

Panorama Television Private Limited

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PANORAMA TELEVISION PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of PANORAMA TELEVISION PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement 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 financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards prescribed under Section 133 of the Act, as applicable.

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.

Auditors' 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 there under and the Order under section 143 (11) of the Act.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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- 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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 An. 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 24 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
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
(Registration No. 321012E)

D. Vijaya Kumar
Partner
(Membership No. 051961)

Hyderabad, April 14, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

We have audited the internal financial controls over financial reporting of **PANORAMA TELEVISION PRIVATE LIMITED** (“the Company”) as of March 31, 2016 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.

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 March 31, 2016, 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
(Registration No. 321012E)

D. Vijaya Kumar
Partner
(Membership No. 051961)

Hyderabad, April 14, 2016

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)

In terms of the information and explanations sought by us and given by the Company and the books and records examined by us in the normal 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 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. Therefore, the provisions of Clause (v) of paragraph 3 of the CARO 2016 are not applicable to the Company.
- 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 March 31, 2016 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 March 31, 2016 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	4,87,00,770	Assessment year 2012-13	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.

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- 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 is a private company 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 him 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 45-1 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)

Hyderabad, April 14, 2016

Balance Sheet as at March 31, 2016

	Note	As at March 31, 2016	(Amount in Rupees) As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	3	249,596,080	249,596,080
Reserves and surplus	4	766,922,225	1,014,269,396
		<u>1,016,518,305</u>	<u>1,263,865,476</u>
Non-current liabilities			
Long-term provisions	5	113,832,414	67,413,065
Current liabilities			
Short-term borrowings	6	885,502,336	250,000,000
Trade payables	7	576,896,860	513,861,098
Other current liabilities	8	223,121,055	120,551,932
Short-term provisions	9	16,458,094	29,088,628
		<u>1,701,978,345</u>	<u>913,501,658</u>
TOTAL		<u>2,832,329,065</u>	<u>2,244,780,199</u>
ASSETS			
Non-current assets			
Fixed assets	10		
– Tangible assets		784,631,404	410,367,495
– Intangible assets		59,980,742	23,450,410
– Capital work-in-progress		1,876,692	4,965,155
Deferred tax assets (net)	11	42,979,267	58,757,252
Long-term loans and advances	12	70,991,572	155,086,650
		<u>960,459,677</u>	<u>652,626,962</u>
Current assets			
Inventories	13	24,243,020	4,339,296
Trade receivables	14	1,114,132,631	814,573,301
Cash and bank balances	15	57,155,917	175,789,035
Short-term loans and advances	16	676,337,821	594,057,144
Other current assets	17	-	3,394,461
		<u>1,871,869,389</u>	<u>1,592,153,237</u>
TOTAL		<u>2,832,329,065</u>	<u>2,244,780,199</u>

See accompanying Notes 1-36 forming part of the financial statements

In terms of our Report attached

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

D.Vijaya Kumar
Partner
Membership No. : 051961

Hyderabad, Dated 14-04-2016

For and on behalf of the Board of Directors

Hariharan Mahadevan **Rohit Bansal**
Director Director
DIN: 07036483 DIN:02067348

Bindu Trivedi **N. Jagannath**
Company Secretary Chief Financial Officer

Mumbai, Dated 14-04-2016

Statement of Profit and Loss for the year ended March 31, 2016

		(Amount in Rupees)	
	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
Revenue			
Revenue from operations	18	2,372,342,505	1,799,853,514
Other income	19	45,055,333	74,271,797
TOTAL REVENUE		2,417,397,838	1,874,125,311
Expenses			
Employee benefits expense	20	917,111,621	619,903,989
Finance costs	21	67,665,498	16,995,782
Depreciation and amortisation expense	10	119,499,478	(2,258,965)
Other expenses	22	1,530,013,312	1,158,644,303
TOTAL EXPENSES		2,634,289,908	1,793,285,109
Profit before exceptional items and tax		(216,892,070)	80,840,202
Exceptional items	23	-	124,879,580
Profit/(Loss) before tax		(216,892,070)	(44,039,378)
Tax expense			
Current tax		-	-
Short provision for tax relating to prior years		14,677,108	-
Deferred tax		15,777,986	(33,318,944)
		30,455,094	(33,318,944)
Profit/(Loss) for the year		(247,347,164)	(10,720,434)
Earning per equity share (Face value of Rs.10 each)	25		
Basic (in Rs.)		(9.91)	(0.43)
Diluted (in Rs.)		(9.91)	(0.43)

See accompanying Notes 1-36 forming part of the financial statements

In terms of our Report attached

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

D.Vijaya Kumar
Partner
Membership No. : 051961

Hyderabad, Dated 14-04-2016

For and on behalf of the Board of Directors

Hariharan Mahadevan
Director
DIN: 07036483

Rohit Bansal
Director
DIN:02067348

Bindu Trivedi
Company Secretary

N. Jagannath
Chief Financial Officer

Mumbai, Dated 14-04-2016

Cash Flow Statement for the year ended March 31, 2016

	(Amounts in Rupees)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
A. Cash flow from operating activities		
Profit /(Loss) before tax	(216,892,070)	(44,039,378)
Adjustments for:		
Depreciation and amortisation expense	119,499,478	(2,258,965)
Profit on sale of fixed assets	(17,500)	(65,781)
Exgratia provision reversal	-	(40,440,238)
Liabilities no longer required written back	-	(1,955,269)
Provision for Bad and Doubtful debts (net)	11,720,062	10,952,868
Depreciation effect in expenses	-	2,258,965
Loss / (Profit) on foreign exchange differences	776,540	(212,977)
Finance cost	67,665,498	16,995,782
Interest income	(3,838,382)	(30,168,318)
Operating profit / (Loss) before working capital changes	(21,086,375)	45,427,542
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(19,903,724)	(118,278)
Trade receivables	(311,279,392)	(416,386,128)
Short-term loans and advances	(62,475,644)	(117,559,048)
Long-term loans and advances	(9,721,662)	(118,724,615)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	62,259,223	388,844,812
Other current liabilities	34,925,939	(399,884,762)
Short-term provisions	(12,630,534)	39,062,643
(Decrease)/Increase in Deferred Tax assets	-	(33,318,944)
Long-term provisions	46,419,349	43,930,376
Cash generated from operations	(293,492,820)	(568,726,403)
Net Income tax (paid)	(34,482,141)	(60,053,172)
Cash flow before exceptional items	(327,974,961)	(628,779,575)
Provision for Bad and doubtful debts	-	28,700,000
Fixed assets more than 5 years written off	-	96,179,580
Net cash (used in) operating activities	(327,974,961)	(638,260,848)

Cash Flow Statement for the year ended March 31, 2016 (Contd.)

