# 11th Annual Report 2017-18

E24 Glamour Limited

## BOARD'S REPORT

**To,**
**The Members,**
**E24 Glamour Limited**

Your Directors have pleasure in presenting their Eleventh Annual Report on the business and operations of the Company together with Audited Financial Statements for the financial year ended March 31, 2018.

### FINANCIAL RESULTS

The Company's financial performances for the year under review along with previous year's figures are given hereunder:

(Rupees in Lakhs)

| Particulars | 2017-18 | 2016-17 |
|---|---|---|
| Total Income | 2410.92 | 2930.33 |
| Profit before Depreciation & Financial Charges | 247.51 | 512.14 |
| Financial Charges | 233.41 | 226.41 |
| Cash Profit | 14.09 | 285.73 |
| Depreciation | 102.72 | 133.77 |
| Profit before Tax | (88.63) | (151.97) |
| Provision for Tax | 0.93 | (2.79) |
| Profit after Tax | (89.56) | 154.76 |
| Proposed Dividend | Nil | Nil |

During the financial year under review, performance of the Company dipped due to market conditions. Total income fell from Rs. 29.30 Crore to Rs. 24.11 Crore resulting into reduced EBITA and net profits.

### OPERATIONS AND STATE OF COMPANY'S AFFAIRS

Your Company is running **'E24'** a 24 hours scintillating Bollywood Entertainment channel, that stand at the top of all latest exciting gossip and gives you the inside scoop on the most scandalous happenings of the B-town. Driven by glamour and blitz the look of this channel does absolute justice to the bling of the world

**E24** showcases entertainment round the clock providing its daily dose of otherwise unavailable celebrity gossip, latest updates on everyday happenings and much more. The channel has raised its viewership right from the moment it was established in 2008 and is now available to a varied and diversified millions of viewers in India. In a nation which goes gaga over Bollywood, E24 strives to quench the insatiable everyday need of celebrity news in a spunky and stylized manner. When it comes to music, E24 has reached out to its audience and provided them with a blend of old world classics as well as the latest hits. It caters to the demands of all type of viewers by providing varieties of programmes according to their taste and preferences. It serves entertainment to a large audience cutting across all ages.

We have a series of well structured and complicated shows that bag a persistently high viewership and have a dedicated set of audience some of which include Bollywood Reporter, E special, Bollywood 20 Twenty, Super hit Station, It's Controversial, Pal Pal Dil Ke Pass and U Me and TV.

E24 channel is available throughout west Asia and the MENA region on DU Network and is immensely popular in International market too.

### DIVIDEND

The Directors are of the view that resources of the Company needs to be conserved for its future growth plans and hence do not recommend any dividend for the financial year 2017-18. The Company has not made any transfer to General Reserve.

### TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCTION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid.

### DEPOSITS

During the year under review, the Company has not accepted any deposit from public under Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

### CHANGE IN THE NATURE OF BUSINESS, IF ANY

There were no material changes and commitments affecting the financial position of the Company during the year.

### DIRECTORS

There are three Directors on the Board of Directors of the company viz. Ms. Anurradha Prasad (DIN- 00010716), Mr. Sudhir Shukla (DIN- 01567595) and Mr. Anil Kapoor (DIN-05113976).

**Appointments/ Resignations from the Board of Directors**

During the year under review, there was no change in Board of Directors of the Company.

**Appointments/ Resignations of the Key Managerial Personnel**

During the reporting period under review, Mr. Subodh Kumar, Chief Financial Officer and Ms. Pinki Pilani, Secretary of the Company are the Key Managerial Personnel as per the provisions of the Companies Act, 2013, holding the respective positions in the Company as at March 31, 2018. During the year no changes has been made in Board of

Directors and Key Managerial Personnel of the Company.

**Directors Retiring by Rotation**

In accordance with the provisions of the Companies Act, 2013 and in terms of Articles of Association of the Company, Ms. Anurradha Prasad (DIN- 00010716) retires by rotation at the ensuing Annual General Meeting and being eligible applied herself for re-appointment. Your board of Directors had recommended her re-appointment.

**Meetings**

During the year 8 (eight) Meetings of the Board of Directors were duly convened on 29.05.2017, 09.08.2017, 28.08.2017, 24.10.2017 13.11.2017, 08.02.2018, 17.02.2018 and 31.03.2018. The intervening gap between the meetings was within the time limit prescribed under the Companies Act, 2013 read with the rules made thereunder. The meetings of the Board/Committees are generally held at the Corporate Office at FC-23, Film City, Sector-16A, Noida-201301, (U.P.).

**Composition of Committees of the Board of Directors**

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and needs a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board. The terms of reference of Board Committees are determined by the Board from time to time.

At present the board has following three committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Corporate Social Responsibility Committee

In addition to the above, the Board also constitutes specific committees, from time to time, depending on the business exigencies and simultaneously dissolves such Committees as are no longer required. The terms of reference of the Committees are reviewed and modified by the Board from time to time. Meetings of each Committee are convened by the respective Committee Chairman. The Company Secretary prepares the agenda and explanatory notes, in consultation with the respective Committee Chairman and circulates the same in advance to all the members. Every member is free to suggest inclusion of item(s) on the agenda. Minutes of the Committee meetings are approved by the respective Committee and thereafter placed before the Board.

**AUDIT COMMITTEE**

The Company has constituted an Audit Committee of Directors in accordance with the requirements of Section 177 of the Companies Act, 2013 and Rules framed thereunder.

**i) Terms of reference**

The broad terms of reference are as under:

1. Overseeing financial reporting process and disclosure of financial information, to ensure that the financial statements are correct, sufficient and credible;
2. Recommending appointment, reappointment and terms of appointment and removal of the statutory and internal auditors, if any, of remuneration, fixation of audit fees and approval for payment of any other services;
3. Reviewing with the management, the periodical financial statements including subsidiaries / associates, if any, before submission to the Board for approval;
4. Reviewing with the management and the statutory auditors, the adequacy of internal control systems and recommending improvements to the management;
5. Reviewing the findings of any internal investigations by auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
6. Discussion with statutory auditors before the audit commences, about the nature and scope of audit, as well as post-audit discussions to ascertain any area of concern;
7. Evaluation of internal financial controls and risk management system;
8. Reviewing and monitoring auditor's independence and performance and effectiveness of audit process;
9. Scrutiny of Inter-corporate loans and advances;
10. Approval or any subsequent modification of transactions of the company with related parties;
11. Valuation of undertakings or assets of the company, wherever it is necessary; and
12. Such other functions as may be delegated by the Board from time to time.

    The meetings of Audit Committee are also attended by Financial Officer, Statutory Auditors. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed and discussed in the meeting of the Board.

**(ii) Composition of the Committee:-**

Presently, the Audit Committee of the Company comprises of Non-executive Directors. Mr. Anil Kapoor, Chairman of the Committee is a Non-Executive Director. Other members are Mr. Sudhir Shukla, Non-Executive Director and Ms. Anurradha Prasad, Non-Executive Director. All the members possess financial, management and accounting knowledge/ expertise and have held or hold senior positions in several reputed organizations.The intervening gap between the Meetings was within the time limit prescribed under the Companies Act, 2013 read with the rules made thereunder.

**NOMINATION AND REMUNERATION COMMITTEE**

The Company has constituted a Nomination and Remuneration Committee of Directors in compliance with provisions of Section 178 of the Companies Act, 2013.

**(i) Terms of Reference**

Brief terms of reference of Nomination and Remuneration Committee are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

All the matters relating to finalization of remuneration to executive directors are being taken in the meeting of said Committee for their consideration and approval.

Nomination and Remuneration Committee of Directors is authorized to decide the remuneration of the Managing Director/Executive Director's, subject to the approval of the Members and Central Government, if required. Remuneration comprises of fixed Component viz. salary, perquisites and allowances and a variable component.

**(ii) Composition of the Committee**

Presently, the Nomination and Remuneration Committee of the Company comprises of Non-executive Directors of the Board. The Chairman of the Committee is Mr. Anil Kapoor, a Non-Executive Director. Other members are Mr. Sudhir Shukla, Non-Executive Director and Ms. Anurradha Prasad, Non-Executive Director. Ms. Pinki Pilani, the Company Secretary act as the Secretary of the Committee.

**(iii) Nomination and Remuneration Policy**

The Remuneration policy of the Company is a comprehensive policy which is competitive, in consonance with the industry practices. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives.

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in **Annexure I** and forms part of this Report.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility Committee (CSR Committee) was formed pursuant to section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act and to recommend the amount of expenditure to be incurred on such activities and to monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Corporate Social Responsibility Committee comprises of three members i.e. Mr. Sudhir Shukla, chairmen of the Committee, a Non-Executive Director and other members are Mr. Anil Kapoor, a Non-Executive Director and Ms. Anurradha Prasad a Non-Executive Director. Ms. Pinki Pilani, the Company Secretary act as the Secretary of the Committee.

During the financial year 2017-18, the Corporate Social Responsibility Committee met on 29.05.2017 and 8.02.2018 and both Meetings were attended by all the Members of the Committee.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:-

a) in the preparation of the annual financial statements for the year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at end of financial year and of the profit of the Company for that period;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they have prepared the annual accounts for the financial year ended March 31, 2018 of the Company on a 'going concern' basis.

e) the internal financial controls to be followed by the Company were laid down and such internal financial controls are adequate and operating effectively; and

f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are in place and are adequate and operating effectively.

**EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT- 9 is annexed herewith as **Annexure II.**

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company has one wholly owned foreign subsidiary named as E24 Entertainment Limited. No other Subsidiary / Joint-venture was formed or divested during the year under review.

In compliance with Section 129 of the Companies Act, a statement containing requisite details including financial highlights of the operations of Subsidiary in the prescribed format, form part of this Financial Statements.

**Consolidated Financial Statements**

The Consolidated Financial Statements of subsidiary Company in terms of Section 129(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Accounts) Rules, 2014 are prepared in accordance with the Companies relevant Accounting Standards (AS) viz. AS 21, AS 23 and AS 27 issued by the Institute of Chartered Accountants of India form part of this Annual Report.

**INTERNAL FINANCIAL CONTROLS**

The Board has adopted policies and procedure 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 fraud, error reporting mechanism, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**AUDITORS AND AUDITORS' REPORT**

**Statutory Auditors**

M/s. Kumar Khare & Co., Chartered Accountants (ICAI Firm Registration No 006740C), Chartered Accountants, were appointed as Statutory Auditors of the Company at the 10th Annual General Meeting held on September 26, 2017 for a term of five consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

**Qualification in Auditors reports**

All observations made in the Independent Auditors' Reports are self explanatory and suitably addressed in the Notes forming part of the Financial Statements and do not call for any further comments.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Your Company is not engaged in any manufacturing or processing activity, as such particulars required to be given in terms of Section 134 (3) (m) of the Companies Act, 2013 read along with Companies (Accounts) Rules, 2014, regarding conservation of energy and technology absorption are not applicable.

During the year, your Company has not incurred any expenditure in foreign currency as against nil in the previous financial year 2016-2017 and not earned in foreign currency as against nil in the previous financial year 2016-2017.

**SIGNIFICANT AND MATERIAL ORDERS**

There were no significant or material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

**RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

The particulars of every contract and arrangement entered into by the Company with related parties referred to in subsection (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are disclosed in Form No. AOC-2 in **Annexure III** and form part of this Report.

**SHARE CAPITAL**

We have one class of shares-equity share of par value of Rs.10 each. Our authorized share capital is Rs. 300,000,000 divided in to 30,000,000 equity shares of Rs. 10 each. The issued subscribed and paid up Equity Share Capital stood at Rs. 269,689,120/- divided into 26,968,912 equity shares of Rs. 10 each as at March 31, 2018 which is same as at March 31, 2017.

**DEBENTURES**

During the year under review, the Company has issued and allotted 188,677 numbers of Optionally Fully Convertible Debentures (OFCDs) on preferential basis of face value of Rs.100/- each to non-promoters.

**CORPORATE SOCIAL RESPONSIBILITY POLICY**

Your Company has been actively contributing to the overall growth of the society through various CSR initiatives undertaken either by it in the field of education to underprivileged children. It has now expanded its wings to support education of underprivileged children by providing them financial aid, support and facilitates all activities in connection thereto.

Further, the Board of Directors of your Company has also adopted the CSR Policy of the Company as approved by the Corporate Social Responsibility Committee.

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed herewith as **Annexure IV** to this Report in the prescribed format.

**DISCLOSURE IN TERMS OF SEXUAL HARASSMENT OF WOMENAT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) Act, 2013**

In terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has an internal complaints committee in place, which entertains the complaints made by any aggrieved women.

During the financial year under review, there have been no cases reported in this regard.

**PERSONNEL**

There is no employee whose particulars are required to be disclosed under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended.

**SECRETARIAL AUDIT**

During the period under review the Company is not covered under the criteria of applicability of Secretarial Audit pursuant to the provision of section 204 of the Companies Act, 2013.

**ACKNOWLEDGEMENTS**

Your Directors thank the various Central and State Government Departments, organizations and agencies for the continued help and co-operation extended by them.

Your Directors also gratefully acknowledge all stakeholders of the Company viz. viewers, listener, producers, vendors, members, dealers, auditors, consultants, legal advisor banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board of Directors
**E24 Glamour Limited**

**Anurradha Prasad**
**Chairperson**
DIN: 00010716

Date: May 28, 2018
Place: Noida

Annexure -I

**"NOMINATION AND REMUNERATION POLICY OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES"**

**[E24 Glamour Limited]**

**INTRODUCTION**

Section 178 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 as amended require the Nomination and Remuneration Committee of the Board of Directors of every listed entity, among other classes of companies, to

- formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- carry out evaluation of every director's performance.
- formulate the criteria for evaluation of Independent Directors and the Board.

Accordingly, in adherence to the above said requirements and in line with the Company philosophy towards nurturing its human resources, Board of Directors adopted the Nomination and Remuneration Policy of E24 Glamour Limited (hereinafter called as E24) for the directors, key managerial personnel and other employees of the Company, duly recommended by Nomination and Remuneration Committee as set out below.

**COMPANY PHILOSHPHY**

E24 is an equal opportunities employer. The organization does not discriminate on grounds of age, gender, color, race, ethnicity, language, caste, creed, economic or social status or disability. Pay revisions and other benefits are designed in such a way to compensate good performance of the employees of the Company and motivate them to do better in future.

The endeavor of the organization is to acknowledge the contributions of its directors, key managerial personnel and other employees with best compensation and benefits that appropriately reward performance in line with the regulatory and industry best practices.

**GUIDING PRINCIPLES**

In the formulation of this Policy, the Nomination and Remuneration Committee has also endeavored to ensure the guiding principles as prescribed u/s 178(4) of the Companies Act, 2013 and rules made thereunder, summarized as below:

a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate human resource including directors of the quality required to run the company successfully;

b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

c) remuneration to directors, key managerial personnel and senior management reflecting short and long term performance objectives appropriate to the working of the company and its goals;

d) facilitating effective shareholder participation in key Corporate Governance decisions such as the nomination and election of board members;

e) aligning key executive and board remuneration with the longer term interests of the company and its shareholders;

f) ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.

**NOMINATION OF THE DIRECTORS**

The Nomination and Remuneration Committee of the Board of Directors is dedicated to ensuring the continuance of a dynamic and forward-thinking Board and recommend to the Board qualified candidates for directorship.

Before recommending a nominee's candidature to the Board for being appointed as a Director, the following criteria set out may be applied as guidelines in considering potential nominees to the Board of Directors.

**General Criteria**

- The background and qualifications of the Directors considered as a group should provide a significant breadth of experience, knowledge and abilities to assist the Board in fulfilling its responsibilities.

  Diversity reflecting gender, ethnic background, country of citizenship and professional experience diverse professional and personal backgrounds.
- Commitment of the nominee to understanding the Company and its industry, embracing the organisation's values to help shape its vision, mission and strategic direction including oversight of risk management and internal control.
- Commitment of the nominee to spending the time necessary to function effectively as a Director, including attending and participating in meetings of the Board and its Committees.

**Specific Criteria**

- Demonstrated business acumen, experience and ability to use sound judgment and to contribute to the effective oversight of the business and financial affairs of a large, multifaceted, global organisation.
- The nominee reflects the right corporate tone and culture and excels at board-management relationships.
- Experience in strategic planning and managing multidisciplinary responsibilities, the ability to navigate among diverse professional groups and points of view, a track record of communicating effectively in a global environment, and high standards of integrity and professional conduct.
- Nominees understand and endeavor to balance the interests of shareholders and/ or other stakeholders and put the interests of the company or organisation above self-interest. He/ she has demonstrated a commitment to transparency and disclosure.
- He/ she is committed to superior corporate performance, consistently striving to go beyond the legal and/or regulatory governance requirements to enhance, not just protect, shareholder value.
- Nominee contributes to effective governance through superior, constructive relationships with the Executive Directorate and management.

**REMUNERATION OF THE DIRECTORS**

The Company strives to provide fair compensation to directors, taking into consideration industry benchmarks, Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record, macroeconomic review on remuneration packages of heads of other organisations.

The remuneration payable to the Directors of the Company shall at all times be determined, in accordance with the provisions of the Companies Act, 2013.

**Appointment and Remuneration of Managing Director and Whole-time Director**

The terms and conditions of appointment and remuneration payable to a Managing Director and Whole-time Director(s) shall be recommended by the Nomination and Remuneration Committee to the Board for its approval which shall be subject to approval by shareholders at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V to the Companies Act, 2013. Approval of the Central Government is not necessary if the appointment is made in accordance with the conditions specified in Schedule V to the Act.

While recommending the remuneration payable to a Managing/ Whole-time Director, the Nomination and Remuneration Committee shall, inter alia, have regard to the following matters:

- Financial and operating performance of the Company
- Relationship between remuneration and performance
- Industry/ sector trends for the remuneration paid to executive directorate

Annual Increments to the Managing/ Whole-time Director(s) shall be within the slabs approved by the Shareholders. Increments shall be decided by the Nomination and Remuneration Committee at times it desires to do so but preferably on an annual basis.

**Remuneration of Independent Directors**

Independent Directors may receive remuneration by way of

- Sitting fees for participation in the Board and other meetings, if approve,
- Reimbursement of expenses for participation in the Board and other meetings
- Commission as approved by the Shareholders of the Company

Independent Directors shall not be entitled to any stock options.

Based on the recommendation of the Nomination and Remuneration Committee, the Board may decide the sitting fee payable to independent directors. However, the Company is not paying any sitting fee to any Independent Director. Provided that the amount of such fees shall not exceed the maximum permissible under the Companies Act, 2013.

