Zee Akaash News Private Limited

Financial Statement

2016 -2017

Independent Auditor's Report

To The Members of **Zee Akaash News Private Limited**

1. **Report on the Ind AS financial statements**

We have audited the accompanying Ind AS financial statements of **Zee Akaash News Private Limited** ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

2. **Management's Responsibility for the Ind AS financial statements**

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 (" the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

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

3. **Auditor's Responsibility**

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

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

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are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

4. **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 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

5. **Other Matters**

The comparative financial information of the Company for the year ended 31 March, 2016 and the transition date opening balance sheet as at 1 April, 2015 included in these Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us for the year ended 31 March, 2016 and audited by other auditor for the year ended 31 March, 2015 vide audit report dated 20 May, 2016 and 21 May, 2015 respectively expressed an unmodified opinion on those financial statements as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion on the Ind AS financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

6. **Report on Other Legal and Regulatory Requirements**

I. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of section 143(11) of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.

II. As required by Section143 (3) of the Act, we report that:

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

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

c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity 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 specified under Section 133 of the Act;

e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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"; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts having any material foreseeable losses;

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

   iv. The Company has provided requisite disclosures in the Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016, on the basis of information available with the Company. Based on audit procedures, and relying on management's representation, we report that disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. Refer Note 35 to the Ind AS financial statements.

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Lalit Kumar Jain
Partner
Membership Number 072664

Mumbai, 22 May 2017

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Annexure - A to the Independent Auditor's Report

Annexure referred to in paragraph 6(I) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of the Company on the Ind AS financial statements for the year ended 31 March, 2017.

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

(b) The fixed assets, except Integrated Receiver Decoders (IRD) boxes lying with third parties, have been physically verified by the management. No discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of records, the Company does not have any immovable property.

ii. The inventory has been physically verified by the management at end of the year. As explained to us, no discrepancies were noticed on physical verification as compared to book records.

iii. According to the 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.

iv. In our opinion and according to the information and explanations given to us, the Company has not granted loan, provided guarantee or security. The Company has complied with the provisions of Section 185 and 186 of the Act, in respect of investments made by it.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act.

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

vii. According to the records of the Company, examined by us and information and explanations given to us:

a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and others as applicable have generally been regularly deposited with the appropriate authorities. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31 March, 2017 for a period of more than six months from the date they became payable.

b) According to records of Company, there are no dues of income tax, sales tax, duty of customs, duty of excise or value added tax which have not been deposited on account of any dispute except income tax demand of Rs.4,19,540 pertaining to financial year 2012-13, appeal against which is pending before the Commissioner of Income Tax(Appeal).

viii. According to the records of the Company examined by us, the Company does not have any loans or borrowings from financial institutions, banks, government or debentures holders hence paragraph 3(viii) of the Order is not applicable to the company.

ix. In our opinion and according to the information and explanations given to us, the Company has not raised money by way of public issue (including debt instruments) or term loan during the year.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the Management.

xi. According to the records of the Company examined by us, the Company has not paid any managerial remuneration during the year hence paragraph 3(xi) of the Order is not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it.

xiii. 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 Sections177 and 188 of the Act and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable Indian accounting standards.

xiv. According to the records of the Company examined by us, and information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the records of the Company examined by us, and information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Lalit Kumar Jain
Partner
Membership Number 072664
Mumbai, 22 May 2017

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Annexure - B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 6(II)(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of the Company on the Ind AS financial statements for the year ended 31 March, 2017.

We have audited the internal financial controls over financial reporting of **Zee Akaash News Private Limited** ("the Company") as of 31 March, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Lalit Kumar Jain
Partner
Membership Number 072664

Mumbai, 22 May 2017

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ZEE AKAASH NEWS PRIVATE LIMITED

Balance Sheet as at 31 March, 2017

(In Rupees)