B. Cash flows from investing activities

Capital expenditure on fixed assets, including capital advances	(525,328,564)	(329,689,649)
Capital work in progress	(1,876,692)	(4,965,158)
Capital advances	93,816,740	-
Proceeds from sale of fixed assets	17,500	85,513
Interest received	7,232,843	46,500,946
Net cash (used in) investing activities	(426,138,173)	(288,068,348)

C. Cash flows from financing activities

Proceeds from short term borrowings	635,502,336	250,000,000
Finance costs	(22,320)	(1,708,110)
Net cash flow from financing activities	635,480,016	248,291,892
Net decrease in cash and cash equivalents (A + B + C)	(118,633,118)	(678,037,305)
Cash and cash equivalents at the beginning of the year	175,789,035	853,826,340
Cash and cash equivalents at the end of the year	57,155,917	175,789,035

In terms of our Report attached

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

D.Vijaya Kumar
Partner
Membership No. : 051961

Hyderabad, Dated 14-04-2016

For and on behalf of the Board of Directors

Hariharan Mahadevan
Director
DIN: 07036483

Rohit Bansal
Director
DIN:02067348

Bindu Trivedi
Company Secretary

N. Jagannath
Chief Financial Officer

Mumbai, Dated 14-04-2016

Notes to the Financial Statements

1. Corporate Information

1.1 Background

Panorama Television Private Limited, a Company registered 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. ETV-News Rajasthan, ETV-News Bihar, ETV-News MP, ETV-News UP, ETV-Urdu, ETV-News Bangla, ETV-News Kannada, ETV-News Haryana/HP, ETV-News Gujarathi and ETV – News Odia are the channels owned and broadcast by the Company. ETV-News Odia was launched during the year. The channels are distributed through cable operators, direct to home (DTH) and other service providers.

1.2 Scheme of Arrangement

Under Honourable High Court of Andhra Pradesh approved and regulatory complied Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 business undertaking demerged from Ushodaya Enterprises Private Limited, comprising of ETV-Rajasthan, ETV-U.P., ETV-M.P., ETV-Bihar and ETV-Urdu vested with the Company. Accordingly, on February 29, 2012 with effect from April 1, 2010 as the appointed date, assets and liabilities of the demerged undertaking have been over at their respective book values on a going concern basis.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except to the extent disclosed.

B. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities and the reported amount of income and expenses during the year. Difference between the actual results and estimates are recognized in the period in which the results are known/materialise.

C. Fixed assets

(i) Tangible Assets

- a. Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its intended use.
- b. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- c. Projects under which are assets are not ready for their intended use are shown as Capital work-in-progress.

(ii) Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition.

D. Depreciation and amortization

(i) Tangible assets

- a. Depreciation has been provided on the useful life of its tangible assets as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Notes to the Financial Statements

b. Cost of leasehold improvements are depreciated over the remaining period of lease of the premises.

(ii) Intangible assets

a. Film telecast rights

Rights acquired for broadcast of feature films / program are stated at cost and are amortised over the period of agreement or up to ten years, whichever is earlier. Intangibles which were acquired under a purchase agreement are amortised on a Straight Line Basis over a period of ten years from the date of the acquisition.

b. Other intangibles

Other Intangibles which were acquired under an agreement are amortised on a straight line basis over a period of five years from the date of the agreement.

E. Impairment

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

F. Leases

i. Where the Company is the lessee

Leases where the lesser effectively retains substantially all the risks and benefits of ownership of the leased item is classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss.

ii. Where the Company is the lessor

Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

G. Inventories

(i) Trading materials, stores and spares and consumables

Trading materials, stores and spares and consumables are stated at the lower of cost and net realizable value. Cost is determined on first in first out (FIFO) basis.

(ii) Program costs

a. Programs purchased or produced in-house which are yet to telecast are carried at cost. Cost includes amount paid to the producers for programs purchased. Cost of programs produced in-house includes remuneration to artists, directors and technicians, location expenses and other production costs. Provision for impairment is made for episodes of programs not telecast for more than a year.

b. Programs purchased and the costs of programs produced in-house is expensed off based on number of episodes telecast during the period. Cost of news/current affairs/ one-time events are fully expensed off on first telecast.

H. Foreign currency transactions

i. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

ii. Monetary items denominated in foreign currencies at the year-end are restated at year end rates.

iii. Non-monetary foreign currency items are carried at cost.

iv. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

I. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Specifically, the following basis is adopted:

Notes to the Financial Statements

i. Advertising income

Advertising income is recognized when the related commercial or program is telecast on channels.

ii. Subscription income

Subscription income from pay channels represents subscription fees billed to cable operators and aggregators, direct to home (DTH) service providers towards pay-channels operated by the Company and are recognized in the period during which the service is provided. Subscription fee is determined based on management's best estimates of the number of subscribers to which the service is provided, at contractually agreed rates. Subscription Income from DTH customers is recognized in accordance with terms of agreements entered into with the service providers.

iii. Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

J. Employee benefits

i. Regular monthly contribution to Employees' Provident Fund Scheme which is in the nature of defined contribution plan is charged against revenue when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

ii. The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment.