**Remuneration to Directors in other Capacity**

The remuneration payable to the directors including Managing or Whole-time Director or Manager shall be inclusive of the remuneration payable for the services rendered by him in any other capacity except the following:

(a) the services rendered are of a professional nature; and

(b) in the opinion of the Nomination and Remuneration Committee, the director possesses the requisite qualification for the practice of the profession.

**EVALUATION OF THE DIRECTORS**

As members of the Board, the performance of the individual Directors as well as the performance of the entire Board and its Committees is required to be formally evaluated annually.

Section 178(2) of the Companies Act, 2013 also mandates the Nomination and Remuneration Committee to carry out evaluation of every director's performance.

**NOMINATION AND REMUNERATION OF THE KEY MANAGERIAL PERSONNEL (OTHER THAN MANAGING DIRECTORS/WHOLE TIME DIRECTORS), KEY EXECUTIVES AND SENIOR MANAGEMENTS**

The Companies Act, 2013 has for the first time recognized the concept of Key Managerial Personnel. As per section 2(51) "key managerial personnel", in relation to a company, means:

(i) the Chief Executive Officer or the Managing Director or the Manager;

(ii) the Whole-time Director;

(iii) the Chief Financial Officer;

(iv) the Company Secretary; and

(v) such other officer as may be prescribed.

Among the KMPs, the remuneration of the CEO or the Managing Director and the Whole-time Director(s), shall be governed by the Section on REMUNERATION OF THE DIRECTORS of this Policy dealing with "Remuneration of Managing Director and Whole-time Director".

Apart from the directors, the remuneration of

- All the Other KMPs such as the company secretary or any other officer that may be prescribed under the statute from time to time; and
- "Senior Management" of the Company defined in the clause 49 of the Listing Agreement with the Stock Exchanges i.e. personnel who are members of its core management team excluding the Board of Directors. Senior executives' one level below the Board shall be determined by the Human Resources Department of the Company.

The remuneration determined for all the above said senior personnel shall be in line with the Company's philosophy to provide fair compensation to key - executive officers based on their performance and contribution to the Company and to provide incentives that attract and retain key executives, instill a long-term commitment to the Company, and develop a pride and sense of Company ownership, all in a manner consistent with shareholders interests.

The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be decided by the Company's HR department.

Decisions on Annual Increments of the Senior Personnel shall be decided by the Human Resources Department in consultation with the Managing Director and/ or the Whole-time Director of the Company.

**REMUNERATION OF THE EMPLOYEES**

Apart from the Directors, KMPs and Senior Management, the remuneration for rest of the employees is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and local market conditions.

The Company considers it essential to incentivize the workforce to ensure adequate and reasonable compensation to the staff. The Human Resources Department shall ensure that the level of remuneration motivates and rewards high performers who perform according to set expectations for the individual in question.

The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package.

The annual increments to the remuneration paid to the employees shall be determined based on the annual appraisal carried out by the HODs of various departments. Decisions on Annual Increments shall be made on the basis of this annual appraisal.

**GENERAL**

This Policy shall apply to all future employment of Company's Senior Management including Key Managerial Personnel and Board of Directors.

Any or all the provisions of this Policy would be subject to the revision/ amendment in the Companies Act, 2013, related rules and regulations, guidelines and the Listing Agreement on the subject as may be notified from time to time. Any such amendment shall automatically have the effect of amending this Policy without the need of any approval by the Nomination and Remuneration Committee and/or the Board of Directors.

## Annexure-II

## Form No. MGT-9

## EXTRACT OF ANNUAL RETURN
## as on the financial year ended on 31.03.2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**:

i) CIN: **U92419DL2007PLC160548**

ii) Registration Date: **15.03.2007**

iii) Name of the Company: **E24 Glamour Limited**

iv) Category / Sub-Category of the Company: **Public Company/Limited by Shares/India Non Government Company**

v) Address of the Registered office and contact details: **352, Aggarwal Plaza, Plot No.8, Kondli, New Delhi-110096, Tel 91 120 3911 444, Fax: 91 120 3911 401.**

vi) Whether listed company Yes / No: **No**

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: **NA**

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the Company |
|---|---|---|---|
| 1 | Television programming and Broadcasting Activities | 6020 | 100 |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

| Sl. No. | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % of shares Held | Applicable Section |
|---|---|---|---|---|---|
| 1 | B.A.G. Films and Media Limited Address: 352, Aggarwal Plaza, Plot No. 8, Kondli, New Delhi 110 096 | L74899DL1993PLC051841 | Holding Company | 69.23 | 2(46) |
| 2 | E24 Entertainment Limited P.O. Box 28817, Dubai | NA | Subsidiary | 100 | 2(87) |

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change During the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoters** | | | | | | | | | |
| (1) **Indian** | | | | | | | | | |
| a) Individual/HUF | - | 55000 | 55000 | 0.20 | - | 55000 | 55000 | 0.20 | 0.00 |
| b) Central Govt | | | | | | | | | |
| c) State Govt(s) | | | | | | | | | |
| d) Bodies Corp. | - | 19616417 | 19616417 | 72.74 | - | 19616417 | 19616417 | 72.74 | 0.00 |
| e) Banks / FI | | | | | | | | | |
| f) Any Other…. | | | | | | | | | |
| **Sub-total (A) (1):-** | **-** | **19671417** | **19671417** | **72.94** | - | **19671417** | **19671417** | **72.94** | **0.00** |

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change During the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (2) **Foreign** | | | | | | | | | |
| a) NRIs - Individuals | - | - | - | - | - | - | - | - | - |
| b) Other - Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any Other…. | - | - | - | - | - | - | - | - | - |
| **Sub-total (A) (2):-** | - | - | - | - | - | - | - | - | - |
| **Total shareholding of Promoter (A) = (A)(1)+(A)(2)** | | **19671417** | **19671417** | **72.94** | | **19671417** | **19671417** | **72.94** | **0.00** |
| B. **Public Shareholding** | | | | | | | | | |
| 1. **Institutions** | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| **Sub-total (B)(1):-** | - | - | - | - | - | - | - | - | - |
| 2. **Non-Institutions** | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | | 3726067 | 3726067 | 13.82 | | 3726067 | 3726067 | 13.82 | 0.00 |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | - | - | - | - | - | - | - | - | - |
| i) Individual shareholders holding nominal share capital up to Rs. 1 lakh | - | - | - | - | - | - | - | - | - |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | - | 3571428 | 3571428 | 13.24 | - | 3571428 | 3571428 | 13.24 | - |
| c) Others (specify) | | | | | | | | | |
| **Sub-total (B)(2):-** | - | **7297495** | **7297495** | **27.06** | - | **7297495** | **7297495** | **27.06** | **0.00** |
| **Total Public Shareholding (B)=(B)(1)+ (B)(2)** | - | **7297495** | **7297495** | **27.06** | - | **7297495** | **7297495** | **27.06** | **0.00** |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | |
| **Grand Total (A+B+C)** | - | **26968912** | **26968912** | **100.00** | - | **26968912** | **26968912** | **100.00** | **0.00** |

(ii) **Shareholding of Promoters**

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Cumulative Shareholding during the year | | | |
|---|---|---|---|---|---|---|---|---|
| 1 | | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | % change In share holding during the year |
| 1 | Anurradha Prasad | 55000 | 00.20 | 0 | 55000 | 00.20 | 0 | 0.00 |
| 2 | B.A.G. Films and Media Limited | 18671703 | 69.23 | 2.20 | 18671703 | 69.23 | 2.20 | 0.00 |
| 3 | ARVR Communications Private Limited | 944714 | 3.51 | 0 | 944714 | 3.51 | 0 | 0.00 |
| | **Total** | **19671417** | **72.94** | **0** | **19671417** | **72.94** | **0** | **0.00** |

(iii) **Change in Promoters' Shareholding (please specify, if there is no change) No Changes**

| Sl. No. | | Shareholding at the beginning of the year | | Share holding at the end of the Year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 19671417 | 72.94 | 19671417 | 72.94 |
| | Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | | | | |
| | At the End of the year | 19671417 | 72.94 | 19671417 | 72.94 |

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

| Sl. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | **For Each of the Top 10 Shareholders** | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Sameer Gehlaut | 2571428 | 9.53 | 2571428 | 9.53 |
| 2 | High Growth Distributors Private Limited | 2571428 | 9.53 | 2571428 | 9.53 |
| 3 | Gauri Khan | 1000000 | 3.71 | 1000000 | 3.71 |
| 4 | Premier Tradecom Private Limited | 0 | 0 | 1000000 | 3.71 |
| 5 | Odyssey Corporation Limited | 154639 | 0.57 | 154639 | 0.57 |

**(v) Shareholding of Directors and Key Managerial Personnel:**

| Sl. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | **For Each of the Directors and KMP** | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | **Ms. Anurradha Prasad* Director** | | | | |
| | At the beginning of the year | 55000 | 0.20 | 55000 | 0.20 |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/ sweat equity etc): | 0 | 0.00 | 0 | 0.00 |
| | At the End of the year | 55000 | 0.20 | 55000 | 0.20 |

* Except Ms. Anurradha Prasad (whose shareholding are given above), no other Directors and KMP hold any shares in the Company.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment **“Refer Notes to Financial Statements.**

The Company is not accepting any deposit under section 73 to 76 of the Company Act, 2013 read with Companies (Acceptance of Deposits) Rule, 2014.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Sl. No. | Particulars of Remuneration | MD/WTD/Manager |
|---|---|---|
| 1. | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 0 |
| 2. | Stock Option | 0 |
| 3. | Sweat Equity | 0 |
| 4. | Commission<br>- as % of profit<br>- Others, specify… | 0 |
| 5. | Others, please specify | 0 |
| | Total (A) | 0 |
| | Ceiling as per the Act | N.A. |

B. Remuneration to other directors:

| Sl. No. | Particulars of Remuneration | | Name of Directors | | Total Amount |
|---|---|---|---|---|---|
| | | -- | | -- | |
| | **3. Independent Directors** | | | | |
| | • Fee for attending board / committee meetings<br>• Commission<br>• Others, please specify | 0 | 0 | 0 | 0 |
| | Total (1) | 0 | 0 | 0 | 0 |
| | **4. Other Non-Executive Directors** | **Ms. Anurradha Prasad** | **Mr. Sudhir Shukla** | **Mr. Anil Kapoor** | |
| | • Fee for attending board / committee meetings<br>• Commission<br>• Others, please specify | 0 | 0 | 0 | 0 |
| | Total (2) | 0 | 0 | 0 | 0 |
| | Total (B)=(1+2) | 0 | 0 | 0 | 0 |
| | Total Managerial Remuneration | 0 | 0 | 0 | 0 |
| | Overall Ceiling as per the Act | N.A. | N.A. | N.A. | N.A. |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in Rs.)

| Sl. No. | Particulars of Remuneration | Name of the KMP other than MD/ WTD/Manager | | Total Amount |
|---|---|---|---|---|
| | | **Mr. Subodh Kumar, CFO** | **Ms. Pinki Pilani, Company Secretary** | |
| 1. | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 0 | 2,11,236<br>0<br>- | 2,11,236 |
| 2. | Stock Option | 0 | 0 | 0 |
| 3. | Sweat Equity | 0 | 0 | 0 |
| 4. | Commission<br>- as % of profit<br>- others, specify… | 0 | 0 | 0 |
| 5. | Others, please Specify | 0 | 0 | 0 |
| | **Total** | **0** | **2,11,236** | **2,11,236** |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: (NIL)**

**Annexure III**

**FORM NO. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below:

1. **Details of contracts or arrangements or transactions not at Arm's length basis :**

   There were no contracts or arrangements or transactions entered during the year ended March 31, 2018 which were not at arm's length basis.

2. **Details of material contracts or arrangements or transactions at Arm's length basis:**

| Sr. No. | Name of the related party | Nature of relationship | Nature of contracts or arrangements or transaction | Duration of contracts or arrangements or transactions | Salient Terms | Amount (In Rs.) |
|---|---|---|---|---|---|---|
| 1 | B.A.G. Films and Media Limited | Holding Company | Leasing/ Television Programming | Continuing | As per Related Party Transaction Policy | 43,426,290 |
| 2 | Skyline Tele Media Services Limited | Enterprises over which KMP have significant influence | Up linking/ Carriage Charges | Continuing | As per Related Party Transaction Policy | 8,250,000 |

For and on behalf of the Board of Directors
**E24 Glamour Limited**

**Anurradha Prasad**
**Chairperson**
DIN: 00010716

Date: May 28, 2018
Place: Noida

**Annexure-IV**

**E24 GLAMOUR LIMITED**

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) PURSUANT TO RULES 8 & 9 OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014**

1. In adherence to section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors upon the recommendation of CSR Committee, in its meeting held on May 19, 2015, and has approved a CSR Policy of the Company.

   In accordance with the primary CSR philosophy of the group and the specified activities under Schedule VII to the Companies Act, 2013, the CSR activities of the Company cover certain thrust areas of education and healthcare.

2. **The composition of CSR committee**

   As at 31st March, 2018, the Corporate Social Responsibility Committee comprises of 3 (Three) members of the Board, and these are Non-executive Directors of the Company. The Chairman of the Committee is a Non-executive Director.

| Sr. No. | Category | Category | Designation |
|---|---|---|---|
| 1 | Mr. Sudhir Shukla | Non-Executive Director | Chairman |
| 2 | Ms. Anurradha Prasad | Non-Executive Director | Member |
| 3 | Mr. Anil Kapoor | Non-Executive Director | Member |

3. **Average net profit of the Company for last 3 Financial Year**

   The Average Net Profit of the last three financial years preceding the reporting financial year (i.e. 2016-17, 2015-16, 2014-15) calculated in accordance with section 135 of the Companies Act, 2013 is Rs 436.48 lakh.

4. **Prescribed CSR Expenditure (2% of the amount as in item 3 above)**

   The prescribed CSR Expenditure to be incurred during the financial year i.e. 2017-18 is Rs.8.73 lakh.

5. **Details of CSR Expenditure during the Financial Year 2017-18**

   (a) Total amount to be spent for the financial year = Rs.8.73 lakh

   (b) Amount unspent, if any = ` Rs Zero

   (c) Manner in which the amount spent during the financial year is detailed below:

| Sr. No. | CSR project or activity identified | Sector in which the project is covered* | Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken | Amount outlay (budget) project or program wise | Amount spent on the projects or program Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads | Cumulative expenditure upto the reporting period | Amount spent: Direct or through implementing agency |
|---|---|---|---|---|---|---|---|
| 1 | Contribution to eligible Institution for promotion and providing education- Contribution to Specially abele children's | (ii) | Greater Noida, Utter Pradesh | 30.00 Lakh | 9.00 Lakh | 34.31 Lakh | Direct |
| 2. | Noble cause for the overall development of backward downtrodden sick, malnutrition, illiterate and unemployed men, women and children of the society | (i) | Alambagh, Lucknow, Uttar Pradesh | 5.00 Lakh | 5.00 Lakh | 5.00Lakh | Direct |

* Sector refers to the Entries specified in Schedule VII to the Companies Act, 2013.

6. In case the company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the company shall provide the reason for not spending the amount in its board report.

   In respect of the balance amount that needs to be spent under the prescribed CSR Expenditure for financial year 2017-18, the Company has decided to pay salary of teachers of Saamarth- The Early Intervention Program in Greater Valley schools in Greater Noida district where it is providing education.

7. **Responsibility Statement**

   The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

| | |
|---|---|
| **Anurradha Prasad** | **Sudhir Shukla** |
| **Chairman and Director** | **Chairman CSR Committee** |

Date: May 28, 2018
Place: Noida

**INDEPENDENT AUDITOR'S REPORT**

To the Members of E24 Glamour Limited, New Delhi

**Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of E24 Glamour Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

**Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

**Auditor's Responsibility**

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

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

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

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists , we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained 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 of the state of affairs of the Company as at 31 March 2018, its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143 (3) of the Act, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31 March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018, from being appointed as a director in terms of section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B", which is based on the Auditors' Reports of the Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company.

(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 Ind AS financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018.

For **Kumar Khare & Co.**
Chartered Accountants
Firm Registration No. 006740C

**Alok Khare**
Partner
Membership No. 075236

Place: Noida
Dated: May 28, 2018

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**ANNEXURE A**

to the independent Auditor's Report – 31 March 2018 on the Ind AS financial statements

**(Referred to in our report of even date)**

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   (b) The Company has a regular programme of physical verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified by the management during the year and we are informed that no material discrepancies were noticed on such verification.

2. As explained to us, the inventories were physically verified by the Management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable and no material discrepancies were noticed on physical verification.

3. In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraphs 3(iii) of the Order is not applicable to the Company.

4. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186.

5. The Company has not accepted deposits with the meaning of Section73 to 76 of the Act and the Companies (Acceptance of Deposits)Rule, 2014 (as amended). Accordingly, the provisions of the clause 3 (v) of the Order are not applicable.

6. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/ services of the Company.

7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income tax, Wealth tax, Sales-tax, Service tax, Value added tax, cess and other material statutory dues were in arrears, as at 31 March 2018, for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax which have not been deposited as on March 31, 2018 on account of disputes by the aforesaid entities are given below:

| Name of the Company | Name of the Statute | Nature of dues | Period to Which the Amount Relates | Amount (In Lakh) | Forum where disputes is pending |
|---|---|---|---|---|---|
| E24 Glamour Limited | Income Tax Act, 1961 | Income Tax | Assessment year 2012-13 | 1788.54 | Commissioner (Appeals) of Income Tax |

There were no due of Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as at March 31, 2018 on account of dispute.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company does not have any loans or borrowings from financial institutions or government and has not issued any debentures.

9. The Company did not raise any moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purposes for which they were raised.

10. In our opinion and in according to the information and explanation given to us, no fraud on the company by its officer or employees nor any fraud by the Company has been noticed or reported during the year ,that causes the financial statement to be materially miss-stated.

