense		**8,348.64**	7,326.94
Other expenses	**21**	**12,443.74**	13,242.85
Total Expenses		**37,907.89**	**36,032.61**
Profit before Tax		**(16,401.56)**	**(10,934.38)**
Tax expense:			
Current tax	**22**	**-**	267.21
Deferred tax	**22**	**-**	106.40
		-	**373.61**
Profit/ (Loss) for the year		**(16,401.56)**	**(11,307.99)**
Other Comprehensive Income			
Items that will not be reclassified to statement of profit or loss		**5.23**	**23.64**
Total Other Comprehensive Income		**5.23**	**23.64**
Total Comprehensive Income for the year		**(16,396.33)**	**(11,284.35)**
Earnings per equity share of face value of ₹ 10 each			
Basic (in ₹)	**24**	**(65.71)**	**(45.31)**
Diluted (in ₹)	**24**	**(65.71)**	**(45.31)**
Significant Accounting Policies			

See accompanying Notes to the Financial Statements 1 to 32

As per our Report of even date

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

D.Vijaya Kumar
Partner
Membership No. : 051961

Place: Hyderabad
Date: 19th April, 2018

For and on behalf of the Board of Directors

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Director
DIN 07036483

Rohit Bansal
Director
DIN 02067348

N. Jagannath
Chief Financial Officer

Bindu Trivedi
Company Secretary

Mumbai
Date: 19th 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
2,495.96	-	2,495.96	-	2,495.96

B. Other Equity **₹ in lakh**

		Reserves and Surplus				Other Comprehensive		
	Equity component of compound financial instruments	Capital Reserve	Securities premium	General reserve	Retained Earnings	Equity instruments through Other Comprehensive Income	Remeasurements of the defined benefit plans	Total
Balance at the beginning of 1st April, 2016	-	-	3,417.41	-	4,179.86	-	70.85	7,668.12
Total Comprehensive Income for the year					(11,307.99)	-	23.64	(11,284.35)
Transfer to retained earnings/ any other change	-							
Balance as at the end of 31st March, 2017	-	-	3,417.41	-	(7,128.13)	-	94.49	(3,616.23)
Balance at the begining of 1st April, 2017	-	-	3,417.41	-	(7,128.13)	-	94.49	(3,616.23)
Total Comprehensive Income for the year					(16,401.56)	-	5.23	(16,396.33)
Transfer to retained earnings/ any other change							0.00	-
Balance as at the end of 31st March, 2018	-	-	3,417.41	-	(23,529.69)	-	99.72	(20,012.56)

As per our Report of even date

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

D.Vijaya Kumar
Partner
Membership No. : 051961

Place: Hyderabad
Date: 19th April, 2018

For and on behalf of the Board of Directors

Hariharan Mahadevan
Director
DIN 07036483

Rohit Bansal
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DIN 02067348

N. Jagannath
Chief Financial Officer

Bindu Trivedi
Company Secretary

Mumbai
Date: 19th April, 2018

Cash Flow Statement for the year 31st March, 2018

₹ in lakh

			Year ended 31st March, 2018		Year ended 31st March, 2017
A:	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before tax as per Statement of Profit and Loss		**(16,401.56)**		(10,934.38)
	Adjusted for:				
	(Profit)/ loss on sale/ discarding of assets (net)	**0.32**		(0.75)	
	Provision for doubtful debts/ bad debts written off	**145.72**		334.16	
	Depreciation and amortisation expense	**2,306.57**		2,169.36	
	Effect of exchange rate change	**-**		22.42	
	Liabilities and Provisions written back	**-**		(139.80)	
	Amortisation of Lease rent	**15.67**		-	
	Interest income	**(0.03)**		-	
	Finance costs	**1,664.93**		1,035.41	
			4,133.18		3,420.80
	Operating profit before working capital changes		**(12,268.38)**		(7,513.58)
	Adjusted for:				
	Trade and other receivables	**(462.33)**		8,359.83	
	Inventories			242.43	
	Trade and other payables	**20.79**		2,679.74	
			(441.54)		11,282.00
	Cash generated from operations		**(12,709.92)**		3,768.42
	Taxes paid (net)		**(569.18)**		(542.64)
	Net cash from operating activities		**(13,279.10)**		3,225.78
B:	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Payment for Property, Plant and Equipment		**(226.13)**		(5,912.31)
	Proceeds from disposal of Property, Plant and Equipment		**0.46**		0.75
	Interest income		**0.03**		-
	Net cash used in investing activities		**(225.64)**		(5,911.56)
C:	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Short term borrowings (net)		**14,508.96**		3,486.66
	Interest paid		**(1,015.11)**		(1,199.67)
	Net cash used in financing activities		**13,493.85**		2,286.99
	Net increase / (decrease) in cash and cash equivalents		**(10.89)**		(398.79)
	Opening balance of cash and cash equivalents		**172.77**		571.56
	Closing balance of cash and cash equivalents (Refer Note "6")		**161.88**		172.77