	Note	31 March 2017	31 March 2016	01 April 2015
ASSETS				
Non-current assets				
(a) Property, plant and equipment	5	39,997,425	47,797,215	78,288,862
(b) Capital work-in-progress	5	1,613,381	1,588,952	-
(c) Intangible assets	6	2,333,530	3,577,710	1,708,509
(d) Financial assets				
(i) Investment	7	10	-	-
(ii) Other financial assets	8	27,125	47,125	31,260,688
(e) Income tax assets (net)	9	12,195,626	21,324,630	12,631,095
(f) Deferred tax assets (net)	10	25,607,595	24,802,742	5,129,238
(g) Other non-current assets	11	549,738	49,228	2,652,579
Total non-current assets		**82,324,430**	**99,187,602**	**131,670,971**
Current assets				
(a) Inventories	12	112,195	31,836	109,303
(b) Financial assets				
(i) Trade receivables	13	194,404,148	113,223,250	121,363,929
(ii) Cash and cash equivalents	14 a	99,229,713	143,942,083	22,002,849
(iii) Bank Balance other than (ii) above	14 b	-	5,000,000	-
(iv) Other financial assets	8	131,703,008	67,288,733	190,932
(c) Other current assets	11	8,173,344	8,724,169	15,997,287
Total current assets		**433,622,408**	**338,210,071**	**159,664,300**
Total assets		**515,946,838**	**437,397,673**	**291,335,271**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	15a	40,000,000	40,000,000	40,000,000
(b) Other equity	15b	398,682,653	307,761,979	209,486,555
Total equity		**438,682,653**	**347,761,979**	**249,486,555**
Liabilities				
Non-current liabilities				
(a) Provisions	16	19,072,684	16,850,832	11,863,934
Total non-current liabilities		**19,072,684**	**16,850,832**	**11,863,934**
Current liabilities				
(a) Financial liabilities				
(i) Trade payables	17a	8,281,995	21,025,755	6,138,311
(ii) Other financial liabilities	17b	25,158,003	36,844,425	11,039,631
(b) Other current liabilities	18	15,544,802	13,878,974	6,953,025
(c) Provisions	16	3,190,754	1,035,708	1,313,255
(d) Current tax liabilities (net)	19	6,015,947	-	4,540,560
Total current liabilities		**58,191,501**	**72,784,862**	**29,984,782**
Total Liabilities		**77,264,185**	**89,635,694**	**41,848,716**
Total equity and liabilities		**515,946,838**	**437,397,673**	**291,335,271**

Notes forming part of the financial statements 1-44

As per our attached report of even date

For MGB & Co LLP
Chartered Accountants
Firm Registration Number - 101169W/W100035

Lalit Kumar Jain
Partner
Membership Number - 72664

Place: Mumbai
Date: 22 May, 2017

mgb&co LLP CHARTERED ACCOUNTANTS

For and on behalf of the Board

Dinesh Garg
Director
DIN - 2048097

Rajiv Singh
Director
DIN - 2245630

ZEE AKAASH NEWS PVT. LTD. KOLKATA

ZEE AKAASH NEWS PRIVATE LIMITED

Statement of Profit and Loss for the year ended on 31 March, 2017

(In Rupees)

	Note	31 March 2017	31 March 2016
Revenue			
Revenue from operations	20	539,692,167	480,605,311
Other income	21	14,695,455	6,521,757
Total		**554,387,622**	**487,127,068**
Expenses			
Operational cost	22	96,302,733	69,743,559
Employee benefit expense	23	94,108,349	107,049,999
Finance costs	24	1,974,987	4,304,092
Depreciation and amortisation expense	25	12,222,069	47,155,397
Other expenses	26	207,327,079	105,287,316
Total		**411,935,217**	**333,540,363**
Profit before Tax		**142,452,405**	**153,586,705**
Less: Tax expense			
Current tax		49,792,134	72,610,000
Deferred tax	32	75,730	(18,851,638)
Profit for the year	A	**92,584,541**	**99,828,343**
Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
(i) Remeasurement gains / (losses) on defined benefits obligation plans		(2,544,451)	(2,374,785)
(ii) Income tax relating to items that will not be reclassified to the profit or loss		880,584	821,866
Total other comprehensive income	B	**(1,663,867)**	**(1,552,919)**
Total comprehensive income for the year	(A+B)	**90,920,674**	**98,275,424**
Earning per equity share (face value of Rs. 10 each)	36		
Basic and diluted		23.15	24.96

Notes forming part of the financial statements 1-44

As per our attached report of even date

For MGB & Co LLP
Chartered Accountants
Firm Registration Number - 101169W/W100035

Lalit Kumar Jain
Partner
Membership Number - 72664

Place: Mumbai
Date: 22 May, 2017

mgb&co LLP CHARTERED ACCOUNTANTS

For and on behalf of the Board

Dinesh Garg
Director
DIN - 2048097

Rajiv Singh
Director
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ZEE AKAASH NEWS PVT. LTD. KOLKATA