The Company also makes contributions to funds administered and managed by the insurance companies for the amount notified by the said insurance companies.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit credit method, which recognizes each year of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation is based on the market yield on government securities as at the balance sheet date. Actuarial gains/losses are recognized immediately in the statement of profit and loss.

The Liability with respect to the Gratuity Plan is determined based on actuarial valuation done by an independent actuary at the year end and any differential between the fund amount as per the insurer and actuarial valuation is charged to the statement of profit and loss.

iii. Earned Leave encashment liability and sick Leave liability which are in the nature of defined benefit obligation are provided for on actuarial basis, based on independent actuarial valuation on Projected Unit Credit Method on the date of the financial statements as per the requirements of Accounting Standard-15 on "Employee Benefits".

Actuarial gains/losses are recognized immediately in the Statement of Profit and Loss.

K. Taxes on income

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses the unrecognized deferred tax assets. It recognizes the unrecognized deferred tax assets to the extent that it is reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Notes to the Financial Statements

L. Provisions, contingent liabilities and contingent assets

Provision recognised in the accounts when there is a present obligation as a result of past event(s), and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

M. Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

N. Earnings per share

'Basic' earnings per share is calculated by dividing the net profit or loss for the period attributable to the shareholders by the weighted average number of the equity shares outstanding at the year end.

'Diluted' earnings per share using the weighted average numbers of equity shares and dilutive potential equity shares outstanding at the year end, except when the result would be anti-dilutive.

O. Cash and cash equivalents (for purpose of Cash flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

P. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Q. Barter transactions:

Barter transactions are recognised at the fair value of consideration receivable or payable. When the fair value of the transactions cannot be measured reliably, the revenue/expense is measured at the fair value of the goods/services provided/received adjusted by the amount of cash or cash equivalent transferred.

Notes to the Financial Statements

		(Amount in Rupees)	
		As at March 31, 2016	As at March 31, 2015
3	Share capital		
	Authorised :		
	Equity shares 2,50,00,000 (previous year 2,50,00,000), of Rs.10 each	<u>250,000,000</u>	<u>250,000,000</u>
	Issued, Subscribed and Fully paid up:		
	Equity shares 2,49,59,608 (previous year 2,49,59,608), of Rs.10 each	<u>249,596,080</u>	<u>249,596,080</u>
A.	Reconciliation of number of shares outstanding at the beginning and at the end of the reporting year:		
		As at 31.03.2016	As at 31.03.2015
	Equity shares opening balance	Nos. <u>2,49,59,608</u>	2,49,59,608
	Issue of shares	Nos. -	-
	Equity shares closing balance	Nos. <u>2,49,59,608</u>	2,49,59,608
B.	Rights and restrictions attached to the equity shares:		
	The Company has only one class of equity share having par value 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 share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.		
C.	Details of shares held by the Holding company: Equator Trading Enterprises Private Limited - Nos. 2,49,59,608 amounting Rs.24,95,96,080 (Previous year Nos. 2,49,59,608 amounting Rs.24,95,96,080)		
D.	Details of Shareholders holding more than 5% of equity shares:		
		Nos.	% held
	Equator Trading Enterprises Private Limited (Holding Company)	<u>2,49,59,608</u>	<u>100%</u>
		Nos. 2,49,59,608	% held 100%
E.	Equity shares allotted as fully paid-up without payment being received in cash for the period of five years immediately preceding March 31,		
	Shares issued in the year 2010-11 as part of Scheme of Arrangement of Television of Ushodaya Enterprises Private Limited (UEPL) with the Company	Nos. <u>12,728</u>	Nos. 12,728
		As at March 31, 2016	As at March 31, 2015
4	Reserves and surplus		
	Securities premium account		
	At the beginning and at the end of the year	<u>341,741,485</u>	341,741,485
	Surplus in the Statement of Profit and Loss		
	At the beginning of the year	<u>672,527,904</u>	722,228,913
	Less : Loss for the year	<u>(247,347,164)</u>	(10,720,434)
	Less : Assets whose remaining life is nil (Refer Note10)	-	(38,980,568)
	At the end of the year	<u>425,180,740</u>	672,527,911
	TOTAL	<u><u>766,922,225</u></u>	<u><u>1,014,269,396</u></u>

Notes to the Financial Statements

		(Amount in Rupees)	
		As at March 31, 2016	As at March 31, 2015
5	Long-term provisions		
	Provision for employee benefits		
	Gratuity (Refer Note 28)	45,349,425	20,552,323
	Compensated absence	68,482,989	46,860,742
	TOTAL	113,832,414	67,413,065
6	Short-term borrowings		
	Unsecured-Loan from related parties (Refer Note 29)		
	(Loan carries simple interest at the rate of 12% per annum and is for a period of Twelve months with an option to repay prior to the maturity)	806,000,000	250,000,000
	Secured - Overdraft from Bank (Repayable on demand with 12 months Tenor secured by 25% margin on inventory and book debts)	79,502,336	-
	TOTAL	885,502,336	250,000,000
7	Trade Payables*	576,896,860	513,861,098
	* Includes amount due to related parties Rs.43,38,03,377 (Previous year Rs.42,12,10,242) - (Refer Note 29)		
	The amount outstanding to Micro, Small and Medium Enterprises based on the available information with the Company is Rs. Nil (Previous year Rs. Nil) and no interest during the year has been paid or payable under MSMED Act, 2006.		
8	Other current liabilities		
	Interest accrued and due on borrowings	15,287,672	-
	Interest accrued but not due on borrowings	67,643,178	15,287,672
	Other payables		
	Advance from customers	21,236,547	34,863,404
	Capital creditors	84,554,361	23,136,713
	Statutory liabilities	32,882,346	45,653,635
	Employee Dues	1,516,951	1,610,508
	TOTAL	223,121,055	120,551,932
9	Short-term provisions		
	Current portion of employee benefits		
	Gratuity (Refer Note 28)	-	17,370,885
	Compensated Absence	16,458,094	11,717,743
	TOTAL	16,458,094	29,088,628