As per our Report of even date

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

D.Vijaya Kumar
Partner
Membership No. : 051961

Place: Hyderabad
Date: 19th April, 2018

For and on behalf of the Board of Directors

Hariharan Mahadevan
Director
DIN 07036483

Rohit Bansal
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DIN 02067348

N. Jagannath
Chief Financial Officer

Bindu Trivedi
Company Secretary

Mumbai
Date: 19th April, 2018

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

A CORPORATE INFORMATION

Panorama Television Private Limited, a Company registered in India on 09.07.1996 under the Companies Act, 1956, is in the business of program production and broadcast of satellite television channels in Hindi, Urdu and other regional languages predominantly to Indian viewers. News18 Rajasthan, News18 Bihar, News 18 MP, News18 UP, News 18 Urdu, News 18 Bangla, News 18 Kannada, News 18 Punjab/Haryana/HP, News18 Gujarathi, News 18 Odia, News18 Assam /North East, News18 Tamil and News18 Kerala are the channels owned and broadcast by the Company. The channels are distributed through cable operators, direct to home (DTH) and other service providers.

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

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

B.2 Summary Of Significant Accounting Policies

(a) Property, plant and equipment:

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 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 is amortised over its estimated useful life of 5 years or period of acquisition whichever is earlier.

(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.

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

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

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

An impairment loss is recognized in the Statement of 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.

(f) Provisions and Contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) 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.

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

(g) Employee Benefits

Short Term Employee Benefits

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

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 present value of the defined benefit obligation 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.

(h) Tax Expenses

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

i **Current tax**

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

ii **Deferred tax**

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

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

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

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

(i) Cash and cash equivalents

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

(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.

(k) Revenue recognition

Revenue from operations includes sale of services. Sale of services includes advertisement revenue and subscription revenue.

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

Interest income

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

Dividend income

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

(l) 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.

(ii) Financial Liabilities

A. Initial recognition and measurement:

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

B. Subsequent measurement:

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

(iii) Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

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.

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

1.0 Property, Plant and Equipment and intangible assets

₹ in lakh

Description		Gross Block			Depreciation/ Amortisation				Net Block	
	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:										
Leasehold Improvement	2,059.67	1.46	-	**2,061.13**	416.23	303.25	0.01	**719.4**	**1,341.66**	1,643.44
Plant and Machinery	6,252.08	84.38	-	**6,336.46**	1,372.71	611.00	-	**1,983.71**	**4,352.75**	4,879.37
Electrical installations	2,087.12	36.44	-	**2,123.56**	281.91	211.07	-	**492.98**	**1,630.58**	1,805.21
Office Equipment	4,263.47	112.19	1.35	**4,374.31**	1,453.27	885.37	0.56	**2,338.08**	**2,036.23**	2,810.20
Furniture and fixtures	384.81	24.86	-	**409.67**	69.24	40.43	-	**109.67**	**300.00**	315.57
Vehicles	46.95	-	10.02	**36.93**	31.08	2.51	10.02	**23.57**	**13.36**	15.87
Total	**15,094.10**	**259.33**	**11.37**	**15,342.06**	**3,624.44**	**2,053.63**	**10.59**	**5,667.48**	**9,674.58**	**11,469.66**
1.2 Intangible assets										
Software	1,001.50	66.34	-	**1,067.84**	296.32	252.94	-	**549.26**	**518.58**	**705.18**
Other Intangible Assets	1,203.37	-	-	**1,203.37**	1,203.37	-	-	**1,203.37**	**-**	**-**
Total	**2,204.87**	**66.34**	**-**	**2,271.21**	**1,499.69**	**252.94**	**-**	**1,752.63**	**518.58**	**705.18**
Grand Total	**17,298.97**	**325.67**	**11.37**	**17,613.27**	**5,124.13**	**2,306.57**	**10.59**	**7,420.11**	**10,193.16**	**12,174.84**
Previous year	**18,918.18**	**5,898.04**	**7,517.24**	**17,298.98**	**10,453.29**	**(2,169.36)**	**7,498.51**	**5,124.13**	**12,174.84**	**8,464.89**