11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid any managerial remuneration during the year. Accordingly, the provisions of clause (xi) of the Order are not applicable to the Company and hence not commented upon.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and hence reporting under clause 3(xii) of the Order is not applicable.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. The details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made optionally fully convertible debenture during the year. The Company has complied with requirement of section 42 of Companies Act, 2013 and the amount raised has been used for the purpose for which the fund were raised.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him and Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

16. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

**For Kumar Khare & Co.**
Chartered Accountants
Firm Registration No. 006740C

**Alok Khare**
Partner
Membership No. 075236

Place: Noida
Dated: May 28, 2018

**ANNEXURE B**

To the Independent Auditor's Report- 31 March 2018 on the Ind AS financial statements

**(Referred to in our report of even date)**

**Report on the Internal Financial Controls Section 143(3) (i) of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls with reference to financial statements of E24 Glamour Limited ('the Company') as of March 31, 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 with reference to financial statements 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 (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with Guidance Note and the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls Over Financials Reporting(IFCoFR) and the Guidance Note on Audit of Internal Financial Control Over Financial Reporting (the "Guidance Note")issued by the ICAI . Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements , 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statments 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **Kumar Khare & Co.**
Chartered Accountants
Firm Registration No. 006740C

**Alok Khare**
Partner
Membership No. 075236

Place: Noida
Dated: May 28, 2018

## E24 Glamour Limited
## BALANCE SHEET As at March 31, 2018

(Amount in ₹)

| Particulars | Note No. | As at March 31,2018 | As at March 31,2017 | As at April 1,2016 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 4 | 34,813,460 | 45,063,851 | 58,440,529 |
| Investment in subsidiaries | 5 | 58,995,000 | 58,995,000 | 58,995,000 |
| Financial assets | | | | |
| Investments | 5 | 1,355,186,300 | 1,024,595,800 | 944,595,800 |
| Deferred tax assets (net) | 6 | 2,386,340 | 2,478,961 | 2,200,133 |
| Other non-current assets | 7 | - | - | 145,346 |
| | | **1,451,381,100** | **1,131,133,612** | **1,064,376,808** |
| **Current assets** | | | | |
| Inventories | 8 | 67,631,618 | 60,076,018 | 60,881,288 |
| Financial assets | | | | |
| Trade receivables | 9 | 119,030,903 | 208,433,064 | 222,275,993 |
| Cash and cash equivalents | 10 | 18,788,706 | 19,938,226 | 71,661,227 |
| Other financial assets | 11 | 19,812,411 | 120,329,870 | 51,035,348 |
| Other current assets | 12 | 21,634,761 | 20,245,123 | 22,707,440 |
| | | **246,898,399** | **429,022,301** | **428,561,296** |
| **Total** | | **1,698,279,499** | **1,560,155,913** | **1,492,938,104** |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Equity share capital | 13 | 269,689,120 | 269,689,120 | 269,689,120 |
| Other equity | 14 | 773,786,019 | 782,741,626 | 767,266,036 |
| | | **1,043,475,139** | **1,052,430,746** | **1,036,955,156** |
| Non-current liabilities | | | | |
| Financial liabilities | | | | |
| Other financial liabilties | 15 | 351,699,474 | 246,998,492 | 259,260,455 |
| Provisions | 16 | 1,654,161 | 1,341,692 | 1,358,377 |
| | | **353,353,635** | **248,340,184** | **260,618,832** |
| **Current liabilities** | | | | |
| Financial liabilities | | | | |
| Trade payables | | | | |
| Total outstanding dues of micro enterprises and small enterprises | 17 | - | - | |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 17 | 28,724,112 | 17,549,937 | 26,874,811 |
| Other financial liabilities | 18 | 207,733,239 | 196,249,410 | 86,581,597 |
| Other current liabilities | 19 | 64,993,374 | 45,585,636 | 81,907,708 |
| | | **301,450,725** | **259,384,983** | **195,364,116** |
| **Total** | | **1,698,279,499** | **1,560,155,913** | **1,492,938,104** |
| Basis of preparation, measurement and significant accounting policies | 2 | | | |
| First time adoption of Ind AS | 3 | | | |

**The accompanying notes are an integral part of these financial statements**

As per our report of even date
**For Kumar Khare & Co.**
Firm Registration Number: 006740C
Chartered Accountants

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

**Alok Khare**
Partner
Membership Number: 075236

**Anurradha Prasad**
Director
DIN No. 00010716

**Anil Kapoor**
Whole Time Director
DIN: 05113976

Noida: May 28, 2018

**Subodh Kumar**
CFO

**Pinki Pialni**
Company Secretary
Membership No. ACS 19089

**E24 Glamour Limited**
**Statement of Profit and Loss for the year ended 31st March, 2018**

(Amount in ₹)

| Particulars | Note No. | Year ended March 31,2018 | Year ended March 31,2017 |
|---|---|---|---|
| Sales | 20 | 240,393,976 | 291,478,614 |
| Other income | 21 | 698,146 | 1,553,980 |
| **Total Income** | | **241,092,122** | **293,032,594** |
| **Expenses** | | | |
| Changes in inventories of finished goods, work-in-progress and traded goods | 22 | (7,555,600) | 805,270 |
| Employee benefits expense | 23 | 33,743,797 | 27,849,704 |
| Finance costs | 24 | 23,341,496 | 22,640,807 |
| Depreciation and amortisation expense | 25 | 10,272,266 | 13,376,678 |
| Other expenses | 26 | 189,678,449 | 212,870,245 |
| **Total Expenses** | | **249,480,408** | **277,542,704** |
| **Profit before exceptional items and tax** | | **(8,388,286)** | **15,489,890** |
| Exceptional items | | - | - |
| **Profit before tax** | | **(8,388,286)** | **15,489,890** |
| **Tax expense** | | | |
| Deferred tax | | 92,621 | (278,828) |
| Total tax expense | | **92,621** | **(278,828)** |
| **Profit for the year (A)** | | **(8,480,907)** | **15,768,718** |
| **Other comprehensive income** | | | |
| Items that will not be reclassified to profit or loss | | | |
| Acturial gains/losses of defined benefit plans | | (474,700) | (293,128) |
| **Other comprehensive income for the year (net of tax) (B)** | | **(474,700)** | **(293,128)** |
| **Total comprehensive income for the year (A+B)** | | **(8,955,607)** | **15,475,590** |
| Nominal value per share Rs.2/- each | | | |
| **Earnings per equity share** | | | |
| Basic earnings from operations attributable to share holders | | (0.33) | 0.57 |
| Diluted earnings from operations attributable to share holders | | (0.33) | 0.30 |
| Basis of preparation, measurement and significant accounting policies | 2 | | |
| First time adoption of Ind AS | 3 | | |

**The accompanying notes are an integral part of these financial statements**

As per our report of even date
**For Kumar Khare & Co.**
Firm Registration Number: 006740C
Chartered Accountants

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

**Alok Khare**
Partner
Membership Number: 075236

**Anurradha Prasad**
Director
DIN No. 00010716

**Anil Kapoor**
Whole Time Director
DIN: 05113976

**Subodh Kumar**
CFO

**Pinki Pialni**
Company Secretary
Membership No. ACS 19089

Noida: May 28, 2018

**A. Equity Share Capital**

| Particulars | Note No. | Balance |
|---|---|---|
| **As at 1st April, 2016** | | 269,689,120 |
| Changes in equity share capital during the year | | - |
| **As at 31st March, 2017** | | **269,689,120** |
| Changes in equity share capital during the year | | - |
| **As at 31st March, 2018** | 13 | **269,689,120** |

**B. Other Equity**

| | | Reserves and surplus | | Items of Other Comprehensive Income (OCI) | |
|---|---|---|---|---|---|
| **Particulars** | **Note No.** | **Securities Premium Reserves** | **Retained earnings** | **Remeasurements of net defined benefit plans** | **Total other equity** |
| **Balance as at 1 April 2016** | | **1,303,438,312** | **(536,172,276)** | | **767,266,036** |
| Profit for the year | | - | 15,768,718 | | 15,768,718 |
| Other comprehensive income (net of tax) | | | | (293,128) | (293,128) |
| **Total comprehensive income for the year ended 31 March 2017** | | **-** | **15,768,718** | **(293,128)** | **15,475,590** |
| **Transactions with owners in their capacity as owners** | | | | | |
| Transfer from Retained earnings to General reserve | | - | - | - | - |
| **Balance as at 31 March 2017** | | **1,303,438,312** | **(520,403,558)** | **(293,128)** | **782,741,626** |
| Profit for the year | | - | (8,480,907) | | (8,480,907) |
| Other comprehensive income (net of tax) | | - | | (474,700) | (474,700) |
| **Total comprehensive income for the year ended 31 March 2018** | | **-** | **(8,480,907)** | **(474,700)** | **(8,955,607)** |
| **Transactions with owners in their capacity as owners** | | | | | - |
| Transfer from Retained earnings to General reserve | | - | - | - | - |
| **Balance as at 31 March 2018** | **14** | **1,303,438,312** | **(528,884,465)** | **(767,828)** | **773,786,019** |

**The accompanying notes are an integral part of these financial statements**

As per our report of even date

**For Kumar Khare & Co.**
Firm Registration Number: 006740C
Chartered Accountants

**Alok Khare**
Partner
Membership Number: 075236

Noida: May 28, 2018

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

**Anurradha Prasad**
Director
DIN No. 00010716

**Anil Kapoor**
Whole Time Director
DIN: 05113976

**Subodh Kumar**
CFO

**Pinki Pialni**
Company Secretary
Membership No. ACS 19089

**Notes forming part of the Financial Statements**

## 1. CORPORATE INFORMATION

The Company is running a 24 hours Entertainment channel in the name of "E24 . Modern, interactive, informative and passionate, the channel reports the glitz and glamour of Bollywood with honesty, zeal and commitment. Films, music, entertainment reviews, gossip, scoops and scandals- the channel features all such programmes in unique style and look.

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements for the year ended 31st March, 2018 are the first the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2017 , the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended 31st March, 2017 and the opening Balance Sheet as at 1st April, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note 3.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the 'date of transition to Ind AS'.

The financial statements of the Company for the year ended 31st March, 2018 were approved for issue in accordance with the resolution of the Board of Directors on 28th May, 2018.

## 2. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

### 2.1 BASIS OF PREPARATION AND MEASUREMENT

**(a) Basis of preparation**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements for the year ended 31st March, 2018 are the first the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2017 , the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended 31st March, 2017 and the opening Balance Sheet as at 1st April, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note 3.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the 'date of transition to Ind AS'.

The financial statements of the Company for the year ended 31st March, 2018 were approved for issue in accordance with the resolution of the Board of Directors on 28th May, 2018.

**(b) Basis of measurement**

These financial statements are prepared under the historical cost convention unless otherwise indicated.

**(c) Functional and Presentation currency**

These financial statements are presented in Indian rupees (INR), which is also the Company's functional currency.

### 2.2 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

## 2.3 SIGNIFICANT ACCOUNTING POLICIES

### (a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- Expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- Held primarily for the purpose of being traded;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

The Company has identified twelve months as its operating cycle.

### (b) Property, plant and equipment and Depreciation

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., April 1, 2016.

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price ( including all duties and taxes after deducting trade discounts and rebates if any ) and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Likewise, when a major expenditure is incurred, its cost is recognised in the carrying amount of the plant and equipment, if it increases the future economic benefits from the existing asset. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Property, plant and equipment under construction and fixed assets acquired but not put to use at the balance sheet date are classified as capital work in progress.

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

**Depreciation**

Based on a technical assessment and a review of past history of asset usage, management of the Company has not revised its useful lives to those referred to under Schedule II to the Companies Act, 2013 (as amended).

Depreciation on property, plant and equipment is provided on written down value method, using the rates arrived at based on the useful lives estimated by the management.

Assets costing ₹5,000 or less are fully depreciated in the year of purchase.

### (c) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's ('CGU') fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

**(d) Inventories**

Inventories of raw stock consists of tapes, cassettes, compact discs and other electronic devices which are valued at lower of cost or estimated net realizable value.

Costs include the cost incurred in bringing each product to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Cost of goods is determined on a FIFO basis.

Appropriate adjustments are made to the carrying value of damaged, slow moving and obsolete inventories based on management's current best estimate.

**(e) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short-term deposit (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

**(f) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**(g) Foreign Currency Transactions**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency').The financial statements are presented in Indian rupees (INR), the functional currency of the Company.

Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are translated using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value denominated in a foreign currency are translated using the exchange rates that existed when the values were determined.

Exchange differences

All exchange differences arising on settlement / conversion of foreign currency monetary items are included in the statement of profit and loss.

**(h) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Company

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is

unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For recurring and non-recurring fair value measurements categorised within Level 3 of the fair value hierarchy, mention a description of the valuation processes used by the entity (including, for example, how an entity decides its valuation policies and procedures and analyses changes in fair value measurements from period to period).

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in Note No. 26.7 & 26.8of the Standalone financial statements.

**(i) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are subsequently classified as measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

For the impairment policy on financial assets measured at amortised cost.

Debt instruments at amortized cost

A'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows,

and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal

and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the

Statement of Profit and loss account. The Company does not have any financial asset under this category.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, the Company doesn't have any debt instruments that qualify for FVTOCI classification.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. However there are no such instruments that have been classified through FVTOCI and all equity instruments are routed through FVTPL.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

**Impairment of Financial Asset**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortized cost e.g. debt securities, deposits, trade receivables and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Company follows 'simplified approach'for recognition of impairment loss allowance on Trade receivables.

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

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the qfinancial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Financial liabilities**

**Initial recognition and measurement**

The Company's financial liabilities include deposits, and trade and other payables. These are recognized initially at amortized cost net of directly attributable transaction costs.

**Subsequent measurement**

After initial recognition, they are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

The EIR amortization is included as finance costs in the statement of profit and loss.

**Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**(j) Provisions and Contingent Liabilities:**

**Provisions**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. The expense relating to a provision is presented in the statement of profit and loss.

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present

obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

**(k) Revenue Recognition**

Advertisement revenue from sale of advertising time is recognized on the accrual basis when advertisements are telecast in accordance with contractual obligations.

**(l) Expenditure:**

Expenses are accounted on accrual basis.

**(m) Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes the contribution payable to the provident fund scheme as an expenditure when the employee renders the related service.

Gratuity liability is a defined benefit obligation. The cost of providing benefits under the plan is determined on the basis

of actuarial valuation at each year-end using the projected unit credit method.

Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income ('OCI') in the period in which they occur.

Remeasurement is not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

**(n) Earning per share (EPS)**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(o) Segment reporting**

Based on internal reporting provided to the Chief operating decision maker(CODM) as defined in IND AS 108, the Company's operations predominantly related to broadcasting of Bollywood centric entertainment and infotainment program and related operations. The management committee reviews and monitors the operating results of the business segment for the purpose of making decisions about resource allocation and performance assessment using profit or loss and return on capital employed.

**(p) Operating leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement

<u>Operating leases (where the Company is the lessee)</u>

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

<u>Operating leases (where the Company is the lessor)</u>

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases.. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

**(q) Taxes**

Tax expense comprises current and deferred tax.

- **Current income-tax**

  Current income-tax asset and liabilities are measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

- **Deferred tax**

  Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

- **Minimum alternate tax**

  Minimum alternate tax ('MAT') paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The said asset is recognised as "MAT Credit Entitlement" as deferred tax asset, and is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement."

**2.4 RECENT ACCOUNTING DEVELOPMENTS**

**(a) Standards issued but not yet effective:**

**IND AS 115: Revenue from Contracts with Customers**

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying Ind AS 115, 'Revenue from Contracts with Customers'. The Standard is applicable to the Company with effect from 1st April, 2018.

Revenue from Contracts with Customers Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective. The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The Company has completed its evaluation of the possible impact of Ind AS 115 and will adopt the standard from 1st April, 2018.

**3. FIRST TIME ADOPTION OF IND AS**

These financial statements, for the year ended 31 March 2018, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) and Companies Account (Amendment) rules, 2016, as amended.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending

on 31 March 2018, together with the comparative period data as at and for the year ended 31March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

**Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions :**

- Ind AS 16 - Property, plant and equitment are opted to be carried as recognised in its previous GAAP financials as deemed cost at the transition date. The Company has elected to continue with the carrying value as at 1st April, 2016 for all of its investment properties, Intangible assets and property plant & equipment as recognised in its Previous GAAP financial as deemed cost at the transition date.

- The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2016.
- The Company has elected to measure its investments in subsidiaries and other investment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.
- The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

**Estimates**

The estimates at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from Impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2016 (i.e. the date of transition to Ind-AS) and as of March 31, 2017.

Previous GAAP figures have been reclassified/ regrouped wherever necessary to conform with financial statements prepared under Ind AS.

**Effect of the Transition to Ind AS**

Reconciliations of the Company's balance sheets prepared under Indian GAAP and Ind AS as of April 1, 2016 and March 31, 2017 are also presented in Note 3.1. Reconciliations of the Company's income statements for the year ended March 31, 2017 prepared in accordance with Indian GAAP and Ind AS in Note 3.2.