Notes to the Financial Statements

	(Amount in Rupees)												
	GROSS BLOCK			DEPRECIATION				NET BLOCK					
	As at 01.04.2015	Additions	Deletions/ Adjustments	As at 31.03.2016	Up to 31.03.2015	Adjusted in related earnings	Assets charged off	Amounting policy change	For the year	Deletions/ Adjustments	Up to 31.03.2016	As at 31.03.2016	As at 31.03.2015
A. Tangible assets													
Leasehold improvements	50,901,441	74,018,950		124,920,391	15,380,499				15,316,805		30,697,305	94,223,086	35,520,942
Plant and machinery	25,086,650	11,657,493		36,744,143	10,399,215				2,313,118		12,712,333	24,031,813	14,687,435
Air conditioners and Refrigeration	60,463,655	54,542,935		115,006,590	32,463,417				7,100,331		39,563,749	75,442,841	28,000,238
Electrical installation and equipment	912,906,491	266,899,130		1,179,805,621	628,159,493				58,737,627		686,897,121	492,908,492	284,746,998
Plant and machinery	98,836,864	51,530,964		150,367,828	71,441,307				22,165,051		93,606,358	56,761,470	27,395,557
Data processing equipment	26,568,315	16,569,836		43,138,151	15,448,191				2,367,817		17,816,007	25,322,144	11,120,124
Furniture and fixtures	5,652,732	960,000		6,612,732	4,569,215				205,466		4,774,681	1,838,051	1,083,517
Motor vehicles	17,965,066	9,468,786	202,513	27,231,339	10,152,345				3,178,001	202,513	13,127,833	14,103,506	7,812,721
Office equipment	1,198,381,214	485,648,094	202,513	1,683,826,795	788,013,683	-	-	-	111,384,216	202,513	899,195,386	784,631,404	410,367,531
Total	890,819,319	308,337,677	775,780	1,198,381,214	691,744,693	38,972,568	63,942,262	(57,589,239)	51,699,447	756,048	788,013,683	410,367,495	199,074,625
Previous Year													
B. Intangible assets													
Computer softwares	41,13,1270	44,645,595		85,776,865	17,680,862				8,115,262		25,796,124	59,980,742	23,450,408
Film telecast rights	120,337,394	-		120,337,394	120,337,394				-		120,337,394	-	-
Total	161,468,664	44,645,595	-	206,114,259	138,018,256	-	-	-	8,115,262	-	146,133,518	59,980,742	23,450,408
Previous Year	140,248,217	21,220,447	-	161,468,664	102,142,112	8,000	32,237,318	(1,531,262)	5,162,089	-	138,018,256	23,450,408	38,106,105
Grand Total	1,359,849,878	530,293,689	202,513	1,889,941,054	926,031,939	-	-	-	119,499,478	202,513	1,045,328,904	844,612,146	433,817,939

Notes to the Financial Statements

	(Amount in Rupees)	
	As at March 31, 2016	As at March 31, 2015
11 Deferred tax assets (net)		
a) Deferred tax liability		
– on difference between book balance and tax balances of fixed assets	7,452,242	(12,594,200)
b) Deferred tax assets		
– Provision for compensated absences and gratuity	41,427,879	29,394,254
– Provision for bad and doubtful debts	9,003,630	16,768,800
Total - (b)	<u>50,431,509</u>	<u>46,163,055</u>
Deferred tax assets (net) (b) – (a)	<u>42,979,267</u>	<u>58,757,254</u>
Charged to Statement of Profit and Loss with deferred tax (net) Rs. 1,57,77,986 (Previous year credited Rs.3,33,18,944).		
12 Long-term loans and advances (Unsecured, considered good)		
Capital Advances	6,567,470	100,384,210
Security deposits	<u>64,424,102</u>	<u>54,702,440</u>
TOTAL	<u>70,991,572</u>	<u>155,086,650</u>
13 Inventories (At lower of cost or net realisable value)		
Programmes	4,252,718	646,118
Stores and spares	<u>19,990,302</u>	<u>3,693,179</u>
TOTAL	<u>24,243,020</u>	<u>4,339,296</u>
14 Trade receivables		
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	166,168,521	23,152,382
Unsecured, considered doubtful	26,016,037	52,492,656
Less : Provision for doubtful debts	(26,016,037)	(52,492,656)
Other Debts (Unsecured, considered good)	<u>947,964,110</u>	<u>791,420,919</u>
TOTAL	<u>1,114,132,631</u>	<u>814,573,301</u>
15 Cash and bank balances		
Balance with banks in current accounts	57,000,124	59,482,153
Cash on hand	155,793	306,882
Other Bank balances-Deposit accounts- with a maturity of less than 3 months	-	116,000,000
TOTAL	<u>57,155,917</u>	<u>175,789,035</u>

Notes to the Financial Statements

	(Amount in Rupees)	
	As at March 31, 2016	As at March 31, 2015
16 Short-term loans and advances (Unsecured, considered good)		
Income tax (net of provisions)	92,392,893	57,910,752
Loans and advances to Related Parties (Refer Note 29)	436,776,120	466,237,355
Others		
Advance to vendors	60,424,699	32,856,065
Balances with Government Authorities	64,538,568	26,146,628
Prepaid expenses	18,990,699	9,852,566
Security deposits	3,214,842	1,053,778
TOTAL	676,337,821	594,057,144
*Includes to holding company Rs. 43,65,00,000 (Previous year Rs.43,65,00,000).		
17 Other current assets (Unsecured, considered good)		
Interest accrued on fixed deposits	-	3,394,461
	For the year ended March 31, 2016	For the year ended March 31, 2015
18 Revenue from operations		
Advertisement revenue	2,121,503,322	1,613,281,450
Subscription revenue	249,621,481	183,822,015
Other operating revenue	1,217,702	2,750,049
TOTAL	2,372,342,505	1,799,853,514
19 Other income		
Interest on bank deposits	3,838,382	30,168,318
Profit on sale of asset	17,500	65,781
Exgratia provision reversal	-	40,440,238
Liabilities no longer required written back	-	1,955,269
Miscellaneous receipts	3,002,770	1,642,191
Provision for Bad Debts Written Back	38,196,681	-
TOTAL	45,055,333	74,271,797
20 Employee benefits expense		
Salaries, bonus and other allowances	820,946,266	545,486,303
Contribution to Provident Fund and others	50,356,937	39,157,050
Gratuity expense	7,603,131	11,759,243
Staff welfare expenses	38,205,287	23,501,393
TOTAL	917,111,621	619,903,989