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

₹ in lakh

		As at 31st March, 2018	As at 31st March, 2017
2	**Other financial assets**		
	Security deposits		
	Unsecured, considered good	**773.66**	522.15
		773.66	**522.15**
3	**Deferred tax assets (net)**		
	Deferred Tax Assets (net)	**273.39**	**273.39**
	Total	**2 73.39**	**2 73.39**

3.1 The Company has not recognised during the year deferred tax assets (net) amounting to ₹ 170.98 lakh arising out of tangible and intangible assets, financials assets, unabsorbed depreciation, brought forward tax losses and other items due to non-existence of probability of taxable income against which the assets can be realised. The same shall be reassessed at subsequent balance sheet date.

3.2	The movement on the deferred tax account is as follows:		
	At the beginning of the year	**273.39**	429.79
	Charge/ (credit) to profit or loss	-	(106.40)
	Charge/ (credit) to Other Comprehensive Income		(50.00)
	At the end of the year	**273.39**	**2 73.39**
4	**Other non-current assets**		
	Capital Advances	**15.16**	98.67
	Advance Income Tax (Net of allowance) (Refer Note 22)	**1,818.55**	1,249.37
	Others		
	Prepaid Expenses	**102.44**	103.73
	Total	**1,936.15**	**1,451.77**
5	**Trade receivables**		
	Unsecured, considered good	**6,687.21**	6,528.70
	Unsecured, considered doubtful	**93.66**	185.05
		6,780.87	**6,713.75**
	Less: Allowance for doubtful receivables	**93.66**	185.05
	Total	**6,687.21**	**6,528.70**
6	**Cash and cash equivalents**		
	Cash on hand	**0.01**	0.19
	Balances with bank		
	In current accounts	**161.87**	172.58
	Total	**161.88**	**172.77**
7	**Other financial assets - current**		
	Security deposits	**102.39**	225.10
	Total	**102.39**	**225.10**
8	**Other current assets**		
	(Unsecured)		
	Advances to vendor - considered good	**45.58**	189.36
	Prepaid expenses	**429.94**	857.83
	Balance with Service Tax / Sales Tax / GST Authorities etc.	**1,016.62**	402.44
	Others - considered good	**41.88**	62.86
	Total	**1,534.02**	**1,512.49**

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

9 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	**2,50,00,000**	**2,500.00**	**2,50,00,000**	**2,500.00**
(b)	**Issued, Subscribed and fully paid up Equity Shares of Rs. 10 each**				
	(i) Issued	**2,49,59,608**	**2,495.96**	**2,49,59,608**	**2,495.96**
	(ii) Subscribed and fully paid up	**2,49,59,608**	**2,495.96**	**2,49,59,608**	**2,495.96**
	TOTAL	**2,49,59,608**	**2,495.96**	**2,49,59,608**	**2,495.96**

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

9.2 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**
Equator Trading Enterprises Private Limited (Holding Company)	**2,49,59,608**	**100.00%**	**2,49,59,608**	**100.00%**

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

9.3 Details of shares held by holding company:

	Particulars	31st March, 2018		31st March, 2017	
		Number of Shares	**₹ in lakh**	**Number of Shares**	**₹ in lakh**
1	Equator Trading Enterprises Private Limited (Holding Company) * including shares jointly held by its nominees	**2,49,59,608**	**2,495.96**	**2,49,59,608**	2,495.96
		2,49,59,608	**2,495.96**	**2,49,59,608**	**2,495.96**

9.4 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	**% Holding**	**Number of Shares**	**% Holding**
Equity Shares opening balance	2,49,59,608	2,495.96	2,49,59,608	2,495.96
Add : Shares issued during the year	-	-	-	-
Equity Shares closing balance	2,49,59,608	2,495.96	2,49,59,608	2,495.96