**3.1 Effect of Ind AS adoption on the balance sheet as at March 31, 2017 and April 1, 2016**

| Particulars | As at March 31, 2017 | | | As at April 1, 2016 | | |
|---|---|---|---|---|---|---|
| | Previous GAAP | Effect of transition to Ind AS | As per Ind AS balance sheet | Previous GAAP | Effect of transition to Ind AS | As per Ind AS |
| **ASSETS** | | | | | | |
| **Non-current assets** | | | | | | |
| Property, plant and equipment | 45,063,851 | - | 45,063,851 | 58,440,529 | - | 58,440,529 |
| Investment in subsidiaries | 59,503,921 | (508,921) | 58,995,000 | 59,503,921 | (508,921) | 58,995,000 |
| Financial assets | | | | | | |
| Investments | 1,024,595,800 | - | 1,024,595,800 | 944,595,800 | - | 944,595,800 |
| Deferred tax assets (net) | 2,478,961 | - | 2,478,961 | 2,200,133 | - | 2,200,133 |
| Other non-current assets | - | | - | 145,346 | - | 145,346 |
| **TOTAL NON-CURRENT ASSETS** | **1,131,642,533** | **(508,921)** | **1,131,133,612** | **1,064,885,729** | **(508,921)** | **1,064,376,808** |
| **Current assets** | | | | | | |
| Inventories | 60,076,018 | - | 60,076,018 | 60,881,288 | - | 60,881,288 |
| Financial assets | | | | | | |
| Trade receivables | 208,433,064 | - | 208,433,064 | 222,621,658 | (345,665) | 222,275,993 |
| Cash and cash equivalents | 19,938,226 | - | 19,938,226 | 71,661,227 | - | 71,661,227 |
| Other financial assets | 119,820,948 | 508,921 | 120,329,870 | 50,526,427 | 508,921 | 51,035,348 |
| Other current assets | 20,245,123 | - | 20,245,123 | 22,707,440 | - | 22,707,440 |
| **TOTAL CURRENT ASSETS** | **428,513,379** | **508,921** | **429,022,301** | **428,398,040** | **163,256** | **428,561,296** |
| **Total** | **1,560,155,912** | **-** | **1,560,155,913** | **1,493,283,769** | **(345,665)** | **1,492,938,104** |

| Particulars | As at March 31, 2017 Previous GAAP | Effect of transition to Ind AS | As per Ind AS balance sheet | As at April 1, 2016 Previous GAAP | Effect of transition to Ind AS | As per Ind AS |
|---|---|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | | | |
| **Equity** | | | | | | |
| Equity share capital | 269,689,120 | - | 269,689,120 | 269,689,120 | - | 269,689,120 |
| Other equity | 782,741,626 | - | 782,741,626 | 767,145,142 | 120,894 | 767,266,036 |
| **Liabilities** | | | | | | |
| **Non-current liabilities** | | | | | | |
| Financial liabilities | | | | | | |
| Other financial liabilties | 246,998,492 | - | 246,998,492 | 259,260,455 | - | 259,260,455 |
| Provisions | 1,341,692 | - | 1,341,692 | 1,358,377 | - | 1,358,377 |
| **TOTAL NON-CURRENT LIABILITIES** | **1,300,770,930** | **-** | **1,300,770,930** | **1,297,453,094** | **120,894** | **1,297,573,988** |
| **Current liabilities** | | | | | | |
| Financial liabilities | | | | | | |
| Trade payables | 17,549,937 | - | 17,549,937 | 26,874,811 | - | 26,874,811 |
| Other financial liabilities | 184,272,162 | 11,977,248 | 196,249,410 | 87,048,156 | 22,592,261 | 109,640,417 |
| Other current liabilities | 57,562,883 | (11,977,248) | 45,585,636 | 81,907,708 | (23,058,821) | 58,848,888 |
| **TOTAL CURRENT LIABILITIES** | **259,384,982** | **-** | **259,384,983** | **195,830,675** | **(466,560)** | **195,364,116** |
| **Total** | **1,560,155,912** | **-** | **1,560,155,913** | **1,493,283,769** | **(345,666)** | **1,492,938,104** |

### 3.2 Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31, 2017

| Particulars | As at March 31, 2017 Previous GAAP | Effect of transition to Ind AS | As per Ind AS balance sheet |
|---|---|---|---|
| Sales | 291,478,614 | - | 291,478,614 |
| Other operating revenue | - | - | - |
| Revenue from operations | 291,478,614 | - | 291,478,614 |
| Other income | 1,591,454 | (37,474) | 1,553,980 |
| **Total Income** | **293,070,068** | **(37,474)** | **293,032,594** |
| Changes in inventories of finished goods, work-in-progress and traded goods | 805,270 | - | 805,270 |
| Employee benefits expense | 28,142,832 | (293,128) | 27,849,704 |
| Finance costs | 22,640,807 | - | 22,640,807 |
| Depreciation and amortisation expense | 13,376,678 | - | 13,376,678 |
| Other expenses | 212,786,829 | 83,416 | 212,870,245 |
| **Total Expenses** | **277,752,416** | **(209,712)** | **277,542,704** |
| **Profit before exceptional items and tax** | **15,317,652** | **172,238** | **15,489,890** |
| Exceptional items | - | | - |
| **Profit before tax** | **15,317,652** | **172,238** | **15,489,890** |
| **Tax expense** | | | |
| Deferred tax | (278,828) | - | (278,828) |
| Total tax expense | | | |
| **Profit for the year (A)** | **15,596,480** | **172,238** | **15,768,718** |
| Other comprehensive income | | | |
| Items that will not be reclassified subsequently to profit or loss | | | |
| Acturial gains/losses of defined benefit plans | - | (293,128) | (293,128) |
| **Other comprehensive income for the year (net of tax) (B)** | **15,596,480** | **(120,890)** | **15,475,590** |
| **Total comprehensive income for the year (A+B)** | | | |

### 3.3 Adjustments to Statement of Cash flows

There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.

**Notes to the reconciliation**

1. Fair valuation of investments in mutual funds: Under the Ind AS, the Investments in mutual funds have been accounted at fair value through Statement of Profit and Loss instead of accounting at lower of cost and fair value under IGAAP.
2. Actuarial gain/loss on defined benefit plans: The Remeasurement cost arising primarily due to change in actuarial assumptions has been recognized in Other Comprehensive Income (OCI) under Ind AS instead of Statement of Profit and Loss under previous GAAP. However, this has no impact on total comprehensive income and total equity
3. Under Previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or through other comprehensive income.
4. Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

## 4. Property , plant and equipment

| Description of Assets | Plant & Equipment | Computers & Peripherals | Furnitures & Fixtures | Office Equipments | Total |
|---|---|---|---|---|---|
| **Gross Block** | 139,981,835 | 63,432,126 | 2,964,645 | 5,770,194 | 212,148,800 |
| **Balance as at 1st April, 2016 (Deemed Cost)** | | | | | |
| Additions | - | - | - | - | - |
| Disposal | - | - | - | - | - |
| **Balance as at 31st March, 2017** | **139,981,835** | **63,432,126** | **2,964,645** | **5,770,194** | **212,148,800** |
| Additions | 21,875 | | | | 21,875 |
| Disposal | - | - | - | - | - |
| **Balance as at 31st March, 2018** | **140,003,710** | **63,432,126** | **2,964,645** | **5,770,194** | **212,170,675** |
| **Accumulated Depreciation** | | | | | |
| **Balance as at 1st April, 2016** | **81,892,880** | **63,327,762** | **2,847,664** | **5,639,965** | **153,708,271** |
| Additions | 13,261,787 | 63,252 | 48,117 | 3,522 | 13,376,678 |
| Disposal | - | - | - | - | - |
| **Balance as at 31st March, 2017** | **95,154,667** | **63,391,014** | **2,895,781** | **5,643,487** | **167,084,949** |
| Additions | 10,219,556 | 23,406 | 28,028 | 1,276 | 10,272,266 |
| Disposal | - | - | - | - | - |
| **Balance as at 31st March, 2018** | **105,374,223** | **63,414,420** | **2,923,809** | **5,644,763** | **177,357,215** |
| **Net Block** | | | | | |
| Balance as at 1st April, 2016 | 58,088,955 | 104,364 | 116,981 | 130,229 | 58,440,529 |
| Balance as at 31st March, 2017 | 44,827,168 | 41,113 | 68,864 | 126,707 | 45,063,851 |
| Balance as at 31st March, 2018 | 34,629,487 | 17,706 | 40,836 | 125,431 | 34,813,460 |

## 5. NON-CURRENT INVESTMENTS

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| **Investment in Subsidiary (at cost)** | | | |
| **Equity instruments (Unquoted)** | | | |
| **Wholly owned foreign subsidiaries :** | | | |
| Investments in E24 Entertainment Limited | 58,995,000 | 58,995,000 | 58,995,000 |
| | **58,995,000** | **58,995,000** | **58,995,000** |
| **Investment in optionally fully convertible debentures (OFCDs) (unquoted)** | | | |
| 1,495,419 (31st March, 2017: 1,495,419 and 1st April, 2016: 1,495,419) fully paid up Optionally Fully Convertible Debenture of Rs 100/- each in B.A.G Convergence Private Limited | 149,541,900 | 149,541,900 | 149,541,900 |
| 4,282,905 (31st March, 2017: 2,256,315 and 1st April, 2016: 1,456,315) fully paid up Optionally Fully Convertible Debenture of Rs 100/- each in B.A.G Live Entertainment Limited | 428,290,500 | 225,631,500 | 145,631,500 |
| 554,820 (31st March, 2017: Nil and 1st April, 2016: Nil) fully paid up Optionally Fully Convertible Debenture of Rs 100/- each in Skyline Radio Network Limited | 55,482,000 | - | - |
| 215,879 (31st March, 2017: Nil and 1st April, 2016: Nil) fully paid up Optionally Fully Convertible Debenture of Rs 100/- each in B.A.G. Business Venture Private Limited | 21,587,900 | - | - |
| 6,292,150 (31st March, 2017: 6,292,150 and 1st April, 2016: 6,292,150) fully paid up Optionally Fully Convertible Debenture of Rs 100/- each in Oscar Software Private Limited | 629,215,000 | 629,215,000 | 629,215,000 |
| 202,074 (31st March, 2017: 6,292,150 and 1st April, 2016: 202,074) fully paid up Optionally Fully Convertible Debenture of Rs 100/- each in Skyline Tele Media Services Limited | 20,207,400 | 20,207,400 | 20,207,400 |
| 508,616 (31st March, 2017: Nil and 1st April, 2016: Nil) fully paid up Optionally Fully Convertible Debenture of Rs 100/- each in Approach Films and Television Limited | 50,861,600 | - | - |
| | **1,355,186,300** | **1,024,595,800** | **944,595,800** |
| **Total** | **1,414,181,300** | **1,083,590,800** | **1,003,590,800** |

## 6. DEFERRED TAX BALANCES

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Asset: | | | |
| Deferred tax assets (net) | 2,386,340 | 2,478,961 | 2,200,133 |
| Total | **2,386,340** | **2,478,961** | **2,200,133** |

## 7. OTHER NON-CURRENT ASSETS

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| **Preliminary Expenses** | | | |
| Opening Balance | - | 145,346 | 290,710 |
| | - | - | - |
| | - | 145,346 | 290,710 |
| Less: Written off | - | 145,346 | 145,364 |
| **Total** | **-** | **-** | **145,346** |

8. **INVENTORIES**

(At lower of cost and net realisable value)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Finished Goods | 67,631,618 | 60,076,018 | 60,881,288 |
| **Total** | **67,631,618** | **60,076,018** | **60,881,288** |

9. **TRADE RECEIVABLES**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Considered good | 119,030,903 | 208,433,064 | 222,275,993 |
| Considered doubtful | - | - | - |
| Less: Allowance for bad and doubtful debts | - | - | - |
| **Total** | **119,030,903** | **208,433,064** | **222,275,993** |

10. **CASH AND CASH EQUIVALENTS**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Cash on hand | 420,971 | 452,973 | 74,853 |
| Balances with banks; | | | |
| -In Current accounts | 3,747,676 | 1,996,981 | 36,961,379 |
| - Term deposits with original maturity of less than three months | 8,153,283 | 1,771,496 | 15,265,754 |
| Cheques , Draft in hand | 6,466,776 | 15,716,776 | 19,359,241 |
| **Total** | **18,788,706** | **19,938,226** | **71,661,227** |

11. **OTHER FINANCIAL ASSETS**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Loans and advances to related parties | 1,180,886 | 1,057,678 | 1,057,678 |
| Loans and advances to employees | 424,388 | 417,203 | 466,000 |
| Advance to Other | 18,207,137 | 118,854,989 | 49,511,670 |
| **Total** | **19,812,411** | **120,329,870** | **51,035,348** |

12. **OTHER CURRENT ASSETS**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Balances with government authorities | 14,021,450 | 9,189,665 | 17,220,771 |
| Earnest Money & Security Deposits | 4,368,337 | 4,368,337 | 4,368,337 |
| Prepaid Expenses | 3,244,974 | 6,687,121 | 1,118,332 |
| **Total** | **21,634,761** | **20,245,123** | **22,707,440** |

## 13. SHARE CAPITAL

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| (a) Authorised Share Capital | | | |
| 30,000,000 (31st March, 2017: 30,000,000 and 1st April, 2016: 30,000,000) equity shares of Rs 10/- each | 300,000,000 | 300,000,000 | 300,000,000 |
| | 300,000,000 | 300,000,000 | 300,000,000 |
| (b) Issued, Subscribed and Fully Paid Share Capital | | | |
| 26,968,912 (31st March, 2017: 26,968,912 and 1st April, 2016: 26,968,912) equity shares of Rs 10/- each | 269,689,120 | 269,689,120 | 269,689,120 |
| **Total** | **269,689,120** | **269,689,120** | **269,689,120** |

**Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the March 2018**

**Issued , Subscribed and fully paid up share capital:-**

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | | As at April 1, 2016 | |
|---|---|---|---|---|---|---|
| | Number of shares held | Amount | Number of shares held | Amount | Number of shares held | Amount |
| **Equity share with Voting Rights** | | | | | | |
| Equity shares outstanding at the beginning of the year | 26,968,912 | 269,689,120 | 26,968,912 | 269,689,120 | 26,968,912 | 269,689,120 |
| Add: Issue of Equity Shares during the year | - | - | - | - | - | - |
| **Equity shares outstanding at the end of the year** | 26,968,912 | 269,689,120 | 26,968,912 | 269,689,120 | 26,968,912 | 269,689,120 |

| **- Details of shares held by the holding company, their subsidiaries and associates :** | No. of Shares | | |
|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 |
| B.A.G. Films & Media Limited (Holding Company) | 18,671,703 | 18,671,703 | 18,671,703 |

**Details of share holding in excess of 5% of share capital:**

| Name of shareholder | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| | No. of Shares | No. of Shares | No. of Shares |
| B.A.G. Films & Media Limited | 18,671,703 | 18,671,703 | 18,671,703 |
| Sameer Gehlaut | 2,571,428 | 2,571,428 | 2,571,428 |
| High Growth Distributors Pvt Ltd. | 2,571,428 | 2,571,428 | 2,571,428 |

**Rights, preferences and restrictions attached to shares**

**Equity shares**

The Company has one class of equity shares having a par value of Rs 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed , if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

The company has not allotted any bonus shares or bought back any shares during the current year or for a period of five years immediately preceding the balance sheet date.

**14. OTHER EQUITY**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| (a) Securities Premium Reserves | 1,303,438,312 | 1,303,438,312 | 1,303,438,312 |
| (b) Retained Earnings | (529,652,293) | (520,696,686) | (536,172,276) |
| | **773,786,019** | **782,741,626** | **767,266,036** |

**14.1 Securities Premium Reserves**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Balance as at the beginning of the year | 1,303,438,312 | 1,303,438,312 | |
| Add: Premium on shares issued during the year | - | - | |
| | 1,303,438,312 | 1,303,438,312 | - |
| Less: Utilised during the year | - | - | |
| **Balance at the end of Year** | **1,303,438,312** | **1,303,438,312** | **1,303,438,312** |

**14.2 Retained Earnings**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Balance as at the beginning of the year | (520,696,686) | (536,172,276) | |
| Add: Profit / (Loss) for the year | (8,480,907) | 15,768,718 | |
| Add: Other comprehensive income for the year (net of tax) | (474,700) | (293,128) | |
| **Balance at the end of Year** | **(529,652,293)** | **(520,696,686)** | **(536,172,276)** |

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the board of directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

**15. OTHER FINANCIAL LIABILITIES**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Term Loans | | | |
| - From Bank | 85,833,282 | - | 12,261,963 |
| Other borrowings (from entities other than Banks) | 46,122,492 | 46,122,492 | 46,122,492 |
| Optionally fully convertible Debentures | 219,743,700 | 200,876,000 | 200,876,000 |
| **Total** | **351,699,474** | **246,998,492** | **259,260,455** |

## 16. PROVISIONS

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Provision for Employee benefits | | | |
| - Provision for Gratuity | 1,347,497 | 1,132,683 | 1,111,894 |
| - Provision for Leave encashment | 306,664 | 209,009 | 246,483 |
| **Total** | **1,654,161** | **1,341,692** | **1,358,377** |

## 17. TRADE PAYABLES

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Trade payables | 28,724,112 | 17,549,937 | 26,874,811 |
| **Total** | **28,724,112** | **17,549,937** | **26,874,811** |

**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year" | - | - | - |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year" | - | - | - |
| (iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day | - | - | - |
| (iv) The amount of interest due and payable for the year | - | - | - |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year | - | - | - |
| (vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid | - | - | - |

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**Terms and conditions of the above financial liabilities:**

Trade payables are non interest bearing and are normally settled within due dates

## 18. OTHER FINANCIAL LIABILITIES

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Loans repayable on demand | 192,733,239 | 184,272,162 | 86,581,597 |
| Current maturities of long term debt | 15,000,000 | 11,977,248 | 23,058,820 |
| **Total** | **207,733,239** | **196,249,410** | **109,640,417** |

**19. OTHER CURRENT LIABILITIES**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Other payables | | | |
| Statutory Liabilities | 1,418,911 | 504,233 | 72,763 |
| Other Liabilities | 59,390,913 | 42,493,031 | 56,683,044 |
| Employee Cost | 4,183,550 | 2,588,372 | 2,093,081 |
| **Total** | **64,993,374** | **45,585,636** | **58,848,888** |

**20. REVENUE FROM OPERATIONS**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **Revenue from Operations** | | |
| Sale of Services | 240,393,976 | 291,478,614 |
| **Total** | **240,393,976** | **291,478,614** |

**21. OTHER INCOME**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Interest Income | | |
| Fixed Deposits | 450,405 | 606,313 |
| Other Interest | 102,459 | 899,567 |
| **Other Non-Operating Income(net of expenses directly attributable to such income)** | | |
| Miscellaneous Income | 145,282 | 48,100 |
| **Total** | **698,146** | **1,553,980** |

**22. CHANGES IN INVENTORIES OF FINISHED GOODS (INCLUDING STOCK-IN-TRADE) AND WORK-IN-PROGRES**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **Opening inventories** | | |
| Finished Goods | 60,076,018 | 60,881,288 |
| **Closing inventories** | | |
| Finished Goods | (67,631,618) | (60,076,018) |
| Total | **(7,555,600)** | **805,270** |

**23. EMPLOYEE BENEFITS EXPENSE**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **Employee Benefits Expense** | | |
| Salaries , wages and Bonus | 31,449,699 | 26,518,629 |
| Contribution to Provident and other funds | 1,295,120 | 812,035 |
| Staff welfare expenses | 998,978 | 519,040 |
| **Total** | **33,743,797** | **27,849,704** |

## 24. FINANCE COSTS

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Interest expense on | | |
| Borrowing | 23,329,045 | 21,133,321 |
| Other borrowing costs | | |
| Bank Charges | 12,451 | 31,998 |
| Processing Fees | - | 1,475,488 |
| **Total** | **23,341,496** | **22,640,807** |

## 25. DEPRECIATION AND AMORTISATION EXPENSE

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Depreciation of property, plant and equipment pertaining to continuing operations | 10,272,266 | 13,376,678 |
| **Total** | **10,272,266** | **13,376,678** |

## 26. OTHER EXPENSES

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Power and fuel | 2,486,427 | 2,697,477 |
| Rent | 10,178,008 | 6,220,068 |
| Repairs to machinery | 514,614 | 602,355 |
| Insurance | 352,602 | 25,636 |
| Rates and taxes | 1,438,714 | 968,628 |
| Loss on foreign currency transaction and transaction( Other than considered as finance Cost) | 4,472 | 4,171,678 |
| Payment to auditors | | |
| - As Auditor | 125,000 | 125,000 |
| - For Taxation Matters | 50,000 | 50,000 |
| - For Reimbursement of Expenses | 90,532 | 53,997 |
| Professional Charges Artist, Directors, Technicians | 3,301,221 | 5,079,704 |
| Corporate Social Responsibilty Expenditure | 1,400,000 | 1,130,500 |
| Royalty | 74,871,707 | 96,848,729 |
| Carriage Fees | 72,540,503 | 78,392,426 |
| Miscellaneous Expenses | 22,324,649 | 16,504,047 |
| **Total** | **189,678,449** | **212,870,245** |

**27.** As per information available with the Company, none of the creditors have confirmed that they are registered under the Micro, Small and Medium enterprises Development Act, 2006.