Notes to the Financial Statements

	(Amount in Rupees)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
21 Other expenses		
Studio & Equipment hire charges	77,355,276	43,435,418
Telecast & Uplink Fee	99,727,157	81,522,205
Media Professional fee	121,284,154	90,574,091
Other Expenses News	72,117,944	39,981,310
Cable Network Charges	372,607,342	405,250,847
Content Expenses	15,776,639	12,656,868
Software Expenses - Commissioned	43,466,833	34,716,901
Software Expenses - Inhouse	121,005,006	81,642,660
Power and fuel	52,945,859	33,463,565
Rent	84,339,471	57,795,648
Repairs	27,453,722	20,941,295
Advertisement & publicity expenses	94,939,309	48,709,914
Auditors remuneration	1,800,000	1,700,000
Provision for doubtful debts	11,720,062	10,952,868
Bad debts written off	38,196,681	-
Communication costs	62,914,710	32,610,044
Insurance	3,085,432	2,420,095
Legal & Professional charges	6,942,343	6,322,808
Loss on foreign exchange fluctuation (net)	776,540	212,977
Miscellaneous expenses	15,586,594	10,635,692
Commission & Brokerage	22,481,880	22,020,580
Office upkeep and maintenance	40,546,864	15,555,892
Printing and stationery	5,876,363	4,264,338
Rates and taxes	12,913,258	11,925,218
Travelling and conveyance	80,703,479	57,471,063
Vehicle maintenance	42,936,371	31,418,402
Director Sitting Fee	70,000	-
Bank charges	380,521	243,900
Interest on delayed payment of taxes	63,503	199,704
TOTAL	1,530,013,312	1,158,644,303
22 Finance Cost		
Interest on Inter-corporate deposit	67,643,178	15,287,672
Interest on Bank Overdraft	22,320	-
Interest on Loan against fixed deposit	-	1,708,110
TOTAL	67,665,498	16,995,782
23 Exceptional Items		
Provision for doubtful debts	-	28,700,000
Fixed Assets More than 5 years written off	-	96,179,580
TOTAL	-	124,879,580

Notes to the Financial Statements

24. Capital commitment and contingent liabilities

A. Contingent liabilities

- i. Claims against the Company not acknowledged as debts of Rs. 56,77,000 (Previous year Rs.56,77,000). No provision has been made in the accounts for these demands as the Company expects a favorable decision in appeal.
- ii. Claims against the Company not acknowledged as debts include demands raised by Income Tax authorities aggregating to Rs.4,87,00,770(Previous year Rs.4,26,60,366). No provision has been made in the accounts for these demands as the Company expects a favorable decision in appeal.
- iii. Claims against the Company not acknowledged as debts include demands raised by Service Tax authorities aggregating to Rs.2,53,74,887 (Previous year Rs.7,78,68,465). No provision has been made in the accounts for these demands as the Company expects a favorable decision in appeal.

B. Commitments

- i Estimated amount of contracts remaining to be executed on capital accounts and not provided for Rs.17,00,76,731 (previous year Rs. 16,02,37,089).
- ii. Tax deducted at source not admitted by Income Tax Authorities Rs.71,40,517 for the Assessment Year 2012-13. No provision has been made in the accounts for this demand as the Company has made representation for admission of the same.

25. Earnings per equity share

	Year ended 31.03.2016	Year ended 31.03.2015
Profit / (Loss) after Tax (Rs.)	(24,73,47,164)	(1,07,20,434)
Number of shares as at 01.04.2015	2,49,59,608	2,49,59,608
Number of shares as at 31.03.2016	2,49,59,608	2,49,59,608
Weighted average number of shares (Nos.)	2,49,59,608	2,49,59,608
Earnings per share (Basic and Diluted) (Rs.)	(9.91)	(0.43)
Nominal value per share (Rs.)	10	10

26. 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 AS-17 is not applicable.

27. Micro, Small and Medium enterprises

The identification of Micro, Small and Medium Enterprise suppliers as defined under the provisions of "The Micro, Small and Medium Enterprises Development Act, 2006" is based on Management's knowledge of their status.

The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small or Medium Enterprises. Consequently the amount paid / payable to these parties during the year and previous year is Nil.

28. Employee benefits:

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. The Company has recognised Rs.4,11,66,881 (Previous year Rs.3,25,25,630 for Provident Fund contributions and Rs.62,58,789 (Previous year Rs.66,31,420) for Employee State Insurance in the Statement of Profit and Loss.

Notes to the Financial Statements

Defined benefit plan

The employees' gratuity fund scheme managed by a Trust (PNB Metlife India Insurance Company Limited) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes 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 recognized in the same manner as gratuity.

For funded plan, the Company makes contributions to the trust from time to time which in turn makes contributions to the Employee's Group Gratuity scheme of PNB MetLife India Insurance Company Limited.