ZEE AKAASH NEWS PRIVATE LIMITED

Statement of Changes in Equity for the year ended on 31 March, 2017

A) Equity Share Capital

Particulars	Note	Amount
As at 01 April, 2015		**40,000,000**
Change in equity share capital	15 a	-
As at 31 March, 2016		**40,000,000**
Change in equity share capital	15 a	-
As at 31 March, 2017		**40,000,000**

B) Other Equity

Attributable to equity holders of the parent

(In Rupees)

	Reserves and Surplus			Total other equity
	Securities Premium	General Reserve	Retained Earnings	
As at 01 April 2015	98,800,000	22,720,717	87,965,838	209,486,555
Profit for the year	-	-	99,828,343	99,828,343
Other comprehensive income for the year	-	-	(1,552,919)	(1,552,919)
Total comprehensive income for the year	-	-	98,275,424	98,275,424
Balance at 31 March 2016	98,800,000	22,720,717	186,241,262	307,761,979
Profit for the year	-	-	92,584,541	92,584,541
Other comprehensive income for the year			(1,663,867)	(1,663,867)
Total comprehensive income for the year	-	-	90,920,674	90,920,674
Balance at 31 March 2017	98,800,000	22,720,717	277,161,936	398,682,653

Notes forming part of the financial statements 1-44

As per our attached report of even date

For MGB & Co LLP
Chartered Accountants
Firm Registration Number - 101169W/W100035

Lalit Kumar Jain
Partner
Membership Number - 72664

Place: Mumbai
Date: 22 May, 2017

mgb&co LLP CHARTERED ACCOUNTANTS

For and on behalf of the Board

Dinesh Garg
Director
DIN - 2048097

Rajiv Singh
Director
DIN - 2245630

ZEE AKAASH NEWS PVT. LTD. KOLKATA

Zee Akaash News Private Limited
Notes forming part of the financial statements

1 Corporate Information

Zee Akaash News Private Limited ("ZANPL" or "the Company") is incorporated in the State of Maharashtra, India . The registered office of the Company is situated at Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai - 400018, Maharashtra, India. The Company is mainly engaged in the business of broadcasting of satellite television channels i.e. news / current affairs and regional language channels and sale of television programs including program feeds.

2 Significant Accounting Policies

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 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

These financial statements for the year ended 31 March, 2017 are the first financials with comparatives, prepared under Ind AS. For all previous periods including the year ended 31 March, 2016, the Company had prepared its financial statements in accordance with the accounting standards notified under Companies (Accounting Standard) Rule, 2006 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India.

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 1 April, 2015 being the date of transition to Ind AS.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies stated out below.

Reconciliations and descriptions of the effect of the transition has been summarized in note 29.

Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupee as per the requirement of Schedule III, unless otherwise stated.

Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

b Property, plant and equipment

(i) Property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Integrated Receiver Decoders (IRD) boxes are capitalised, when available for deployment.

(ii) Capital work-in-progress comprises cost of property, plant and equipment and related expenses that are not yet ready for their intended use at the reporting date.

c Intangible assets

Intangible assets acquired or developed are measured on initial recognition at cost and stated at cost less accumulated amortisation and impairment loss, if any.

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d **Depreciation / amortisation on property, plant and equipment / intangible assets**

Depreciable amount for property, plant and equipment / intangible fixed assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

(i) Depreciation on property, plant and equipment is provided on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, where the life of the assets has been assessed lower than the life prescribed in Schedule II, based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement etc.

Assets	Management's Estimate of Useful Life
Plant and Machinery (Studio equipments - Linear)	10 Years
Plant and Machinery (Studio equipments - Non-Linear)	5 Years
Eqipments	3 - 5 Years
Furniture and fixture	5 Years
Vehicle	5 Years

(ii) Intangible assets are amortised on straight line basis over their respective individual useful lives estimated by the management.

e **Impairment of property, plant and equipment and intangible assets**

The carrying amounts of the Company's property, plant and equipment and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

An impairment is recognised in statement of profit and loss whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of net selling price, defined as the fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and risks specific to the asset.