**28 Employee Benefits**

**Defined Contribution Plans** :

Contribution to Defined Contribution Plan recognised as expense for the year is as under:

| | |
|---|---|
| Employer's Contribution to Provident Fund: | Rs. 919,816<br>(Previous Year Rs. 642,460 ) |
| Employer's Contribution to ESI : | Rs. 283,105<br>(Previous Year Rs. 132,372) |

**Defined Benefit Plans**:

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit method, which recognises each year 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 leave encashment is recognised in the same manner as gratuity.

**a. Change in present value of obligation** **(Amount in ₹)**

| **Particulars** | **Gratuity** | | **Leave Encashment** | |
|---|---|---|---|---|
| | **March 31, 2018** | March 31, 2017 | **March 31, 2018** | March 31, 2017 |
| Present value of obligation as at the beginning of the period | 1,132,683 | 1,111,894 | 209,009 | 246,483 |
| Current Service Cost | 311,968 | 253,709 | 91,141 | 48,394 |
| Interest Cost | 84,951 | 88,952 | 15,676 | 19,719 |
| Expected Return on Plan Assets | -- | -- | -- | -- |
| Benefits paid | (162,231) | (234,865) | -- | -- |
| Actuarial (gain)/loss | (19,874) | (87,007) | | (105,587) |
| Past Service Cost | -- | -- | (9,162) | -- |
| Curtailment and settlement Cost/(credit) | -- | -- | -- | -- |
| **Present value of obligation as at the end of the period** | 1,347,497 | 1,132,683 | 306,664 | 209,009 |

**b. Expense recognized in the statement of profit and loss account** **(Amount in ₹)**

| **Particulars** | **Gratuity** | | **Leave Encashment** | |
|---|---|---|---|---|
| | **March 31, 2018** | March 31, 2017 | **March 31, 2018** | **March 31, 2017** |
| Current service cost | 311,968 | 253,709 | 91,141 | 48,394 |
| Past service cost | -- | -- | -- | -- |
| Interest cost | 84,951 | 88,952 | 15,676 | 19,719 |
| Expected return on plan assets | -- | -- | -- | -- |
| Curtailment cost / (Credit) | -- | -- | -- | -- |
| Settlement cost / (credit) | -- | -- | -- | -- |
| Net actuarial (gain)/ loss recognized in the period | (19,874) | (87,007) | (9,162) | (105,587) |
| **Expenses recognized in the statement of profit & losses** | 377,045 | 255,654 | 97,655 | (37,474) |

**c. Actuarial gain/loss recognized** **(Amount in ₹)**

| Particulars | Gratuity | | Leave Encashment | |
|---|---|---|---|---|
| | **March 31, 2018** | March 31, 2017 | **March 31, 2018** | March 31, 2017 |
| Actuarial gain/(loss) for the period – obligation | 19,874 | 87,007 | 9,162 | 105,587 |
| Actuarial gain/(loss) for the period - plan assets | -- | -- | -- | -- |
| Total (gain)/loss for the period | (19,874) | (87,007) | (9,162) | (105,587) |
| Actuarial (gain)/loss recognized in the period | (19,874) | (87,007) | (9,162) | (105,587) |
| **Unrecognized actuarial (gains) losses at the end of period** | -- | -- | -- | -- |

**d. The amounts to be recognized in balance sheet and related analysis** **(Amount in ₹)**

| Particulars | Gratuity | | Leave Encashment | |
|---|---|---|---|---|
| | **March 31, 2018** | March 31, 2017 | **March 31, 2018** | **March 31, 2017** |
| Present value of obligation as at the end of the period | 1,347,497 | 1,132,683 | 306,664 | 209,009 |
| Fair value of plan assets as at the end of the period | -- | -- | -- | -- |
| Funded status / Difference | (1,347,497) | (1,132,683) | (306,664) | (209,009) |
| Excess of actual over estimated | -- | -- | -- | -- |
| Unrecognized actuarial (gains)/losses | -- | -- | -- | -- |
| **Net asset/(liability) recognized in balance sheet** | (1,347,497) | (1,132,683) | (306,664) | (209,009) |

**e. Actuarial Assumptions**

i) **Economic Assumptions**

The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been agreed by the company:

**(Amount in ₹)**

| Particulars | Gratuity | | Leave Encashment | |
|---|---|---|---|---|
| | **March 31, 2018** | March 31, 2017 | **March 31, 2018** | **March 31, 2017** |
| Discount Rate (%) | 7.70 | 7.50 | 7.70 | 7.70 |
| Expected Rate of increase in Compensation Levels (%) | 5.50 | 5.50 | 5.50 | 5.50 |
| Expected Rate of Return on Plan Assets | -- | -- | -- | -- |
| Expected Average remaining working lives of employees (years) | 27.02 | 28.10 | 27.02 | 28.10 |

ii) **Demographic Assumption** **(Amount in ₹)**

| Particulars | Gratuity | | Leave Encashment | |
|---|---|---|---|---|
| | **March 31, 2018** | March 31, 2017 | **March 31, 2018** | March 31, 2017 |
| i) Retirement Age (Years) | 60 | 60 | 60 | 60 |
| ii) Mortality Table | IALM(2006-08) | IALM(2006-08) | IALM(2006-08) | IALM(2006-08) |
| iii) Ages | | | | |
| Up to 30 Years | 3.00 | 3.00 | 3.00 | 3.00 |
| From 31 to 44 years | 2.00 | 2.00 | 2.00 | 2.00 |
| Above 44 years | 1.00 | 1.00 | 1.00 | 1.00 |

**Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employees benefits. Benefits such as salaries , wages and bonus, etc., are recognized in the statement of Profit and Loss in the period in which the employee renders the related service.

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

**Termination benefits**

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

**Sensitivity Analysis of the defined benefit obligation.**

| | Gratuity | Leave Encashment |
|---|---|---|
| **a) Impact of the change in discount rate** | | |
| Present Value of Obligation at the end of the period | **1,347,497** | **306,664** |
| Impact due to increase of 0.50% | (103,188) | (23,358) |
| Impact due to decrease of 0.50 % | 114,848 | 25,947 |
| **b) Impact of the change in salary increase** | | |
| Present Value of Obligation at the end of the period | **1,347,497** | **306,664** |
| Impact due to increase of 0.50% | 116,792 | 26,388 |
| Impact due to decrease of 0.50 % | (105,703) | (23,922) |

**29. Related Party Transactions:**

**Name of related parties and description of relationship**

| Name | Relationship |
|---|---|
| B.A.G. Films and Media Limited | Holding Company |
| E24 Entertainment Limited | Foreign Subsidiary |
| Anurradha Prasad | Key Managerial Personnel |
| ARVR Communications Pvt. Ltd. | Enterprises over which KMP are able to exercise significant influence |
| News24 Broadcast India Limited | Enterprises over which KMP are able to exercise significant influence |
| Skyline Radio Network Limited | Enterprises over which KMP are able to exercise significant influence |
| Skyline Tele Media Services Limited | Enterprises over which KMP are able to exercise significant influence |

**Details of Transactions with related party during the year** **(Amount in ₹)**

| Particulars | Holding Company | | Key Managerial Personnel (KMP) | | Subsidiaries | | Enterprises over which KMP are able to exercise significant influence | |
|---|---|---|---|---|---|---|---|---|
| | For Year Ended March 31, | | For Year Ended March 31, | | For Year Ended March 31, | | For Year Ended March 31, | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Lease rental on Equipments | 6,189,120 | 6,189,120 | -- | -- | -- | -- | -- | -- |
| Income from Ad Sale | 24,982,985 | -- | -- | -- | -- | -- | -- | 57,435,400 |
| Office Rent | 2,520,000 | -- | -- | -- | -- | -- | -- | -- |
| Expenses Reimbursed | 9,665,470 | 9,014,493 | -- | -- | -- | -- | 8,250,001 | 10,889,080 |
| Advertisement Expenses | 37,237,170 | 32,144,300 | -- | -- | -- | -- | -- | 13,070,840 |

**Terms and conditions of transactions with related parties**

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

For the year ended 31st March, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**30. Earnings Per Share** **(Amount in ₹)**

| S.No. | Particulars | For the year ended | |
|---|---|---|---|
| | | 2017-18 | 2016-17 |
| 1 | Profit for the year | (8,955,607) | 15,475,590 |
| 2 | Weighted Average number of equity shares used as denominator for calculating Basic EPS | 26,968,912 | 26,968,912 |
| 3 | Basic Earnings per share | (0.33) | 0.57 |
| 4 | Weighted Average number of equity shares used as denominator for calculating Diluted EPS | 53,279,501 | 51,252,314 |
| 5 | Diluted Earnings per share | (0.33) | 0.30 |
| 6 | Face Value per equity share | 10 | 10 |

**31. Fair values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

| | Carrying value | | | Fair value | | |
|---|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | April 1, 2016 | March 31, 2018 | March 31, 2017 | April 1, 2016 |
| **Financial assets** | | | | | | |
| **(Non Current & Current)** | | | | | | |
| Investment | 1,414,690,221 | 1,084,099,721 | 1,004,099,721 | 1,414,181,300 | 1,083,590,800 | 1,003,590,800 |

**32. Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets

| Fair Value Measurement using | | | | |
|---|---|---|---|---|
| **Particulars** | **Total** | **Quoted Price in active markets (Level 1)** | **Significant Observable inputs( Level 2)** | **Significant Unobservable inputs( Level 3)** |
| **As at 31st March, 2018** | | | | |
| **Asset measured at fair value:** Investments measured at: | | | | |
| Fair Value through Profit or Loss | 1,414,181,300 | 1,414,181,300 | - | - |
| **As at 31st March, 2017** | | | | |
| **Asset measured at fair value:** Investments measured at: | | | | |
| Fair Value through Profit or Loss | 1,083,590,800 | 1,083,590,800 | - | - |
| **As at 1st April, 2016** | | | | |
| **Asset measured at fair value:** Investments measured at: | | | | |
| Fair Value through Profit or Loss | 1,003,590,800 | 1,003,590,800 | - | - |

**Calculation of Fair Values**

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2017.

**Financial assets and liabilities measured at fair value as at Balance Sheet date:**

1) The fair values of investment in quoted investment in equity shares is based on the current bid price of respective investment as at the Balance Sheet date.

2) The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

**Other financial assets and liabilities**

- Cash and cash equivalents, trade receivables, investments in term deposits, other financial assets (except derivative financial instruments), trade payables, and other financial liabilities (except derivative financial instruments) have fair values that approximate to their carrying amounts due to their short-term nature.
- Loans have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

**Capital management**

The Company's capital management objectives are:

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

**Financial Risk Management objectives**

The Company's activities expose it to a variety of financial risks viz. credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

**Credit risk management**

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company deals with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are regularly monitored and the aggregate value of transactions concluded is spread amongst counterparties.

**Liquidity risk management**

The responsibility for liquidity risk management rests with the Board of directors, which has an appropriate liquidity risk management framework for the management of the Company's short-, medium- and longterm funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by regularly monitoring forecast and actual cash flows.

**Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

**33.** Previous year's figures have been regrouped/reclassified to be comparable with currents year's classification/ disclosures.

| | | |
|---|---|---|
| **For Kumar Khare & Co.** | **For and on behalf of the Board of Directors** | |
| Chartered Accountants | | |
| Firm registration no. 006740C | | |
| **Alok Khare** | **Anurradha Prasad** | **Anil Kapoor** |
| Partner | (Director) | (Whole Time Director) |
| Membership No. 075236 | DIN : 00010716 | DIN : 05113976 |
| | **Subodh Kumar** | **Pinki Pilani** |
| Place: Noida | CFO | (Company Secretary) |
| Date: May 28, 2018 | | Membership No. ACS 19089 |

## CASH FLOW STATEMENT
## For the Year ended March 31, 2018

| Particulars | For the Year ended March 31, 2018 | | For the Year ended March 31, 2017 | |
|---|---|---|---|---|
| | Amount in ₹ | Amount in ₹ | Amount in ₹ | Amount in ₹ |
| **A. Cash flow from operating activities** | | | | |
| Net Profit / (Loss) before extraordinary items and tax | | (8,862,986) | | 15,196,762 |
| Adjustments for: | | | | |
| Depreciation and amortisation | 10,272,266 | | 13,376,678 | |
| Finance costs | 23,341,496 | | 22,640,807 | |
| Interest income | (552,864) | | (1,505,880) | |
| Liabilities / provisions no longer required written back | 20,943 | | (5,015) | |
| | | 33,081,841 | | 34,506,590 |
| Operating profit / (loss) before working capital changes | | | | |
| Movements in working capital: | | | | |
| Adjustments for (increase) / decrease in operating assets: | | | | |
| (Increase) / Decrease in inventories | (7,555,600) | | 805,270 | |
| (Increase) / Decrease in trade receivables | 89,381,217 | | 13,847,943 | |
| (Increase) / Decrease in other financial assets | 100,517,459 | | (69,294,522) | |
| (Increase) / Decrease in other non current assets | - | | 145,346 | |
| (Increase) / Decrease in other current assets | (1,389,638) | | 2,462,318 | |
| Adjustments for increase / (decrease) in operating liabilities: | | | | |
| Increase / (Decrease) in trade payables | 11,174,176 | | (9,324,874) | |
| Increase / (Decrease) in other financial liabilities | 11,483,829 | | 86,608,993 | |
| Increase / (Decrease) in Other current liabilities | 19,407,738 | | (13,263,252) | |
| Increase / (Decrease) in provisions | 312,469 | | (16,685) | |
| | | 223,331,650 | | 11,970,537 |
| Cash generated from operations | | 247,550,505 | | 61,673,889 |
| **Net cash flow from / (used in) operating activities (A)** | | **247,550,505** | | **61,673,889** |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | | | |
| Payment for Purchase of Property, plant and Equipment (PP&E), | (21,875) | | - | |
| Proceeds from Property, plant and Equipment (PP&E), Investment properties and capital work in progress | - | | - | |
| Proceeds from sale of long-term investments | | | | |
| - Others | (330,590,500) | | (80,000,000) | |
| Interest received (finance income) | 552,864 | | 1,505,880 | |
| | | (330,059,511) | | (78,494,120) |
| **Net cash flow from / (used in) investing activities (B)** | | **(330,059,511)** | | **(78,494,120)** |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | | | |
| Repayment of other financial liabilities | 104,700,982 | | (12,261,963) | |
| Interest paid (finance cost) | (23,341,496) | 81,359,486 | (22,640,807) | (34,902,770) |
| **Net cash flow from / (used in) financing activities (C)** | | **81,359,486** | | **(34,902,770)** |
| **Net increase / (decrease) in Cash and cash equivalents (A+B+C)** | | **(1,149,519)** | | **(51,723,001)** |
| Cash and cash equivalents at the beginning of the year | | 19,938,226 | | 71,661,227 |

| | | |
|---|---|---|
| **Cash and cash equivalents at the end of the year** | **18,788,706** | **19,938,225** |
| **Reconciliation of Cash and cash equivalents with the Balance Sheet:** | | |
| Cash and cash equivalents as per Balance Sheet | 18,788,706 | 19,938,226 |
| **Cash and cash equivalents at the end of the year (refer Note 10)** | **18,788,706** | **19,938,226** |

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, Statement of Cash Flows'.

**The accompanying notes are an integral part of these financial statements**

As per our report of even date

**For Kumar Khare & Co.**
Firm Registration Number: 006740C
Chartered Accountants

**Alok Khare**
Partner
Membership Number: 075236

Noida: May 28, 2018

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

**Anurradha Prasad**
Director
DIN No. 00010716

**Anil Kapoor**
Whole Time Director
DIN: 05113976

**Subodh Kumar**
CFO

**Pinki Pialni**
Company Secretary
Membership No. ACS 19089

## INDEPENDENT AUDITOR'S REPORT

To the Members of E24 Glamour Limited, New Delhi

**Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying Consolidated Ind AS financial statements of E24 Glamour Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2018,the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group, in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 Consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated 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 accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated 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 Consolidated Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports on separate financial statements and on the other financial information of the subsidiaries, the aforesaid Consolidated 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 of the consolidated state of affairs of the Group as at March 31, 2018, their consolidated loss including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

As required by section 143 (3) of the Act, based on our audit and on the consideration of report on separate financial statements and the other financial information of subsidiaries, 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 purpose of our audit of the aforesaid Consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books;

(c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company, and on the basis of the reports of its subsidiary companies incorporated in India, none of the directors of the Group's are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure A" to this report;

(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 Consolidated financial statement disclose the impact of pending litigations on the consolidated financial position of the Group;

    ii. The Group did not have any material foreseeable losses in long-term contractsincluding derivative contracts during the year ended March 31, 2018.

    iii. There was no amounts which was required to be transferred to the Investor Education and Protection Fund by the Company by the Holding Company and its subsidiaries during the year ended March 31, 2018.

    iv. The disclosures regarding details of specified bank notes held and transacted during 8 November, 2016 to 30 December, 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018.