The following table set out the funded / unfunded status of the retirement benefits plans and the amount recognised in the financial statements:

a. Fair value of plan assets

	2014-15	2015-16
Fair value of plan assets at beginning of the year	4,19,10,144	4,27,71,366
Actual return on plan assets	6,27,626	99,85,109
Employer contributions	40,21,477	1,71,164
Benefits paid	(37,87,881)	(82,57,255)
Fair value of plan assets at the end of the year	4,27,71,366	4,46,70,384
Funded status	(3,79,17,458)	(4,53,49,425)
Excess of actual over estimated return on plan assets	(27,25,186)	65,63,400

b. Actuarial gain / loss recognized

	2014-15	2015-16
Actuarial gain /(loss) for the period- obligation	9,94,591	5,21,172
Actuarial (gain)/loss for the period - plan assets	27,25,186	(65,63,400)
Total (gain)/loss for the period	17,30,595	(70,84,572)
Actuarial (gain) / loss recognized in the period	17,30,595	(70,84,572)
Unrecognized actuarial (gains) losses at the end of period	—	—

c. Amounts to be recognized in balance sheet and related analysis

	2014-15	2015-16
Present value of obligation as at the end of the year	8,06,88,824	9,00,19,809
Fair value of plan assets as at the end of the year	4,27,71,366	4,46,70,384
Funded status / Difference	(3,79,17,458)	(4,53,49,425)
Excess of actual over estimated	(27,25,186)	65,63,400
Unrecognized actuarial (gains) / losses	—	—
Net asset/(liability) recognized in balance sheet	(3,79,17,458)	(4,53,49,425)

Notes to the Financial Statements

d. Assumptions Chart

Past Results	2016	2015	2014	2013
a) Discount Rate (* Para 2)	8% p.a.	8.00	8.00	8.00
b) Salary Increase (** Para 3)	8.00	8.00	8.00	8.00
c) Effective Rate (a-b)	—	0.00	0.00	0.00
d) Withdrawal Rate % Age - 30/44/6020		20	20	20

Notes:

1. The discount rate is based on the prevailing market yield of Indian Government Securities as at the balance sheet date for the estimated term of obligations.
2. The expected return is based on the expectation of the average long term rate of return on investments of the fund during the estimated term of the obligations.
3. The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

29. Related Party Disclosures

As per Accounting Standard 18, the disclosures of transactions with the related parties are:

(a) List of related parties and relationship:

Sr. No.	Name of the entity	Relationship
1	TV18 Broadcast Limited (w.e.f.22.01.2014)	Enterprises exercising control
2	Network18 Media & Investments Ltd. (w.e.f 22.01.2014)	Enterprises exercising control
3	Equator Trading Enterprises Private Limited	Enterprises exercising control
4	Independent Media Trust (IMT). (w.e.f. 07.07.2014)	Enterprises exercising control
5	Adventure Marketing Private Limited (w.e.f. 07.07.2014)#	Enterprises exercising control
6	Watermark Infratech Private Limited (w.e.f. 07.07.2014)#	Enterprises exercising control
7	Colorful Media Private Limited (w.e.f. 07.07.2014)#	Enterprises exercising control
8	RB Media Holdings Private Limited (w.e.f. 07.07.2014)#	Enterprises exercising control
9	RB MediasoftPvt Limited (w.e.f. 07.07.2014)#	Enterprises exercising control
10	RRB MediasoftPvt Limited (w.e.f. 07.07.2014)#	Enterprises exercising control
11	RB Holding Private Limited (w.e.f. 07.07.2014)#	Enterprises exercising control
12	Reliance Industries Limited (RIL) (w.e.f. 07.07.2014)	Beneficiary/Protector of Independent Media Trust
13	Reliance Industrial Investments and Holdings Limited (w.e.f. 07.07.2014)	Beneficiary/Protector of Independent Media Trust
14	Prism TV Private Limited (upto 31st July 2015)	Fellow Subsidiary
15	AETN18 Media Private Limited	Fellow Subsidiary
16	Big Tree Entertainment Private Limited	Fellow Subsidiary
17	Big Tree Entertainment Singapore Pte. Ltd.	Fellow Subsidiary
18	BK Holdings Limited (Amalgamated with Network18 Holdings Ltd w.e.f. 03.06. 2014)	Fellow Subsidiary

Notes to the Financial Statements

29. Related Party Disclosures (Contd.)

Sr. No.	Name of the entity	Relationship
19	Capital18 Fincap Private Limited	Fellow Subsidiary
20	Capital18 Limited, Mauritius(Amalgamated with Network18 Holdings Ltd w.e.f. 03.06. 2014)	Fellow Subsidiary
21	Colosceum Media Private Limited	Fellow Subsidiary
22	Digital 18 Media Limited	Fellow Subsidiary
23	e - Eighteen.com Limited	Fellow Subsidiary
24	E-18 Limited, Cyprus	Fellow Subsidiary
25	Fantain Sports Private Limited (Wef February 2016)	Fellow Subsidiary
26	Greycells 18 Media Limited	Fellow Subsidiary
27	Space Bound Web Labs Private Limited	Fellow Subsidiary
28	ibn18 (Mauritius) Limited	Fellow Subsidiary
29	Infomedia Press Limited	Fellow Subsidiary
30	Moneycontrol Dot Com India Limited	Fellow Subsidiary
31	Network18 Holdings Limited	Fellow Subsidiary
32	NW 18 HSN Holdings Plc (formerly TV18 HSN Holdings Limited) Cyprus	Fellow Subsidiary
33	Reed Infomedia India Private Limited	Fellow Subsidiary
34	RRB Investments Private Limited	Fellow Subsidiary
35	RRK Finhold Private Limited	Fellow Subsidiary
36	RVT Finhold Private Limited	Fellow Subsidiary
37	RVT Media Private Limited	Fellow Subsidiary
38	Setpro18 Distribution Limited	Fellow Subsidiary
39	Stargaze Entertainment Private Limited (upto 23.04.2015)	Fellow Subsidiary
40	Television Eighteen Media and Investments Limited	Fellow Subsidiary
41	TV18 Home Shopping Network Limited	Fellow Subsidiary
42	Television Eighteen Mauritius Limited	Fellow Subsidiary
43	Web 18 Holdings Limited, Cyprus	Fellow Subsidiary
44	Web 18 Software Services Limited	Fellow Subsidiary
45	Reliance Retail Limited (w.e.f. 07.07.2014)	Fellow Subsidiary (Subsidiary of Reliance Industries Limited, The Sole beneficiary of Independent Media Trust)
46	Reliance Brand Limited (w.e.f. 07.07.2014)	Fellow Subsidiary
47	Reliance Corporate IT Park Limited (w.e.f. 07.07.2014)	Fellow Subsidiary
48	IMG Reliance Limited (w.e.f. 07.07.2014)	Fellow Subsidiary