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

			As at 31st March, 2018	₹ in lakh As at 31st March, 2017
10	**Other Equity**			
a	**Reserves and Surplus**			
	i	**Securities premium account**		
		Opening balance	**3,417.41**	3,417.41
		Add: Received during the year	**-**	-
		Less: Written back to the Statement of Profit and Loss during the year	-	-
			3,417.41	**3,417.41**
	ii	**Retained Earnings**		
		Opening balance as per last Balance Sheet	**(7,128.13)**	4,179.86
		Add: Profit / (Loss) for the year	**(16,401.56)**	(11,307.99)
			(23,529.69)	**(7,128.13)**
	iii	**Other Comprehensive Income**		
		Opening balance	**94.49**	70.85
		Add: Additions during the year	**5.23**	23.64
			99.72	**94.49**
	Total of Other Equity		**(20,012.56)**	**(3,616.23)**

		As at 31st March, 2018	₹ in lakh As at 31st March, 2017
11	**Provisions - non-current**		
	Provision for employee benefits (Refer Note 19.1)		
	Provision for compensated absences	**762.34**	757.70
	Provision for gratuity	**728.56**	550.80
	Total	**1,490.90**	1,308.50
12	**Borrowings - current**		
	Working capital loans		
	Cash Credit / Overdraft from Bank		
	Unsecured	**3,750.64**	3,616.68
	Unsecured		
	Loans and advances from related parties	**23,100.00**	8,725.00
	Total	**26,850.64**	**12,341.68**
13	**Trade payables**		
	Micro, Small and Medium Enterprises	**-**	-
	Others	**8,272.31**	8,113.15
	Total	**8,272.31**	**8,113.15**

Based on the information available with the Company, the balance due to Micro & Small Enterprises as defined under the Micro, Small and Medium enterprises Development (MSMED) Act, 2006 is ? Nil (Previous year ? Nil) under the terms of the MSMED Act, 2006. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information provided by the parties.

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

		As at 31st March, 2018	₹ in lakh As at 31st March, 2017
14	**Other financial liabilities - current**		
	Interest accrued on borrowings	**1,248.36**	598.54
	Creditors for Capital Expenditure	**35.00**	18.97
	Total	**1,283.36**	617.51
15	**Other Current Liabilities**		
	Other payables		
	Statutory dues	**542.83**	814.51
	Advances from customers	**-**	447.62
	Others	**538.24**	143.09
	Total	**1,081.07**	1,405.22
16	**Provisions - current**		
	Provision for employee benefits (Refer Note 19.1)		
	Provision for compensated absences	**200.18**	195.42
	Provision for gratuity	**-**	-
	Total	**200.18**	195.42

		Year ended 31st March, 2018	₹ in lakh Year ended 31st March, 2017
17	**Revenue from Operations**		
	Sale of services	**21,487.83**	24,922.52
	Other operating revenues	**5.67**	15.89
	Total	**21,493.50**	**24,938.41**
18	**Other Income**		
	Interest income		
	Deposit accounts with banks	**0.03**	1.78
	Others	**11.42**	-
		11.45	**1.78**
	Write back of earlier year’s expense provisions	**-**	139.80
	Miscellaneous Income	**1.38**	18.24
	Total	**12.83**	**159.82**
19	**Employee Benefits Expense**		
	Salaries and wages	**11,837.61**	11,107.52
	Contribution to provident and other funds	**692.85**	623.34
	Gratuity expense (Refer Note 19.2)	**182.99**	170.96
	Staff welfare expenses	**430.56**	356.23
	Total	**13,144.01**	**12,258.05**

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

19.1 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 period 2017-18	For the year 2016-17
Employer's Contribution to Provident Fund	247	225
Employer's Contribution to Pension Fund	319	290
Employer's Contribution to Employees State Insurance	95	70

19.2 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	964	900
Current Service Cost	141	135
Interest Cost	73	72
Actuarial (gain)/ loss	(21)	(62)
Benefits paid	(186)	(80)
Defined Benefit obligation at year end	**972**	**964**

ii) Reconciliation of opening and closing balances of fair value of Plan Assets:

₹ in lakh

Particulars	Gratuity	
	2017-18	2016-17
Fair value of plan assets at beginning of the year	413.66	446.70
Expected return on plan assets	31.19	35.74
Actuarial Gain/ (Loss)	(15.82)	11.27
Employer contribution	-	-
Benefits paid	(186.08)	(80.05)
Fair value of plan assets at year end	242.95	413.66
Actual return on plan assets	15.37	47.01

iii) Reconciliation of fair value Assets and Obligations :

₹ in lakh

Particulars	Gratuity	
	As at 31st March, 2018	As at 31st March, 2017
Fair value of assets	242.95	413.66
Present value of obligation	971.52	964.47
Net assets/ (liabilities) recognosed in balance sheet	**(728.57)**	**(550.81)**

iv) Expenses recognised during the year:

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

₹ in lakh

Particulars	Gratuity 2017-18	Gratuity 2016-17
Current Service Cost	141.46	134.69
Interest Cost	72.72	72.02
Expected return on Plan assets	(31.19)	(35.74)
Actuarial (gain) / loss	5.23	73.65
Net Cost	**188.22**	**244.62**
In Other Comprehensive Income (OCI)		
Actuarial gain / (loss) for the year on defined benefit obligation	21.05	62.38
Actuarial gain / (loss) for the year on plan assets	(15.82)	11.27
Net expense/ income for the year recognised in OCI	**5.23**	**73.65**

v) Investment Details:

Particulars	**As at 31st March, 2018 % invested**	**As at 31st March, 2017 % invested**
Funds managed by Insurer	100	100

vi) Actuarial assumptions:

Particulars	**Gratuity**	
	-	-
Mortality Table	IALM (06-08)	IALM (06-08)
Discount rate (per annum)	7.70%	7.54%
Expected rate of return on plan assets (per annum)	9.00%	9.00%
Rate of escalation in salary (per annum)	8.00%	8.00%

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.

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

viii) Sensitivity Analysis

	Particulars	Gratuity 2017-18	Gratuity 2016-17
a)	Impact of the change in discount rate		
	Present value of obligation at the end of the period	971.52	964.47
	i) Impact due to increase of 0.50%	(23.02)	(20.37)
	ii) Impact due to decrease of 0.50%	21.98	21.27
b)	Impact of the change in salary increase		
	Present value of obligation at the end of the period	971.52	964.47
	i) Impact due to increase of 0.50%	21.81	21.08
	ii) Impact due to decrease of 0.50%	(21.07)	(20.38)

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

(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.

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

		Year ended 31st March, 2018	₹ in lakh Year ended 31st March, 2017
20	**Finance Costs**		
	Interest cost	1,664.93	1,035.41
	Total	**1,664.93**	1,035.41
21	**Other Expenses**		
	Telecast and uplinking fees	1,425.77	1,597.40
	Royalty expenses	149.35	216.66
	Content expenses	1,662.29	2,195.44
	Other production expenses	2,182.81	2,509.88
	Repairs to building	142.81	455.10
	Repairs to machinery	307.27	264.97
	Other repairs	84.05	148.17
	Electricity expenses	718.62	644.70
	Insurance	30.60	20.29
	Travelling and conveyance expenses	1,752.00	1,881.21
	Professional and Legal fees (Refer note 21.1)	250.98	101.66
	Directors sitting fees	3.65	2.15
	Rent	1,416.52	1,149.62
	Rates and taxes	49.87	168.32
	(Profit)/ Loss on sale/ discarding of assets (net)	0.32	(0.75)
	Net foreign exchange loss/ (gain)	4.17	22.42
	Charity and donation	-	146.26
	Bad debts and allowance for doubtful trade receivable	145.72	334.16
	Other establishment expenses	2,116.94	1,385.19
	Total	**12,443.74**	**13,242.85**
21.1	**Payment to Auditors :**		
	(a) Statutory Audit Fees	10.00	10.00
	(a) Limited Review Fees	7.50	7.00
	(c) Certification and Consultation Fees	-	2.00
	Total	**17.50**	**19.00**