**For Kumar Khare & Co.**
Chartered Accountants
Firm Registration No. 006740C

**Alok Khare**
Partner
Membership No. 075236

Place: Noida
Dated: May 28, 2018

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**ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**
**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'')**

To the Members of E24 Glamour Limited

We have audited the internal financial controls over financial reporting of **E24 Glamour Limited** ('the Company') and its subsidiary companies incorporated in India as at March 31, 2018 in conjunction with our audit of the consolidated financial statements of the Company for the year ended and as on that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiaries, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Holding Company and its subsidiary companies, which are incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with the 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 auditors' judgment, including the assessment of the risks of material misstatement of the consolidated Ind As 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 Holding Company's and its subsidiary companies incorporated in India, 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 Consolidated Ind AS 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 Consolidated Ind AS 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Ind AS 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 Holding Company and its subsidiary companies, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary companies, which are incorporated in India 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 Kumar Khare & Co.**
Chartered Accountants
Firm Registration No. 006740C

**Alok Khare**
Partner
Membership No. 075236

Place: Noida
Dated: May 28, 2018

E24 Glamour Limited

**CONSOLIDATED BALANCE SHEET As at March 31, 2018**

**(Amount in ₹)**

| **Particulars** | **Note No.** | **As at March 31,2018** | **As at March 31,2017** | **As at April 1,2016** |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 4 | 34,813,460 | 45,063,851 | 58,440,529 |
| Financial assets | | | | |
| Investments | 5 | 1,355,186,300 | 1,024,595,800 | 944,595,800 |
| Deferred tax assets (net) | 6 | 2,386,340 | 2,478,961 | 2,200,133 |
| Other non-current assets | 7 | - | - | 145,346 |
| | | **1,392,386,100** | **1,072,138,612** | **1,005,381,808** |
| **Current assets** | | | | |
| Inventories | 8 | 67,631,618 | 60,076,018 | 60,881,288 |
| Financial assets | | | | |
| Trade receivables | 9 | 119,030,903 | 208,433,064 | 222,275,993 |
| Cash and cash equivalents | 10 | 18,788,706 | 19,938,226 | 71,661,227 |
| Other financial assets | 11 | 77,626,527 | 178,267,192 | 109,122,105 |
| Other current assets | 12 | 21,634,761 | 20,245,123 | 22,707,440 |
| | | **304,712,515** | **486,959,623** | **486,648,053** |
| **Total** | | **1,697,098,615** | **1,559,098,235** | **1,492,029,861** |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Equity share capital | 13 | 269,689,120 | 269,689,120 | 269,689,120 |
| Other equity | 14 | 772,605,135 | 781,683,950 | 766,357,793 |
| | | **1,042,294,255** | **1,051,373,070** | **1,036,046,913** |
| **Non-current liabilities** | | | | |
| Financial liabilities | | | | |
| Other financial liabilties | 15 | 351,699,474 | 246,998,492 | 259,260,455 |
| Provisions | 16 | 1,654,161 | 1,341,692 | 1,358,377 |
| | | **353,353,635** | **248,340,184** | **260,618,832** |
| **Current liabilities** | | | | |
| Financial liabilities | | | | |
| Trade payables | | | | |
| Total outstanding dues of micro enterprises and small enterprises | 17 | - | - | |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 17 | 28,724,112 | 17,549,937 | 26,874,811 |
| Other financial liabilities | 18 | 207,733,239 | 196,249,408 | 109,640,417 |
| Other current liabilities | 19 | 64,993,374 | 45,585,636 | 58,848,888 |
| | | **301,450,725** | **259,384,981** | **195,364,116** |
| Total | | **1,697,098,615** | **1,559,098,235** | **1,492,029,861** |
| Basis of preparation, measurement and significant accounting policies | 2 | | | |
| First time adoption of Ind AS | 3 | | | |

**The accompanying notes are an integral part of these financial statements**

As per our report of even date

**For Kumar Khare & Co.**
Firm Registration Number: 006740C
Chartered Accountants

For and on behalf of Board of Directors of **E24 Glamour Limited**

**Alok Khare**
Partner
Membership Number: 075236

**Anurradha Prasad**
Director
DIN No. 00010716

**Anil Kapoor**
Whole Time Director
DIN: 05113976

**Subodh Kumar**
CFO

**Pinki Pialni**
Company Secretary
Membership No. ACS 19089

Noida: May 28, 2018

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

(Amount in ₹)

| Particulars | Note No. | Year ended March 31,2018 | Year ended March 31,2017 |
|---|---|---|---|
| Sales | 20 | 240,393,976 | 291,478,614 |
| Other income | 21 | 698,146 | 1,591,454 |
| **Total Income** | | **241,092,122** | **293,070,068** |
| **Expenses** | | | |
| Changes in inventories of finished goods, work-in-progress and traded goods | 22 | (7,555,600) | 805,270 |
| Employee benefits expense | 23 | 33,743,797 | 27,849,704 |
| Finance costs | 24 | 23,341,496 | 22,640,807 |
| Depreciation and amortisation expense | 25 | 10,272,266 | 13,376,678 |
| Other expenses | 26 | 189,801,657 | 213,057,152 |
| **Total Expenses** | | **249,603,616** | **277,729,611** |
| **Profit before exceptional items and tax** | | **(8,511,494)** | **15,340,457** |
| Exceptional items | | - | - |
| **Profit before tax** | | **(8,511,494)** | **15,340,457** |
| **Tax expense** | | | |
| Deferred tax | | 92,621 | (278,828) |
| Total tax expense | | **92,621** | **(278,828)** |
| **Profit for the year (A)** | | **(8,604,115)** | **15,619,285** |
| **Other comprehensive income** | | | |
| Items that will not be reclassified to profit or loss | | | |
| Acturial gains/losses of defined benefit plans | | (474,700) | (293,128) |
| **Other comprehensive income for the year (net of tax) (B)** | | **(474,700)** | **(293,128)** |
| **Total comprehensive income for the year (A+B)** | | **(9,078,815)** | **15,326,157** |
| Nominal value per share Rs.10/- each | | | |
| **Earnings per equity share** | | | |
| Basic earnings from operations attributable to share holders | | (0.34) | 0.57 |
| Diluted earnings from operations attributable to share holders | | (0.34) | 0.30 |
| Basis of preparation, measurement and significant accounting policies | 2 | | |
| First time adoption of Ind AS | 3 | | |

**The accompanying notes are an integral part of these financial statements**

As per our report of even date

**For Kumar Khare & Co.**
Firm Registration Number: 006740C
Chartered Accountants

For and on behalf of Board of Directors of **E24 Glamour Limited**

**Alok Khare**
Partner
Membership Number: 075236

**Anurradha Prasad**
Director
DIN No. 00010716

**Anil Kapoor**
Whole Time Director
DIN: 05113976

**Subodh Kumar**
CFO

**Pinki Pialni**
Company Secretary
Membership No. ACS 19089

Noida: May 28, 2018

**For the year ended March 31, 2018**

**A. Equity Share Capital**

| Particulars | Note No. | Balance |
|---|---|---|
| **As at 1st April, 2016** | | 269,689,120 |
| Changes in equity share capital during the year | | - |
| **As at 31st March, 2017** | | **269,689,120** |
| Changes in equity share capital during the year | | - |
| **As at 31st March, 2018** | 13 | **269,689,120** |

**B. Other Equity**

| | | Reserves and surplus | | Items of Other Comprehensive Income (OCI) | |
|---|---|---|---|---|---|
| **Particulars** | **Note No.** | **Securities Premium Reserves** | **Retained earnings** | **Remeasurements of net defined benefit plans** | **Total other equity** |
| Balance as at 1 April 2016 | | 1,303,438,312 | (537,080,519) | | 766,357,793 |
| Profit for the year | | - | 15,619,285 | | 15,619,285 |
| Other comprehensive income (net of tax) | | | | (293,128) | (293,128) |
| **Total comprehensive income for the year ended 31 March 2017** | | **-** | **15,619,285** | **(293,128)** | **15,326,157** |
| **Transactions with owners in their capacity as owners** | | | | | |
| Transfer from Retained earnings to General reserve | | - | - | - | - |
| **Balance as at 31 March 2017** | | **1,303,438,312** | **(521,461,234)** | **(293,128)** | **781,683,950** |
| Profit for the year | | - | (8,604,115) | | (8,604,115) |
| Other comprehensive income (net of tax) | | - | | (474,700) | (474,700) |
| **Total comprehensive income for the year ended 31 March 2018** | | **-** | **(8,604,115)** | **(474,700)** | **(9,078,815)** |
| **Transactions with owners in their capacity as owners** | | | | | - |
| Transfer from Retained earnings to General reserve | | - | - | - | - |
| **Balance as at 31 March 2018** | **14** | **1,303,438,312** | **(530,065,349)** | **(767,828)** | **772,605,135** |

**The accompanying notes are an integral part of these financial statements**

As per our report of even date

**For Kumar Khare & Co.**
Firm Registration Number: 006740C
Chartered Accountants

For and on behalf of Board of Directors of **E24 Glamour Limited**

**Alok Khare**
Partner
Membership Number: 075236

**Anurradha Prasad**
Director
DIN No. 00010716

**Anil Kapoor**
Whole Time Director
DIN: 05113976

**Subodh Kumar**
CFO

**Pinki Pialni**
Company Secretary
Membership No. ACS 19089

Noida: May 28, 2018

**Notes**

to the financial statements for the year ended 31st March, 2018

## 1. CORPORATE INFORMATION

The Company is running a 24 hours Entertainment channel in the name of “E24 . Modern, interactive, informative and passionate, the channel reports the glitz and glamour of Bollywood with honesty, zeal and commitment. Films, music, entertainment reviews, gossip, scoops and scandals- the channel features all such programmes in unique style and look.

## 2. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

### 2.1 BASIS OF PREPARATION AND MEASUREMENT

#### (a) Basis of preparation

These Consolidated Financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These Consolidated Financial statements for the year ended 31st March, 2018 are the first the Group has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2017 , the Group prepared its Consolidated Financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014(hereinafter referred to as ‘Previous GAAP’) used for its statutory reporting requirement in India immediately before adopting Ind AS. The Consolidated Financial statements for the year ended 31st March, 2017 and the opening Balance Sheet as at 1st April, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company’s Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note 3.

The Consolidated Financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the Consolidated Financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the ‘date of transition to Ind AS’. All assets and liabilities have been classified as current or non current as per the Company’s normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Subsidiaries are entities where the group exercise or controls more than one-half of its total share capital. The net assets and results of acquired businesses are included in the consolidated financial statements from their respective dates of acquisition, being the date on which the Group obtains control.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits/ losses, unless cost/revenue cannot be recovered.

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group’s share of equity in the subsidiaries, is recognised as ‘Goodwill on Consolidation’ in the consolidated financial statements. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as ‘Capital Reserve’ and shown under the head ‘Reserves and Surplus’ in the consolidated financial statements.

Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity.

Non-controlling interests in the net assets of consolidated subsidiaries consists of:

- The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and
- The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the Statement of Profit and Loss and Statement of Changes in Equity.

The Consolidated Financial statements of the Company for the year ended 31st March, 2018 were approved for issue by the Board of Directors.

**(b) Basis of measurement**

These Consolidated Financial statements are prepared under the historical cost convention unless otherwise indicated.

**(c) Functional and Presentation currency**

These financial statements are presented in Indian rupees (INR), which is also the Company's functional currency.

**2.2 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of Consolidated Financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

**2.3 SIGNIFICANT ACCOUNTING POLICIES**

**(a) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- Expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- Held primarily for the purpose of being traded;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

The Company has identified twelve months as its operating cycle.

**(b) Property, plant and equipment and Depreciation**

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., April 1, 2016.

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price ( including all duties and taxes after deducting trade discounts and rebates if any ) and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Likewise, when a major expenditure is incurred, its cost is recognised in the carrying amount of the plant and equipment, if it increases the future economic benefits from the existing asset. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Property, plant and equipment under construction and fixed assets acquired but not put to use at the balance sheet date are classified as capital work in progress.

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

**Depreciation**

Based on a technical assessment and a review of past history of asset usage, management of the Company has not revised its useful lives to those referred to under Schedule II to the Companies Act, 2013 (as amended).

Depreciation on property, plant and equipment is provided on written down value method, using the rates arrived at based on the useful lives estimated by the management.

Assets costing ₹5,000 or less are fully depreciated in the year of purchase.

**(c) Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's ('CGU') fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

**(d) Inventories**

Inventories of raw stock consists of tapes, cassettes, compact discs and other electronic devices which are valued at lower of cost or estimated net realizable value.

Costs include the cost incurred in bringing each product to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Cost of goods is determined on a FIFO basis.

Appropriate adjustments are made to the carrying value of damaged, slow moving and obsolete inventories based on management's current best estimate.

**(e) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short-term deposit (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

**(f) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**(g) Foreign Currency Transactions**

Items included in the financial statements are measured using the currency of the primary economic environment in which

the Company operates ('the functional currency'). The financial statements are presented in Indian rupees (INR), the functional currency of the Company.

<u>Initial recognition</u>

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

<u>Conversion</u>

Foreign currency monetary items are translated using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value denominated in a foreign currency are translated using the exchange rates that existed when the values were determined.

Exchange differences

All exchange differences arising on settlement / conversion of foreign currency monetary items are included in the statement of profit and loss.

**(h) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Company

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is

unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For recurring and non-recurring fair value measurements categorised within Level 3 of the fair value hierarchy, mention a description of the valuation processes used by the entity (including, for example, how an entity decides its valuation policies and procedures and analyses changes in fair value measurements from period to period).

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in Note No. 26.7 & 26.8of the Standalone financial statements.

**(i) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are subsequently classified as measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

For the impairment policy on financial assets measured at amortised cost.

Debt instruments at amortized cost

A'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows,

and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the

Statement of Profit and loss account. The Company does not have any financial asset under this category.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, the Company doesn't have any debt instruments that qualify for FVTOCI classification.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. However there are no such instruments that have been classified through FVTOCI and all equity instruments are routed through FVTPL.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

**Impairment of Financial Asset**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortized cost e.g. debt securities, deposits, trade receivables and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Company follows 'simplified approach'for recognition of impairment loss allowance on Trade receivables.

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

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the qfinancial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head ‘other expenses’ in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company’s balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Financial liabilities**

**Initial recognition and measurement**

The Company’s financial liabilities include deposits, and trade and other payables. These are recognized initially at amortized cost net of directly attributable transaction costs.

**Subsequent measurement**

After initial recognition, they are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

The EIR amortization is included as finance costs in the statement of profit and loss.

**Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**(j) Provisions and Contingent Liabilities:**

**Provisions**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. The expense relating to a provision is presented in the statement of profit and loss.

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present

obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. Acontingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

**(k) Revenue Recognition**

Advertisement revenue from sale of advertising time is recognized on the accrual basis when advertisements are telecast in accordance with contractual obligations.

**(l) Expenditure:**

Expenses are accounted on accrual basis.

**(m) Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes the contribution payable to the provident fund scheme as an expenditure when the employee renders the related service.

Gratuity liability is a defined benefit obligation. The cost of providing benefits under the plan is determined on the basis

of actuarial valuation at each year-end using the projected unit credit method.

Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (‘OCI’) in the period in which they occur.

Remeasurement is not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

**(n) Earning per share (EPS)**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(o) Segment reporting**

Based on internal reporting provided to the Chief operating decision maker(CODM) as defined in IND AS 108, the Company’s operations predominantly related to broadcasting of Bollywood centric entertainment and infotainment program and related operations. The management committee reviews and monitors the operating results of the business segment for the purpose of making decisions about resource allocation and performance assessment using profit or loss and return on capital employed.

**(p) Operating leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement

<u>Operating leases (where the Company is the lessee)</u>

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

<u>Operating leases (where the Company is the lessor)</u>

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases.. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

**(q) Taxes**

Tax expense comprises current and deferred tax.

- **Current income-tax**

  Current income-tax asset and liabilities are measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

- **Deferred tax**

  Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

- **Minimum alternate tax**

  Minimum alternate tax ('MAT') paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The said asset is recognised as "MAT Credit Entitlement" as deferred tax asset, and is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement."

**2.4 RECENT ACCOUNTING DEVELOPMENTS**

**(a) Standards issued but not yet effective:**

**IND AS 115: Revenue from Contracts with Customers**

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying Ind AS 115, 'Revenue from Contracts with Customers'. The Standard is applicable to the Company with effect from 1st April, 2018.

Revenue from Contracts with Customers Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective. The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The Company has completed its evaluation of the possible impact of Ind AS 115 and will adopt the standard from 1st April, 2018.

**3. FIRST TIME ADOPTION OF IND AS**

These financial statements, for the year ended 31 March 2018, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) and Companies Account (Amendment) rules, 2016, as amended.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending

on 31 March 2018, together with the comparative period data as at and for the year ended 31March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

**Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions :**

- Ind AS 16 - Property, plant and equitment are opted to be carried as recognised in its previous GAAP financials as deemed cost at the transition date. The Company has elected to continue with the carrying value as at 1st April, 2016 for all of its investment properties, Intangible assets and property plant & equipment as recognised in its Previous GAAP financial as deemed cost at the transition date.
- The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2016.
- The Company has elected to measure its investments in subsidiaries and other investment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.
- The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information

that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

**Estimates**

The estimates at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from Impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2016 (i.e. the date of transition to Ind-AS) and as of March 31, 2017.

Previous GAAP figures have been reclassified/ regrouped wherever necessary to conform with financial statements prepared under Ind AS.

**Effect of the Transition to Ind AS**

Reconciliations of the Company's balance sheets prepared under Indian GAAP and Ind AS as of April 1, 2016 and March 31, 2017 are also presented in Note 3.1. Reconciliations of the Company's income statements for the year ended March 31, 2017 prepared in accordance with Indian GAAP and Ind AS in Note 3.2.