Notes to the Financial Statements

29. Related Party Disclosures (Contd.)

Sr. No.	Name of the entity	Relationship
49	Viacom18 Media Private Limited	Joint ventures of enterprise exercising control
50	IBN Lokmat News Private Limited	Joint ventures of enterprise exercising control
51	Indiacast Distribution Private Limited	Joint ventures of enterprise exercising control
52	Indiacast UK Limited	Joint ventures of enterprise exercising control
53	Indiacast US Limited	Joint ventures of enterprise exercising control
54	Indiacast Media Distribution Pvt. Limited	Joint ventures of enterprise exercising control
55	Prism TV Private Limited (w.e.f 1 August 2015)	Joint venture of enterprise exercising control
56	Eenadu Television Private Limited	Associates of enterprise exercising control
57	Ramoji Rao (upto 21.04.2015)	Key Management Personnel
58	Ch.Kiron (upto 18.09.2015)	Key Management Personnel
59	Dolphin Hotels Limited	Entities under significant influence of KMP's
60	Margadarsi Enterprises	Entities under significant influence of KMP's
61	Margadarsi Computers	Entities under significant influence of KMP's
62	Mayuri Film Distributors	Entities under significant influence of KMP's
63	Ushakiron Properties	Entities under significant influence of KMP's
64	Margadarsi Financiers	Entities under significant influence of KMP's
65	Ushodaya News Agency	Entities under significant influence of KMP's
66	Ramoji Universal Travels	Entities under significant influence of KMP's
67	Ushakiron Enterprises	Entities under significant influence of KMP's
68	Vasundhara Publications	Entities under significant influence of KMP's

Notes to the Financial Statements

29. Related Party Disclosures (Contd.)

Sr. No.	Name of the entity	Relationship
69	Ushakiron Movies International	Entities under significant influence of KMP's
70	Ramoji Knowledge Centre	Entities under significant influence of KMP's
71	Colorama Printers Private Limited	Entities under significant influence of KMP's
72	Margadarsi Marketing Private Limited	Entities under significant influence of KMP's
73	Manpower Selection and Management Services Private Limited	Entities under significant influence of KMP's
74	Usha Kiron Movies Limited	Entities under significant influence of KMP's
75	Priya Foods Private Limited	Entities under significant influence of KMP's
76	Margadarsi Investment and Leasing Company Private Limited	Entities under significant influence of KMP's
77	Ushodaya Shipping Private Limited	Entities under significant influence of KMP's
78	Suman Advertising Private Limited	Entities under significant influence of KMP's
79	Images Hoardings Private Limited	Entities under significant influence of KMP's
80	Margadarsi Financial Services Private Limited	Entities under significant influence of KMP's
81	Margadarsi Chit Fund Private Limited	Entities under significant influence of KMP's
82	Margadarsi Housing Private Limited	Entities under significant influence of KMP's
83	Margadarsi Chits (Karnataka) Private Limited	Entities under significant influence of KMP's
84	Ushodaya Enterprises Private Limited	Entities under significant influence of KMP's

Their Relatives details already mentioned above in accordance with section 2(76)(ii) of the Companies Act, 2013.

Related Parties have been identified by the management.

Notes to the Financial Statements

(b) Details of transactions during the year and balances at year end with related parties

(Amount in Rs.)

Transactions	Enterprises Exercising Control	Associate of Enterprise Exercising Control	Fellow Subsidiary	JV of Enterprise Exercising Control	Entity Under Significant Influence (from 14.15 to 18.9.15)
i) Transaction during the year					
a) Revenue from Operations:					
TV18 Broadcast Limited	23,91,61,423	-	-	-	-
	(17,89,17,562)	-	-	-	-
TV 18 Homeshopping Network Ltd.	-	-	4,47,780 (-)	-	-
IndiaCast Media Distribution Pvt. Ltd.	-	-	-	72,58,837 (36,21,118)	-
IndiaCast UK Limited	-	-	-	31,84,213 (33,52,420)	-
IndiaCast Distribution Pvt. Ltd.	-	-	-	17,008 (-)	-
Viacom18 Media Pvt. Ltd.	-	-	-	7,06,876 (4,48,800)	-
Prism TV Pvt. Ltd.- Upto 31-07-2015	-	-	9,23,235 (5,35,000)	-	-
Prism TV Pvt. Ltd.- from 01-08.2015	-	-	-	4,86,000 (-)	-
b) Other Income:					
Eenadu Television Pvt. Ltd.- News Subscription Charges-PTI	-	9,43,318 (8,48,125)	-	-	-
c) Interest Expenses:					
TV18 Broadcast Limited	6,76,43,178 (1,52,87,672)	-	-	-	-
d) Expenditure for Services Received:					
TV18 Broadcast Limited	3,03,12,507 (2,52,61,160)	-	-	-	-
IndiaCast Distribution Pvt. Ltd.	-	-	-	37,82,00,509 (41,09,13,822)	-
Eenadu Television Private Ltd.	-	2,48,71,098 (-)	-	-	-
Dolphin Hotels Limited	-	-	-	-	68,84,237 (39,97,918)
Margaradasi Computers	-	-	-	-	4,50,000 (9,00,000)

Notes to the Financial Statements

(b) Details of transactions during the year and balances at year end with related parties (Contd.)

(Amount in Rs.)