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

₹ in lakh

		Year ended 31st March, 2018	Year ended 31st March, 2017
22	**Taxation**		
	a) Income tax recognised in Statement of Profit and Loss		
	Current tax	-	267.21
	Deferred tax	-	106.40
	Total income tax expenses recognised in the current year	-	373.61
	The income tax expenses for the year can be reconciled to the accounting profit as follows:		
	Loss before tax	(16,401.56)	(10,934.38)
	Applicable Tax Rate	34.608%	34.608%
	Computed Tax Expense	-	267.21
	Current Tax Provision (A)	**-**	**267.21**
	Incremental Deferred Tax Liability on account of Tangible and Intangible Assets	-	186.60
	Incremental Deferred Tax Asset on account of Financial Assets and Other Items	-	(80.20)
	Deferred Tax Provision (B)	**-**	**106.40**
	Tax expenses recognised in Statement of Profit and Loss (A+B)	**-**	**373.61**
	Effective Tax Rate	0.00%	-3.42%

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)		
	At start of year	1,249.37	923.93
	Charge for the year	-	(267.20)
	Over/ short provision for earlier years	-	96.78
	Tax paid during the year	569.18	495.86
	At end of the year	1,818.55	1,249.37

23 Corporate Social Responsibility (CSR)

(a) CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereto by the company during the year is Nil (Previous Year 146.26 lakh)

(b) Expenditure related to Corporate Social Responsibility is Nil lakh (Previous Year 146.26 lakh). Details of amount spent in cash/ cheque/ transfer towards CSR as follows:

₹ in lakh

Particulars	**2017-18**	**2016-17**
Sports for Development	-	146.26
Total	-	**146.26**

	24 Earning 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)	(16,401.56)	(11,307.99)
ii)	Weighted average number of equity shares used as denominator for calculating basic EPS	2,49,59,608	2,49,59,608
iii)	Weighted average number of equity shares used as denominator for calculating diluted EPS	2,49,59,608	2,49,59,608
iv)	Basic Earnings per Share (?)	(65.71)	(45.31)
v)	Diluted Earnings per Share (?)	(65.71)	(45.31)
vi)	Face Value per Equity Share (?)	10.00	10.00

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

25 Related Parties Disclosure

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

a) List of related Party where control exist and related parties with whome transactions have taken place and relationships :

S.N.	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	Equator Trading Enterprises Private Limited	
11	TV18 Broadcast Limited	
12	Network18 Media & Investments Limited	
13	Reliance Industries Limited (RIL)	Beneficiary/Protector of Independent Media Trust
14	Reliance Industrial Investments and Holdings Limited	
15	Prism TV Private Limited (Joint Venture w.e.f 01.08.2015, merged with Viacom18 Media Private Limited w.e.f 01.09.2016)@	Joint Ventures of Enterprises exercising control
16	Eenadu Television Private Limited	Associate of entities exercising control
17	Reliance Retail Limited#	Fellow Subsidiaries - Reliance Group
18	AETN18 Media Private Limited	Fellow Subsidiaries
19	Viacom18 Media Private Limited**	
20	IndiaCast Media Distribution Private Limited**	
21	IndiaCast UK Limited**	
22	TV18 Home Shopping Network Limited	
23	Dolphin Hotels Limited (upto 18.09.2015)	Entities under significant influence of KMP
24	Margadarsi Computers (upto 18.09.2015)	
25	Ushakiron Properties (upto 18.09.2015)	
26	Colorama Printers Private Limited (upto 18.09.2015)	
27	Usha Kiron Movies Limited (upto 18.09.2015)	

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

\# Subsidiary of RIL, the sole beneficiary of Independent Media Trust.

@ As per Companies Act, 2013, a subsidiary company.

** Viacom18 and Indiacast becomes subsidiaries from 28th Feb 2018. However upto 27th February these were Joint Ventures

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

Related Parties have been identified by the management.

₹ in lakh

b) i) Transactions with Related Parties during the period ended 31st March,2018:

Transactions	Enterprises Exercising	Associate of Control Entities Exercising Control	Fellow Subsidiaries	Joint Ventures of Enterprises Exercising Control	Jointly Controlled Entities of Enterprise Exercising Control
a) Revenue from Operations:					
TV18 Broadcast Limited	3,523.98	-	-	-	-
	(2,836.58)	-	-	-	-
IndiaCast Media Distribution Pvt. Ltd.	-	-	15.93	75.13	-
	-	-	-	(66.04)	-
IndiaCast UK Limited	-	-	68.24	-	186.82
	-	-	-	-	(190.94)
Viacom18 Media Pvt. Ltd.	-	-	-	3.60	-
	-	-	-	(5.71)	-
AETN 18 Media Private Limited	-	-	39.58	-	-
	-	-	(3.24)	-	-
b) Other Income:					
Eenadu Television Private Limited	-	5.67	-	-	-
(News Subscription Charges-PTI)	-	(10.39)	-	-	-
c) Interest Expenses:					
TV18 Broadcast Limited	1,248.36	-	-	-	-
	(665.04)	-	-	-	-
d) Expenditure for Services Received:					
TV18 Broadcast Limited	583.25	-	-	-	-
	(620.73)	-	-	-	-
Eenadu Television Private Limited	-	149.35	-	-	-
	-	(216.15)	-	-	-
Reliance Retail Limited	-	-	0.43	-	-
	-	-	(0.85)	-	-
IndiaCast Media Distribution Pvt. Ltd.	-	-	3,771.17	2,508.05	-
	-	-	-	(4,850.04)	-
IBN Lokmat News Private Limited	-	-	-	0.15	-
	-	-	-	-	-
Reliance Jio Infocomm Limited	-	-	8.53	-	-
	-	-	-	-	-
Reliance Corporate IT Park Ltd	-	-	6.00	-	-
	-	-	(0.00)	-	-
e) Reimbursement of Expenses (Paid)					
TV18 Broadcast Limited	0.18	-	-	-	-
	(0.00)	-	-	-	-
Eenadu Television Private Limited	-	545.61	-	-	-
	-	(455.53)	-	-	-
Network18 Media & Investments Limited	-	-	-	-	-
	(6.08)	-	-	-	-
f) Reimbursement of Expenses (Received)					
Network18 Media & Investments Limited	0.18	-	-	-	-
	(0.00)	-	-	-	-
Eenadu Television Private Limited	-	0.55	-	-	-
	-	(0.00)	-	-	-
TV18 Broadcast Limited	1.26	-	-	-	-
	(0.79)	-	-	-	-

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

₹ in lakh

b) i) Transactions with Related Parties during the period ended 31st March,2018:

	Transactions	Enterprises Exercising	Associate of Control Entities Exercising Control	Fellow Subsidiaries	Joint Ventures of Enterprises Exercising Control	Jointly Controlled Entities of Enterprise Exercising Control
g)	**Short Term Borrowings-Received:**					
	TV18 Broadcast Limited	14,375.00	-	-	-	-
		(4,285.00)	-	-	-	-
h)	**Short Term Borrowings-Repaid:**					
	TV18 Broadcast Limited	-	-	-	-	-
		(3,620.00)	-	-	-	-
i)	**Assets Purchased:**					
	Reliance Retail Limited	-	-	1.02	-	-
		-	-	(86.64)	-	-
a)	**Trade payable:**					
	TV18 Broadcast Limited	398.13	-	-	-	-
		(455.48)	-	-	-	-
	Eenadu Television Private Limited	-	180.82	-	-	-
		-	(185.16)	-	-	-
	Viacom18 Media Pvt. Ltd.	-	-	-	-	-
		-	-	-	(4.45)	-
	Network18 Media & Investments Limited	-	-	-	-	-
		(12.39)	-	-	-	-
	IndiaCast Media Distribution Pvt. Ltd.	-	-	5,575.77	-	-
		-	-	-	-	(4,769.52)
	Reliance Corporate IT Park Ltd	-	-	6.48	-	-
		-	-	-	-	-
b)	**Trade Receivable**					
	Network18 Media & Investments Limited	0.21	-	-	-	-
		-	-	-	-	
	TV18 Broadcast Limited	481.84	-	-	-	-
		(134.07)	-	-	-	-
	IndiaCast Media Distribution Pvt. Ltd.	-	-	48.40	-	-
		-	-	(31.69)	-	
	IndiaCast UK Ltd.	-	-	68.24	-	-
		-	-	-	-	(170.61)
	Viacom18 Media Pvt. Ltd.	-	-	-	-	-
		-	-	-	(1.38)	-
	AETN 18 Media Private Limited	-	-	-	-	-
		-	-	(2.94)	-	-
c)	**Short-Term Borrowings:**					
	TV18 Broadcast Limited	23,100.00	-	-	-	-
		(8,725.00)	-	-	-	-
d)	**Other Current Liabilities:**					
	TV18 Broadcast Limited: (Interest accrued but not due on borrowings)	1,248.36	-	-	-	-
		(598.54)	-	-	-	-
e)	**Accrued Income:**					
	IndiaCast UK Ltd.	-	-	-	-	-
		-	-	-	-	(7.31)