**3.1 Effect of Ind AS adoption on the balance sheet as at March 31, 2017 and April 1, 2016**

| | As at March 31, 2017 | | | As at April 1, 2016 | | |
|---|---|---|---|---|---|---|
| **Particulars** | **Previous GAAP** | **Effect of transition to Ind AS** | **As per Ind AS balance sheet** | **Previous GAAP** | **Effect of transition to Ind AS** | **As per Ind AS** |
| **ASSETS** | | | | | | |
| **Non-current assets** | | | | | | |
| Property, plant and equipment | 45,063,851 | - | 45,063,851 | 58,440,529 | - | 58,440,529 |
| Financial assets | | | | | | |
| Investments | 1,024,595,800 | - | 1,024,595,800 | 944,595,800 | - | 944,595,800 |
| Deferred tax assets (net) | 2,478,961 | - | 2,478,961 | 2,200,133 | - | 2,200,133 |
| Other non-current assets | - | | - | 145,346 | - | 145,346 |
| **TOTAL NON-CURRENT ASSETS** | **1,072,138,612** | **-** | **1,072,138,612** | **1,005,381,808** | **-** | **1,005,381,808** |
| **Current assets** | | | | | | |
| Inventories | 60,076,018 | - | 60,076,018 | 60,881,288 | - | 60,881,288 |
| Financial assets | | | | | | |
| Trade receivables | 208,433,064 | - | 208,433,064 | 222,621,658 | (345,665) | 222,275,993 |
| Cash and cash equivalents | 19,938,226 | - | 19,938,226 | 71,661,227 | - | 71,661,227 |
| Other financial assets | 178,267,192 | - | 178,267,192 | 109,122,105 | - | 109,122,105 |
| Other current assets | 20,245,123 | - | 20,245,123 | 22,707,440 | - | 22,707,440 |
| **TOTAL CURRENT ASSETS** | **486,959,623** | **-** | **486,959,623** | **486,993,718** | **(345,665)** | **486,648,053** |
| **Total** | **1,559,098,235** | **-** | **1,559,098,235** | **1,492,375,526** | **(345,665)** | **1,492,029,861** |

| Particulars | As at March 31, 2017 | | | As at April 1, 2016 | | |
|---|---|---|---|---|---|---|
| | Previous GAAP | Effect of transition to Ind AS | As per Ind AS balance sheet | Previous GAAP | Effect of transition to Ind AS | As per Ind AS |
| **EQUITY AND LIABILITIES** | | | | | | |
| Equity | | | | | | |
| Equity share capital | 269,689,120 | - | 269,689,120 | 269,689,120 | - | 269,689,120 |
| Other equity | 781,683,946 | - | 781,683,950 | 766,236,899 | 120,894 | 766,357,793 |
| **Liabilities** | | | | | | |
| **Non-current liabilities** | | | | | | |
| Financial liabilities | | | | | | |
| Other financial liabilties | 246,998,492 | - | 246,998,492 | 259,260,455 | - | 259,260,455 |
| Provisions | 1,341,692 | - | 1,341,692 | 1,358,377 | - | 1,358,377 |
| **TOTAL NON-CURRENT LIABILITIES** | **1,299,713,250** | **-** | **1,299,713,254** | **1,296,544,851** | **120,894** | **1,296,665,745** |
| **Current liabilities** | | | | | | |
| Financial liabilities | | | | | | |
| Trade payables | 17,549,937 | - | 17,549,937 | 26,874,811 | - | 26,874,811 |
| Other financial liabilities | 184,272,162 | 11,977,246 | 196,249,408 | 87,048,156 | 22,592,261 | 109,640,417 |
| Other current liabilities | 57,562,881 | (11,977,246) | 45,585,636 | 81,907,708 | (23,058,821) | 58,848,888 |
| **TOTAL CURRENT LIABILITIES** | **259,384,980** | **-** | **259,384,981** | **195,830,675** | **(466,560)** | **195,364,116** |
| **Total** | **1,559,098,230** | **-** | **1,559,098,235** | **1,492,375,526** | **(345,666)** | **1,492,029,861** |

### 3.2 Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31, 2017

| Particulars | As at March 31, 2017 | | |
|---|---|---|---|
| | Previous GAAP | Effect of transition to Ind AS | As per Ind AS balance sheet |
| Sales | 291,478,614 | - | 291,478,614 |
| Other operating revenue | - | - | - |
| Revenue from operations | 291,478,614 | - | 291,478,614 |
| Other income | 1,591,454 | - | 1,591,454 |
| **Total Income** | **293,070,068** | **-** | **293,070,068** |
| Changes in inventories of finished goods, work-in-progress and traded goods | 805,270 | - | 805,270 |
| Employee benefits expense | 28,142,832 | (293,128) | 27,849,704 |
| Finance costs | 22,640,807 | - | 22,640,807 |
| Depreciation and amortisation expense | 13,376,678 | - | 13,376,678 |
| Other expenses | 212,936,262 | 120,890 | 213,057,152 |
| **Total Expenses** | **277,901,849** | **(172,238)** | **277,729,611** |
| **Profit before exceptional items and tax** | **15,168,219** | **172,238** | **15,340,457** |
| Exceptional items | - | | - |
| **Profit before tax** | **15,168,219** | **172,238** | **15,340,457** |
| **Tax expense** | | | |
| Deferred tax | (278,828) | - | (278,828) |
| Total tax expense | | | |
| **Profit for the year (A)** | **15,447,047** | **172,238** | **15,619,285** |
| Other comprehensive income | | | |
| Items that will not be reclassified subsequently to profit or loss | | | |
| Acturial gains/losses of defined benefit plans | - | (293,128) | (293,128) |
| **Other comprehensive income for the year (net of tax) (B)** | **15,447,047** | **(120,890)** | **15,326,157** |
| **Total comprehensive income for the year (A+B)** | | | |

### 3.3 Adjustments to Statement of Cash flows

There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.

**Notes to the reconciliation**

1. Fair valuation of investments in mutual funds: Under the Ind AS, the Investments in mutual funds have been accounted at fair value through Statement of Profit and Loss instead of accounting at lower of cost and fair value under IGAAP.
2. Actuarial gain/loss on defined benefit plans: The Remeasurement cost arising primarily due to change in actuarial assumptions has been recognized in Other Comprehensive Income (OCI) under Ind AS instead of Statement of Profit and Loss under previous GAAP. However, this has no impact on total comprehensive income and total equity
3. Under Previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or through other comprehensive income.
4. Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

### 4. Property , plant and equipment

| Description of Assets | Plant & Equipment | Computers & Peripherals | Furnitures & Fixtures | Office Equipments | Total |
|---|---|---|---|---|---|
| **Gross Block** | 139,981,835 | 63,432,126 | 2,964,645 | 5,770,194 | 212,148,800 |
| **Balance as at 1st April, 2016 (Deemed Cost)** | | | | | |
| Additions | - | - | - | - | - |
| Disposal | - | - | - | - | - |
| **Balance as at 31st March, 2017** | **139,981,835** | **63,432,126** | **2,964,645** | **5,770,194** | **212,148,800** |
| Additions | 21,875 | | | | 21,875 |
| Disposal | - | - | - | - | - |
| **Balance as at 31st March, 2018** | **140,003,710** | **63,432,126** | **2,964,645** | **5,770,194** | **212,170,675** |
| **Accumulated Depreciation** | | | | | |
| **Balance as at 1st April, 2016** | **81,892,880** | **63,327,762** | **2,847,664** | **5,639,965** | **153,708,271** |
| Additions | 13,261,787 | 63,252 | 48,117 | 3,522 | 13,376,678 |
| Disposal | - | - | - | - | - |
| **Balance as at 31st March, 2017** | **95,154,667** | **63,391,014** | **2,895,781** | **5,643,487** | **167,084,949** |
| Additions | 10,219,556 | 23,406 | 28,028 | 1,276 | 10,272,266 |
| Disposal | - | - | - | - | - |
| **Balance as at 31st March, 2018** | **105,374,223** | **63,414,420** | **2,923,809** | **5,644,763** | **177,357,215** |
| **Net Block** | | | | | |
| Balance as at 1st April, 2016 | 58,088,955 | 104,364 | 116,981 | 130,229 | 58,440,529 |
| Balance as at 31st March, 2017 | 44,827,168 | 41,113 | 68,864 | 126,707 | 45,063,851 |
| Balance as at 31st March, 2018 | 34,629,487 | 17,706 | 40,836 | 125,431 | 34,813,460 |

## 5. NON-CURRENT INVESTMENTS

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| **Investment in optionally fully convertible debentures (OFCDs) (unquoted)** | | | |
| 1,495,419 (31st March, 2017: 1,495,419 and 1st April, 2016: 1,495,419) fully paid up Optionally Fully Convertible Debenture of Rs 100/- each in B.A.G Convergence Private Limited | 149,541,900 | 149,541,900 | 149,541,900 |
| 4,282,905 (31st March, 2017: 2,256,315 and 1st April, 2016: 1,456,315) fully paid up Optionally Fully Convertible Debenture of Rs 100/- each in B.A.G Live Entertainment Limited | 428,290,500 | 225,631,500 | 145,631,500 |
| 554,820 (31st March, 2017: Nil and 1st April, 2016: Nil) fully paid up Optionally Fully Convertible Debenture of Rs 100/- each in Skyline Radio Network Limited | 55,482,000 | - | - |
| 215,879 (31st March, 2017: Nil and 1st April, 2016: Nil) fully paid up Optionally Fully Convertible Debenture of Rs 100/- each in B.A.G. Business Venture Private Limited | 21,587,900 | - | - |
| 6,292,150 (31st March, 2017: 6,292,150 and 1st April, 2016: 6,292,150) fully paid up Optionally Fully Convertible Debenture of Rs 100/- each in Oscar Software Private Limited | 629,215,000 | 629,215,000 | 629,215,000 |
| 202,074 (31st March, 2017: 6,292,150 and 1st April, 2016: 202,074) fully paid up Optionally Fully Convertible Debenture of Rs 100/- each in Skyline Tele Media Services Limited | 20,207,400 | 20,207,400 | 20,207,400 |
| 508,616 (31st March, 2017: Nil and 1st April, 2016: Nil) fully paid up Optionally Fully Convertible Debenture of Rs 100/- each in Approach Films and Television Limited | 50,861,600 | - | - |
| **Total** | **1,355,186,300** | **1,024,595,800** | **944,595,800** |

## 6. DEFERRED TAX BALANCES

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Asset: | | | |
| Deferred tax assets (net) | 2,386,340 | 2,478,961 | 2,200,133 |
| **Total** | **2,386,340** | **2,478,961** | **2,200,133** |

## 7. OTHER NON-CURRENT ASSETS

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Preliminary Expenses | | | |
| Opening Balance | - | 145,346 | 290,710 |
| Add: Incurred during the year | - | - | - |
| | - | 145,346 | 290,710 |
| Less: Written off | - | 145,346 | 145,364 |
| **Total** | **-** | **-** | **145,346** |

8. **INVENTORIES**

(At lower of cost and net realisable value)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Finished Goods | 67,631,618 | 60,076,018 | 60,881,288 |
| **Total** | **67,631,618** | **60,076,018** | **60,881,288** |

9. **TRADE RECEIVABLES**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Considered good | 119,030,903 | 208,433,064 | 222,275,993 |
| Considered doubtful | - | - | - |
| Less: Allowance for bad and doubtful debts | - | - | - |
| **Total** | **119,030,903** | **208,433,064** | **222,275,993** |

10. **CASH AND CASH EQUIVALENTS**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Cash on hand | 420,971 | 452,973 | 74,853 |
| Balances with banks; | | | |
| -In Current accounts | 3,747,676 | 1,996,981 | 36,961,379 |
| - Term deposits with original maturity of less than three months | 8,153,283 | 1,771,496 | 15,265,754 |
| Cheques , Draft in hand | 6,466,776 | 15,716,776 | 19,359,241 |
| **Total** | **18,788,706** | **19,938,226** | **71,661,227** |

11. **OTHER FINANCIAL ASSETS**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Loans and advances to related parties | 1,180,886 | 1,057,678 | 1,057,678 |
| Loans and advances to employees | 424,388 | 417,203 | 466,000 |
| Advance to Other | 76,021,253 | 176,792,311 | 107,598,427 |
| **Total** | **77,626,527** | **178,267,192** | **109,122,105** |

12. **OTHER CURRENT ASSETS**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Balances with government authorities | 14,021,450 | 9,189,665 | 17,220,771 |
| Earnest Money & Security Deposits | 4,368,337 | 4,368,337 | 4,368,337 |
| Prepaid Expenses | 3,244,974 | 6,687,121 | 1,118,332 |
| **Total** | **21,634,761** | **20,245,123** | **22,707,440** |

## 13. SHARE CAPITAL

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| **(a) Authorised Share Capital** | | | |
| 30,000,000 (31st March, 2017: 30,000,000 and 1st April, 2016: 30,000,000) equity shares of Rs 10/- each | 300,000,000 | 300,000,000 | 300,000,000 |
| | **300,000,000** | **300,000,000** | **300,000,000** |
| **(b) Issued, Subscribed and Fully Paid Share Capital** | | | |
| 26,968,912 (31st March, 2017: 26,968,912 and 1st April, 2016: 26,968,912) equity shares of Rs 10/- each | 269,689,120 | 269,689,120 | 269,689,120 |
| **Total** | **269,689,120** | **269,689,120** | **269,689,120** |

**Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the March 2018**

**Issued , Subscribed and fully paid up share capital:-**

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | | As at April 1, 2016 | |
|---|---|---|---|---|---|---|
| | Number of shares held | Amount | Number of shares held | Amount | Number of shares held | Amount |
| **Equity share with Voting Rights** | | | | | | |
| Equity shares outstanding at the beginning of the year | 26,968,912 | 269,689,120 | 26,968,912 | 269,689,120 | 26,968,912 | 269,689,120 |
| Add: Issue of Equity Shares during the year | - | - | - | - | - | - |
| **Equity shares outstanding at the end of the year** | 26,968,912 | 269,689,120 | 26,968,912 | 269,689,120 | 26,968,912 | 269,689,120 |

| - Details of shares held by the holding company, their subsidiaries and associates : | No. of Shares | | |
|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 |
| B.A.G. Films & Media Limited (Holding Company) | 18,671,703 | 18,671,703 | 18,671,703 |

**Details of share holding in excess of 5% of share capital:**

| Name of shareholder | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| | No. of Shares | No. of Shares | No. of Shares |
| B.A.G. Films & Media Limited | 18,671,703 | 18,671,703 | 18,671,703 |
| Sameer Gehlaut | 2,571,428 | 2,571,428 | 2,571,428 |
| High Growth Distributors Pvt Ltd. | 2,571,428 | 2,571,428 | 2,571,428 |

**Rights, preferences and restrictions attached to shares**

**Equity shares**

The Company has one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed , if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

The company has not allotted any bonus shares or bought back any shares during the current year or for a period of five years immediately preceding the balance sheet date.

## 14. OTHER EQUITY

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| (a) Securities Premium Reserves | 1,303,438,312 | 1,303,438,312 | 1,303,438,312 |
| (b) Retained Earnings | (530,833,177) | (521,754,362) | (537,080,519) |
| | **772,605,135** | **781,683,950** | **766,357,793** |

### 14.1 Securities Premium Reserves

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Balance as at the beginning of the year | 1,303,438,312 | 1,303,438,312 | |
| Add: Premium on shares issued during the year | - | - | |
| | 1,303,438,312 | 1,303,438,312 | - |
| Less: Utilised during the year | - | - | |
| **Balance at the end of Year** | **1,303,438,312** | **1,303,438,312** | **1,303,438,312** |

### 14.2 Retained Earnings

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Balance as at the beginning of the year | (521,754,362) | (537,080,519) | |
| Add: Profit / (Loss) for the year | (8,604,115) | 15,619,285 | |
| Add: Other comprehensive income for the year (net of tax) | (474,700) | (293,128) | |
| **Balance at the end of Year** | **(530,833,177)** | **(521,754,362)** | **(537,080,519)** |

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the board of directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

## 15. OTHER FINANCIAL LIABILITIES

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Term Loans | | | |
| - From Bank | 85,833,282 | - | 12,261,963 |
| Other borrowings (from entities other than Banks) | 46,122,492 | 46,122,492 | 46,122,492 |
| Optionally fully convertible Debentures | 219,743,700 | 200,876,000 | 200,876,000 |
| **Total** | **351,699,474** | **246,998,492** | **259,260,455** |

## 16. PROVISIONS

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Provision for Employee benefits | | | |
| - Provision for Gratuity | 1,347,497 | 1,132,683 | 1,111,894 |
| - Provision for Leave encashment | 306,664 | 209,009 | 246,483 |
| **Total** | **1,654,161** | **1,341,692** | **1,358,377** |

## 17. TRADE PAYABLES

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Trade payables | 28,724,112 | 17,549,937 | 26,874,811 |
| **Total** | **28,724,112** | **17,549,937** | **26,874,811** |

**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year | - | - | - |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year | - | - | - |
| (iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day | - | - | - |
| (iv) The amount of interest due and payable for the year | - | - | - |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year | - | - | - |
| (vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid | - | - | - |

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**Terms and conditions of the above financial liabilities:**

Trade payables are non interest bearing and are normally settled within due dates

## 18. OTHER FINANCIAL LIABILITIES

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Loans repayable on demand | 192,733,239 | 184,272,160 | 86,581,597 |
| Current maturities of long term debt | 15,000,000 | 11,977,248 | 23,058,820 |
| **Total** | **207,733,239** | **196,249,408** | **109,640,417** |

## 19. OTHER CURRENT LIABILITIES

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Other payables | | | |
| Statutory Liabilities | 1,418,911 | 504,233 | 72,763 |
| Other Liabilities | 59,390,913 | 42,493,032 | 56,683,044 |
| Employee Cost | 4,183,550 | 2,588,372 | 2,093,081 |
| **Total** | **64,993,374** | **45,585,636** | **58,848,888** |

## 20. REVENUE FROM OPERATIONS

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Revenue from Operations | | |
| Sale of Services | 240,393,976 | 291,478,614 |
| **Total** | **240,393,976** | **291,478,614** |

## 21. OTHER INCOME

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Interest Income | | |
| Fixed Deposits | 450,405 | 606,313 |
| Other Interest | 102,459 | 899,567 |
| **Other Non-Operating Income(net of expenses directly attributable to such income)** | | |
| Miscellaneous Income | 145,282 | 85,574 |
| **Total** | **698,146** | **1,591,454** |

## 22. CHANGES IN INVENTORIES OF FINISHED GOODS (INCLUDING STOCK-IN-TRADE) AND WORK-IN-PROGRES

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **Opening inventories** | | |
| Finished Goods | 60,076,018 | 60,881,288 |
| **Closing inventories** | | |
| Finished Goods | (67,631,618) | (60,076,018) |
| **Total** | **(7,555,600)** | **805,270** |

## 23. EMPLOYEE BENEFITS EXPENSE

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **Employee Benefits Expense** | | |
| Salaries , wages and Bonus | 31,449,699 | 26,518,629 |
| Contribution to Provident and other funds | 1,295,120 | 812,035 |
| Staff welfare expenses | 998,978 | 519,040 |
| **Total** | **33,743,797** | **27,849,704** |

## 24. FINANCE COSTS

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **Finance Costs** | | |
| Interest expense on | | |
| Borrowing | 23,329,045 | 21,133,321 |
| Other | | - |
| Other borrowing costs | | |
| Bank Charges | 12,451 | 31,998 |
| Processing Fees | - | 1,475,488 |
| **Total** | **23,341,496** | **22,640,807** |

**25. DEPRECIATION AND AMORTISATION EXPENSE**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Depreciation of property, plant and equipment pertaining to continuing operations | 10,272,266 | 13,376,678 |
| **Total** | **10,272,266** | **13,376,678** |

**26. OTHER EXPENSES**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Power and fuel | 2,486,427 | 2,697,477 |
| Rent | 10,178,008 | 6,220,068 |
| Repairs to machinery | 514,614 | 602,355 |
| Insurance | 352,602 | 25,636 |
| Rates and taxes | 1,438,714 | 968,628 |
| Loss on foreign currency transaction and transaction( Other than considered as finance Cost) | 4,472 | 4,171,678 |
| Payment to auditors | | |
| - As Auditor | 125,000 | 125,000 |
| - For Taxation Matters | 50,000 | 50,000 |
| - For Reimbursement of Expenses | 90,532 | 53,997 |
| Professional Charges Artist, Directors, Technicians | 3,301,221 | 5,079,704 |
| Corporate Social Responsibilty Expenditure | 1,400,000 | 1,130,500 |
| Royalty | 74,871,707 | 96,848,729 |
| Carriage Fees | 72,540,503 | 78,392,426 |
| Miscellaneous Expenses | 22,447,857 | 16,690,954 |
| **Total** | **189,801,657** | **213,057,152** |

**27.** As per information available with the Company, none of the creditors have confirmed that they are registered under the Micro, Small and Medium enterprises Development Act, 2006.