Transactions	Enterprises Exercising Control	Associate of Enterprise Exercising Control	Fellow Subsidiary	JV of Enterprise Exercising Control	Entity Under Significant Influence (from 14.15 to 18.9.15)
Ushakiron Properties	-	-	-	-	44,76,384
	-	-	-	-	(71,36,818)
Ushakiron Movies Limited	-	-	-	-	84,17,196
	-	-	-	-	(97,43,983)
e) Reimbursement of Expenses (Paid)					
TV18 Broadcast Limited	2,22,60,414	-	-	-	-
	(53,03,158)	-	-	-	-
Ushakiron Movies Limited	-	-	-	-	1,66,51,202
	-	-	-	-	(2,71,31,416)
Eenadu Television Private Ltd.	-	4,45,09,153	-	-	-
	-	(4,88,48,950)	-	-	-
f) Reimbursement of Expenses (Received)					
Prism TV Private Limited	-	-	-	251	-
	-	-	(16,350)	(-)	-
Eenadu Television Private Ltd.	-	21,676	-	-	-
	-	(4,674)	-	-	-
TV18 Broadcast Limited	48,903	-	-	-	-
	(-)	-	-	-	-
g) Consumable Purchased					
Colorama Printers Private Ltd.	-	-	-	-	24,114
	-	-	-	-	(1,84,310)
h) Short Term Borrowings:					
TV18 Broadcast Limited	55,60,00,000	-	-	-	-
	(25,00,00,000)	-	-	-	-
ii) Balances for the year ended 31-03-2016:					
a Short Term Loans and Advances:					
Equator Trading Enterprises Pvt. Ltd.	43,65,00,000	-	-	-	-
	(43,65,00,000)	-	-	-	-
Prism TV Private Limited- from 01.08.2015	-	-	-	2,76,121	-
	-	-	(2,97,37,356)	(-)	-
b) Trade payable:					
TV18 Broadcast Limited	-	-	-	-	-
	(23,91,401)	-	-	-	-

Notes to the Financial Statements

(b) Details of transactions during the year and balances at year end with related parties (Contd.)

(Amount in Rs.)

Transactions	Enterprises Exercising Control	Associate of Enterprise Exercising Control	Fellow Subsidiary	JV of Enterprise Exercising Control	Entity Under Significant Influence (from 14.15 to 18.9.15)
Eenadu Television Private Ltd.	-	1,52,58,483	-	-	-
	-	(1,66,70,063)	-	-	-
IndiaCast Distribution Pvt. Ltd.	-	-	-	41,85,44,894	-
	-	-	-	(39,08,59,098)	-
c) Trade Receivable					
TV18 Broadcast Limited	15,19,40,210	-	-	-	-
	(14,14,72,312)	-	-	-	-
TV 18 Homeshopping Network Ltd.	-	-	5,03,752	-	-
	-	-	(-)	-	-
IndiaCast Media Distribution Pvt. Ltd.	-	-	-	32,59,148	-
	-	-	-	(27,69,292)	-
IndiaCast UK Ltd. .	-	-	-	8,06,312	-
	-	-	-	(7,35,586)	-
d) Short-Term Borrowings:					
TV18 Broadcast Limited	80,60,00,000	-	-	-	-
	(25,00,00,000)	-	-	-	-
e) Other Current Liabilities:					
TV18 Broadcast Limited -Interest accrued and due on borrowings	1,52,87,672	-	-	-	-
	(-)	-	-	-	-
TV18 Broadcast Limited - Interest accrued but not due on borrowings	6,76,43,178	-	-	-	-
	(1,52,87,672)	-	-	-	-
f) Provision for Expenses:					
TV18 Broadcast Limited	-	-	-	-	-
	(20,15,291)	-	-	-	-
IndiaCast Distribution Pvt. Ltd.	-	-	-	70,30,013	-
	-	-	-	(-)	-

Notes to the Financial Statements

30. Details of leasing arrangements:

The Company has taken various residential/commercial premises under cancellable/non-cancellable operating leases. The cancellable lease agreements are normally renewed on expiry. Operating lease charges amounting to Rs.8,42,94,471 (Previous year Rs.5,77,95,648) has 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:

Particulars	(Amount in Rs.)	
	As at 31.03.2016	As at 31.03.2015
Not later than one year	8,37,63,272	6,47,96,463
Later than one year but not more than 5 years	22,56,80,851	14,97,99,305
More than 5 years	10,52,29,600	5,08,76,007

31. Derivative instruments and unhedged Foreign currency exposure:

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

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

Particulars	Currency	Foreign Currency	INR
Trade Payables	USD	0 (2,78,936)	0 (1,74,58,579)
Trade Receivables	USD	6,526 (1,31,079)	4,32,870 (82,04,235)
	GBP	1,020 (8,006)	96,992 (7,40,235)
	CAD	14,089 (0)	7,15,460 (0)

32. Value of imports calculated on C.I.F basis

	2015-16 (Rs.)	2014-15 (Rs.)
Fixed assets	11,90,12,576	16,21,49,221

33. Earnings in Foreign Currency

	2015-16 (Rs.)	2014-15 (Rs.)
Subscription Income	31,84,213	33,52,422

34. Expenditure in foreign currency

	2015-16 (Rs.)	2014-15 (Rs.)
Travelling and conveyance	4,38,823	13,71,235

Notes to the Financial Statements

35. Auditor's remuneration

	2015-16 (Rs.)	2014-15 (Rs.)
Statutory Audit Fee	7,00,000	7,00,000
Tax Audit Fee	2,00,000	2,00,000
Fees-other services-Limited Review Fee etc.	9,00,000	8,00,000
Total	18,00,000	17,00,000

36. Previous year's figures have been re-grouped/re-classified wherever necessary to correspond with the /disclosure.

In terms of our Report attached

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

D.Vijaya Kumar
Partner
Membership No. : 051961

Hyderabad, Dated 14-04-2016

For and on behalf of the Board of Directors

Hariharan Mahadevan
Director
DIN: 07036483

Rohit Bansal
Director
DIN:02067348

Bindu Trivedi
Company Secretary

N. Jagannath
Chief Financial Officer

Mumbai, Dated 14-04-2016