Figures as at 31.03.2017 represented by bracket

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

		2017-18	2016-17
			₹ in lakh
		2017-18	**2016-17**
26	**Contingent Liabilities and commitments**		
(I)	**Contingent Liabilities**		
	(A) Claim against the Company/ disputed liabilities not acknowledged as debt		
	in respect of Legal matters	56.00	56.77
	in respect of Income Tax matters	628.40	1725.67
	in respect of Service Tax matters	253.75	253.75
(II)	**Commitments**		
	(A) Estimated amount of contracts remaining to be executed on capital account and not provided for	112.95	134.51

27 Obligation on long term, non cancellable operating lease

The Company has taken various residential/ commercial premises under cancellable/ non-cancellable operating leases. There are no sub leases or restrictions imposed by lease arrangements. The cancellable lease agreements are normally renewed on expiry. Operating lease charges amounting to ? 1416.52 lakh (Previous year ? 1149.62 lakh) have been debited to the Statement of Profit and Loss during the year. The details of future minimum lease payments under non-cancellable leases are as under:

₹ in lakh

Particulars	**31st March, 2018**	**31st March, 2017**
Not later than one year	1222.24	999.04
Later than one year but not later than five years	3498.51	2981.02
Payable later than five years	1015.27	1492.79
Total	**5736.02**	**5472.85**

The operating leases mainly relates to office premises with lease terms of between 2 to 10 years. Most of the operating lease contract contains market review clauses for rate escalation.

28 Foreign exchange exposure/ currency risk

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

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

Particulars	**31st March, 2018**	**31st March, 2017**
Trade payable		
USD	70,850.42	0.00
₹ in lakh	46.08	0.00
Trade receivable		
USD	93,981.61	2,54,116.00
₹ in lakh	61.13	165.28
CAD	18,424.44	13,275.00
₹ in lakh	9.28	6.69

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

29 Capital and Financial Risk Management

29.1 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 monitors Capital using a gearing ratio.

The capital structure of the Company consists of debt, cash and cash equivalent and equity.

Gearing ratio

The gearing ratio at end of the reporting period was as follows.

₹ in lakh

		31st March, 2018	**31st March, 2017**
Gross Debt (Refer Note 13)		26,850.64	12,341.68
Less: Cash and cash equivalent	(Refer Note 6)	161.88	172.77
Net debts	(A)	26,688.76	12,168.91
Equity (Refer Note 10 & 11)	(B)	(17,516.60)	(1,120.27)
Net Gearing	(A)/ (B)	(1.52)	(10.86)

29.2 Financial Risk Management

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

(a) Credit risk

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

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

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

(b) Liquidity Risk

The Company closely monitors its risk of shortage of funds. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of term loans, commercial papers and cash credit/ overdrafts from banks. The Company assessed the concentration of risk with respect to its debt as low. As at reporting date, the Company does not have any term loan and all other financial liabilities of the Company are short term. Further, the Company believes that carrying value of all of its financial liabilities including debt approximates its fair value.

30 Segment Reporting

The Company's operations fall within a single business segment "Production of program and broadcasting satellite television" and single geographical segment and therefore segment information as required under Ind AS-108 is not applicable.

31 The Scheme for Merger by Absorption (the 'Scheme') for merger of Equator Trading Enterprises Private Limited, Panorama Television Private Limited, RVT Media Private Limited and ibn18 (Mauritius) Limited into TV18 Broadcast Limited with appointed date as 1st April, 2016, has been filed with National Company Law Tribunal, Mumbai Bench, for approval.

32 The financial statements were approved for issue by the Board of Directors on 19th April, 2018.

As per our Report of even date

For A.K.Sabat & Co. Chartered Accountants **(Firm Registration No.321012E)**	**For and on behalf of the Board of Directors**	
D.Vijaya Kumar Partner **Membership No. : 051961**	**Hariharan Mahadevan** Director DIN 07036483 **N. Jagannath** Chief Financial Officer	**Rohit Bansal** Director DIN 02067348 **Bindu Trivedi** Company Secretary
Place: Hyderabad Date: 19th April, 2018	Mumbai Date: 19th April, 2018	