**28 Employee Benefits**

**Defined Contribution Plans** :

Contribution to Defined Contribution Plan recognised as expense for the year is as under:

| | |
|---|---|
| Employer's Contribution to Provident Fund: | Rs. 919,816<br>(Previous Year Rs. 642,460 ) |
| Employer's Contribution to ESI : | Rs. 283,105<br>(Previous Year Rs. 132,372) |

**Defined Benefit Plans**:

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit method, which recognises each year 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 leave encashment is recognised in the same manner as gratuity.

a. **Change in present value of obligation** **(Amount in ₹)**

| Particulars | Gratuity | | Leave Encashment | |
|---|---|---|---|---|
| | **March 31, 2018** | **March 31, 2017** | **March 31, 2018** | **March 31, 2017** |
| Present value of obligation as at the beginning of the period | 1,132,683 | 1,111,894 | 209,009 | 246,483 |
| Current Service Cost | 311,968 | 253,709 | 91,141 | 48,394 |
| Interest Cost | 84,951 | 88,952 | 15,676 | 19,719 |
| Expected Return on Plan Assets | -- | -- | -- | -- |
| Benefits paid | (162,231) | (234,865) | -- | -- |
| Actuarial (gain)/loss | (19,874) | (87,007) | | (105,587) |
| Past Service Cost | -- | -- | (9,162) | -- |
| Curtailment and settlement Cost/(credit) | -- | -- | -- | -- |
| **Present value of obligation as at the end of the period** | 1,347,497 | 1,132,683 | 306,664 | 209,009 |

b. **Expense recognized in the statement of profit and loss account** **(Amount in ₹)**

| Particulars | Gratuity | | Leave Encashment | |
|---|---|---|---|---|
| | **March 31, 2018** | **March 31, 2017** | **March 31, 2018** | **March 31, 2017** |
| Current service cost | 311,968 | 253,709 | 91,141 | 48,394 |
| Past service cost | -- | -- | -- | -- |
| Interest cost | 84,951 | 88,952 | 15,676 | 19,719 |
| Expected return on plan assets | -- | -- | -- | -- |
| Curtailment cost / (Credit) | -- | -- | -- | -- |
| Settlement cost / (credit) | -- | -- | -- | -- |
| Net actuarial (gain)/ loss recognized in the period | (19,874) | (87,007) | (9,162) | (105,587) |
| **Expenses recognized in the statement of profit & losses** | 377,045 | 255,654 | 97,655 | (37,474) |

c. **Actuarial gain/loss recognized** **(Amount in ₹)**

| Particulars | Gratuity | | Leave Encashment | |
|---|---|---|---|---|
| | **March 31, 2018** | **March 31, 2017** | **March 31, 2018** | **March 31, 2017** |
| Actuarial gain/(loss) for the period – obligation | 19,874 | 87,007 | 9,162 | 105,587 |
| Actuarial gain/(loss) for the period - plan assets | -- | -- | -- | -- |
| Total (gain)/loss for the period | (19,874) | (87,007) | (9,162) | (105,587) |
| Actuarial (gain)/loss recognized in the period | (19,874) | (87,007) | (9,162) | (105,587) |
| **Unrecognized actuarial (gains) losses at the end of period** | -- | -- | -- | -- |

**d. The amounts to be recognized in balance sheet and related analysis** **(Amount in ₹)**

| Particulars | Gratuity | | Leave Encashment | |
|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 |
| Present value of obligation as at the end of the period | 1,347,497 | 1,132,683 | 306,664 | 209,009 |
| Fair value of plan assets as at the end of the period | -- | -- | -- | -- |
| Funded status / Difference | (1,347,497) | (1,132,683) | (306,664) | (209,009) |
| Excess of actual over estimated | -- | -- | -- | -- |
| Unrecognized actuarial (gains)/losses | -- | -- | -- | -- |
| **Net asset/(liability) recognized in balance sheet** | (1,347,497) | (1,132,683) | (306,664) | (209,009) |

**e. Actuarial Assumptions**

i) **Economic Assumptions**

The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been agreed by the company:

**(Amount in ₹)**

| Particulars | Gratuity | | Leave Encashment | |
|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 |
| Discount Rate (%) | 7.70 | 7.50 | 7.70 | 7.70 |
| Expected Rate of increase in Compensation Levels (%) | 5.50 | 5.50 | 5.50 | 5.50 |
| Expected Rate of Return on Plan Assets | -- | -- | -- | -- |
| Expected Average remaining working lives of employees (years) | 27.02 | 28.10 | 27.02 | 28.10 |

ii) **Demographic Assumption** **(Amount in ₹)**

| Particulars | Gratuity | | Leave Encashment | |
|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 |
| i) Retirement Age (Years) | 60 | 60 | 60 | 60 |
| ii) Mortality Table | IALM(2006-08) | IALM(2006-08) | IALM(2006-08) | IALM(2006-08) |
| iii) Ages | | | | |
| Up to 30 Years | 3.00 | 3.00 | 3.00 | 3.00 |
| From 31 to 44 years | 2.00 | 2.00 | 2.00 | 2.00 |
| Above 44 years | 1.00 | 1.00 | 1.00 | 1.00 |

**Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employees benefits. Benefits such as salaries , wages and bonus, etc., are recognized in the statement of Profit and Loss in the period in which the employee renders the related service.

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

**Termination benefits**

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

**Sensitivity Analysis of the defined benefit obligation.**

| | | Gratuity | Leave Encashment |
|---|---|---|---|
| a) | **Impact of the change in discount rate** | | |
| | Present Value of Obligation at the end of the period | **1,347,497** | **306,664** |
| | Impact due to increase of 0.50% | (103,188) | (23,358) |
| | Impact due to decrease of 0.50 % | 114,848 | 25,947 |
| b) | **Impact of the change in salary increase** | | |
| | Present Value of Obligation at the end of the period | **1,347,497** | **306,664** |
| | Impact due to increase of 0.50% | 116,792 | 26,388 |
| | Impact due to decrease of 0.50 % | (105,703) | (23,922) |

**29. Related Party Transactions:**

**Name of related parties and description of relationship**

| Name | Relationship |
|---|---|
| B.A.G. Films and Media Limited | Holding Company |
| Anurradha Prasad | Key Managerial Personnel |
| ARVR Communications Pvt. Ltd. | Enterprises over which KMP are able to exercise significant influence |
| News24 Broadcast India Limited | Enterprises over which KMP are able to exercise significant influence |
| Skyline Radio Network Limited | Enterprises over which KMP are able to exercise significant influence |
| Skyline Tele Media Services Limited | Enterprises over which KMP are able to exercise significant influence |

**Details of Transactions with related party during the year** **(Amount in ₹)**

| Particulars | Holding Company | | Key Managerial Personnel (KMP) | | Enterprises over which KMP are able to exercise significant influence | |
|---|---|---|---|---|---|---|
| | For Year Ended March 31, | | For Year Ended March 31, | | For Year Ended March 31, | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Lease rental on Equipments | 6,189,120 | 6,189,120 | -- | -- | -- | -- |
| Income from Ad Sale | 24,982,985 | -- | -- | -- | -- | 57,435,400 |
| Office Rent | 2,520,000 | -- | -- | -- | -- | -- |
| Expenses Reimbursed | 9,665,470 | 9,014,493 | -- | -- | 8,250,001 | 10,889,080 |
| Advertisement Expenses | 37,237,170 | 32,144,300 | -- | -- | -- | 13,070,840 |

**Terms and conditions of transactions with related parties**

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

For the year ended 31st March, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**30. Earnings Per Share** **(Amount in ₹)**

| S.No. | Particulars | For the year ended | |
|---|---|---|---|
| | | **2017-18** | **2016-17** |
| 1 | Profit for the year | (9,078,815) | 15,326,157 |
| 2 | Weighted Average number of equity shares used as denominator for calculating Basic EPS | 26,968,912 | 26,968,912 |
| 3 | Basic Earnings per share | (0.34) | 0.57 |
| 4 | Weighted Average number of equity shares used as denominator for calculating Diluted EPS | 53,279,501 | 51,252,314 |
| 5 | Diluted Earnings per share | (0.34) | 0.30 |
| 6 | Face Value per equity share | 10 | 10 |

**31. Fair values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

| | Carrying value | | | Fair value | | |
|---|---|---|---|---|---|---|
| | **March 31, 2018** | **March 31, 2017** | **April 1, 2016** | **March 31, 2018** | **March 31, 2017** | **April 1, 2016** |
| **Financial assets** | | | | | | |
| **(Non Current & Current)** | | | | | | |
| Investment | 1,355,186,300 | 1,024,595,800 | 944,595,800 | 1,355,186,300 | 1,024,595,800 | 944,595,800 |

**32. Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets

**Fair Value Measurement using**

| **Particulars** | **Total** | **Quoted Price in active markets (Level 1)** | **Significant Observable inputs( Level 2)** | **Significant Unobservable inputs( Level 3)** |
|---|---|---|---|---|
| **As at 31st March, 2018** | | | | |
| **Asset measured at fair value:** Investments measured at: | | | | |
| Fair Value through Profit or Loss | 1,355,186,300 | 1,355,186,300 | - | - |
| **As at 31st March, 2017** | | | | |
| **Asset measured at fair value:** Investments measured at: | | | | |
| Fair Value through Profit or Loss | 1,024,595,800 | 1,024,595,800 | - | - |
| **As at 1st April, 2016** | | | | |
| **Asset measured at fair value:** Investments measured at: | | | | |
| Fair Value through Profit or Loss | 944,595,800 | 944,595,800 | - | - |

**Calculation of Fair Values**

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2017.

**Financial assets and liabilities measured at fair value as at Balance Sheet date:**

1) The fair values of investment in quoted investment in equity shares is based on the current bid price of respective investment as at the Balance Sheet date.

2) The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

**Other financial assets and liabilities**

- Cash and cash equivalents, trade receivables, investments in term deposits, other financial assets (except derivative financial instruments), trade payables, and other financial liabilities (except derivative financial instruments) have fair values that approximate to their carrying amounts due to their short-term nature.
- Loans have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

**Capital management**

The Company's capital management objectives are:

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

**Financial Risk Management objectives**

The Company's activities expose it to a variety of financial risks viz. credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

**Credit risk management**

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company deals with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are regularly monitored and the aggregate value of transactions concluded is spread amongst counterparties.

**Liquidity risk management**

The responsibility for liquidity risk management rests with the Board of directors, which has an appropriate liquidity risk management framework for the management of the Company's short-, medium- and longterm funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by regularly monitoring forecast and actual cash flows.

**Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

**33.** Previous year's figures have been regrouped/reclassified to be comparable with currents year's classification/ disclosures.

**For Kumar Khare & Co.**
Firm Registration Number: 006740C
Chartered Accountants

For and on behalf of Board of Directors of **E24 Glamour Limited**

**Alok Khare**
Partner
Membership Number: 075236

Noida: May 28, 2018

**Anurradha Prasad**
Director
DIN No. 00010716

**Anil Kapoor**
Whole Time Director
DIN: 05113976

**Subodh Kumar**
CFO

**Pinki Pialni**
Company Secretary
Membership No. ACS 19089

**Additional information as required under schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associate /Joint Ventures**

| | As at March 31, 2018 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Net Asset, i.e. total assets minus total liabilities | | Share in Profit or (Loss) | |
| **Name of the entity** | **As % of consolidated net assets** | **Amount (in Lakh)** | **As a % of consolidated Profit & Loss** | **Amount (in Lakh)** |
| **Parent Company** | | | | |
| E24 Glamour Limited | 94.74 | 10434.75 | 98.65 | (89.56) |
| **Foreign** | | | | |
| E24 Entertainment Limited | 5.26 | 583.25 | 1.35 | (1.23) |
| **Total** | **100.00** | **11018.00** | **100.00** | **(90.79)** |
| Adjustment due to consolidation | | 595.06 | | - |
| Consolidated Net Asset/Profit after tax | | 10422.94 | | 90.79 |

The information in respect of these entities are extracted from the financial summary considered in the consolidated financial statements.

**Form AOC-I**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associate companies/joint ventures

**(Amount in ₹)**

| **Name of Subsidiary** | **E24 Entertainment Limited** | |
|---|---|---|
| | **As on December 31** | |
| | **2017** | **2016** |
| Share Capital | 595.04 | 595.04 |
| Reserve & Surplus | (11.79) | (10.56) |
| Total Assets | 589.95 | 589.95 |
| Total Liabilities | 6.70 | 5.47 |
| Investment | - | - |
| Turnover | - | - |
| Profit/(Loss) before taxation | (1.23) | (1.49) |
| Provision for taxation | - | - |
| Profit/(Loss) after taxation | (1.23) | (1.49) |
| Proposed Dividend | - | - |
| % of shareholding | 100.00 | 100.00 |

For and on behalf of Board of Directors of **E24 Glamour Limited**

**Anurradha Prasad**
Director
DIN No. 00010716

**Anil Kapoor**
Whole Time Director
DIN: 05113976

**Subodh Kumar**
CFO

**Pinki Pialni**
Company Secretary
Membership No. ACS 19089

Noida: May 28, 2018

## CASH FLOW STATEMENT

For the Year ended March 31, 2018

(Amount in ₹)

| Particulars | For the Year ended March 31, 2018 | | For the Year ended March 31, 2017 | |
|---|---|---|---|---|
| | Amount in ₹ | Amount in ₹ | Amount in ₹ | Amount in ₹ |
| **A. Cash flow from operating activities** | | | | |
| Net Profit / (Loss) before extraordinary items and tax | | (8,986,194) | | 15,047,329 |
| Adjustments for: | | | | |
| Depreciation and amortisation | 10,272,266 | | 13,376,678 | |
| Finance costs | 23,341,496 | | 22,640,807 | |
| Interest income | (552,864) | | (1,505,880) | |
| Liabilities / provisions no longer required written back | 20,943 | | (5,015) | |
| | | 33,081,841 | | 34,506,590 |
| Operating profit / (loss) before working capital changes | | | | |
| Movements in working capital: | | | | |
| Adjustments for (increase) / decrease in operating assets: | | | | |
| (Increase) / Decrease in inventories | (7,555,600) | | 805,270 | |
| (Increase) / Decrease in trade receivables | 89,381,217 | | 13,847,943 | |
| (Increase) / Decrease in other financial assets | 100,640,665 | | (69,145,087) | |
| (Increase) / Decrease in other non current assets | - | | 145,346 | |
| (Increase) / Decrease in other current assets | (1,389,638) | | 2,462,318 | |
| Adjustments for increase / (decrease) in operating liabilities: | | | | |
| Increase / (Decrease) in trade payables | 11,174,176 | | (9,324,875) | |
| Increase / (Decrease) in other financial liabilities | 11,483,831 | | 86,608,991 | |
| Increase / (Decrease) in Other current liabilities | 19,407,738 | | (13,263,252) | |
| Increase / (Decrease) in provisions | 312,469 | | (16,685) | |
| | | 223,454,858 | | 12,119,970 |
| Cash generated from operations | | 247,550,505 | | 61,673,889 |
| **Net cash flow from / (used in) operating activities (A)** | | **247,550,505** | | **61,673,889** |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | | | |
| Payment for Purchase of Property, plant and Equipment (PP&E), | (21,875) | | - | |
| Proceeds from Property, plant and Equipment (PP&E), Investment properties and capital work in progress | - | | - | |
| Proceeds from sale of long-term investments | | | | |
| - Others | (330,590,500) | | (80,000,000) | |
| Interest received (finance income) | 552,864 | | 1,505,880 | |
| | | (330,059,511) | | (78,494,120) |
| **Net cash flow from / (used in) investing activities (B)** | | **(330,059,511)** | | **(78,494,120)** |

| Particulars | For the Year ended March 31, 2018 | | For the Year ended March 31, 2017 | |
|---|---|---|---|---|
| | Amount in ₹ | Amount in ₹ | Amount in ₹ | Amount in ₹ |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | | | |
| Repayment of other financial liabilities | 104,700,982 | | (12,261,963) | |
| Interest paid (finance cost) | (23,341,496) | 81,359,486 | (22,640,807) | (34,902,770) |
| **Net cash flow from / (used in) financing activities (C)** | | **81,359,486** | | **(34,902,770)** |
| **Net increase / (decrease) in Cash and cash equivalents (A+B+C)** | | **(1,149,520)** | | **(51,723,001)** |
| Cash and cash equivalents at the beginning of the year | | 19,938,226 | | 71,661,227 |
| **Cash and cash equivalents at the end of the year** | | **18,788,706** | | **19,938,226** |
| **Reconciliation of Cash and cash equivalents with the Balance Sheet:** | | | | |
| Cash and cash equivalents as per Balance Sheet | | 18,788,706 | | 19,938,226 |
| **Cash and cash equivalents at the end of the year (refer Note 10)** | | **18,788,706** | | **19,938,226** |

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, Statement of Cash Flows'

The accompanying notes are an integral part of these financial statements

**For Kumar Khare & Co.**
Firm Registration Number: 006740C
Chartered Accountants

For and on behalf of Board of Directors of **E24 Glamour Limited**

**Alok Khare**
Partner
Membership Number: 075236

**Anurradha Prasad**
Director
DIN No. 00010716

**Anil Kapoor**
Whole Time Director
DIN: 05113976

**Subodh Kumar**
CFO

**Pinki Pialni**
Company Secretary
Membership No. ACS 19089

Noida: May 28, 2018

NOTES

**NOTES**

**E24 GLAMOUR LIMITED**

**Corporate Office:** FC-23, Sector-16A,
Film City, Noida - 201 301 (U.P.)

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