An impairment loss for an individual asset or cash generating unit is reversed if there has been a change in estimates used to determine the recoverable amount since the last impairment loss was recognised and is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Impairment loss is recognised in the statement of profit and loss.

f **Derecognition of property, plant and equipment / intangibles**

The carrying amount of an item of property, plant and equipment / intangibles are derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment / intangibles are measured as the difference between the net disposal in proceeds and the carrying amount of the item and is recognised in the statement of profit and loss when the item is derecognised.

g **Leases**

(i) **Finance lease**

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

(ii) **Operating lease**

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments / revenue are recognised on straight line basis over the lease period in the statement of profit and loss account unless increase is on account of inflation.

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Derivative financial instruments
Derivative financial instruments are classified and measured at fair value through profit and loss.

Derecognition of financial assets
A financial asset is derecognised only when
(a) The Company has transferred the rights to receive cash flows from the asset or the rights have expired or
(b) The Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more receipients in an arrangement.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Impairment of financial assets
The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business enviornment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Financial liabilities and equity instruments
Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received.

Financial liabilities
Subsequent measurement
Financial liabilities measured at amortised cost
Financial liability are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss.

Financial liabilities measured at fair value through profit or loss (FVTPL)
Derecognition of financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Determination of fair value
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date.

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

k **Borrowings and borrowing costs**
Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit and loss over the period of the borrowings using the effective interest rate (EIR) method.

Borrowing costs attributable to the acquisition or construction of qualifying assets till the time such assets are ready for intended use are capitalised as part of cost of the assets. All other borrowing costs are expensed in the period they occur.

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l **Provisions, contingent liabilities and contingent assets**

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

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

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements, however they are disclosed where the inflow of economic benefits is probable. When the realisation of income is virtually certain, then the related asset is no longer a contingent asset and is recognised as an asset.

m **Revenue recognition**

Revenue is recognised to the extent it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. All revenues are accounted on accural basis except to the extent stated otherwise.

(i) Broadcasting revenue - Advertisement revenue (net of discount and volume rebates) is recognised when the related advertisement or commercial appears before the public i.e. on telecast. Subscription revenue is recognised on time basis on the provision of television broadcasting service to subscribers or as per the agreed terms.

(ii) Revenue from other services is recognised as and when such services are completed / performed.

(iii) Interest income is recognised using the effective interest rate method, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial assets.

n **Retirement and other employee benefits**

(i) The Company operates both defined benefit and defined contribution schemes for its employees.

For defined contribution schemes the amount charged as expense is equal to the contributions paid or payable when employees have rendered services entitling them to the contributions.

For defined benefit plans, actuarial valuations are carried out at each balance sheet date using the Projected Unit Credit Method. All such plans are unfunded.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability/ (asset) are recognized in the statement of profit and loss. Remeasurements of the net defined benefit liability/ (asset) comprising actuarial gains and losses (excluding interest on the net defined benefit liability/asset)) are recognised in Other Comprehensive Income (OCI). Such remeasurements are not reclassified to the statement of profit and loss, in the subsequent periods.

(ii) Other long term employee benefits: The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

(iii) Short term employee benefits: All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability.

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o Transactions in foreign currencies

The functional currency of the Company is Indian Rupees ("Rs.").

(i) Foreign currency transactions are accounted at the exchange rates prevalant on the date of such transactions.

(ii) Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements are recognised as income or as expenses in the period in which they arise.

(iii) Non-monetary foreign currency items are carried at historical cost and translated at the exchange rate prevalant at the date of the transaction.

p Accounting for taxes on income

Tax expense comprises of current and deferred tax.

(i) **Current tax**

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. 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.

(ii) **Deferred tax**

(a) Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred tax arises from the initial recognition of an asset or liability that effects neither accounting nor taxable profit or loss at the time of transition.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

(b) Minimum Alternate Tax paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognised as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Company and the assets can be measured reliably.

(iii) **Presentation of current and deferred tax**

Current and deferred tax are recognized as income or an expense in the statement of profit and loss, except to the extent that they relates to items that are recognized directly in other comprehensive income, in which case, the current and deferred tax income / expense are recognised in other comprehensive income.

q Earnings per share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the period. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except when the results would be anti-dilutive.

r Dividend

Provision is made for the amount of any dividend declared on or before the end of the reporting period but remaining undistributed at the end of the reporting period, where the same has been appropriately authorised and is no longer at the discretion of the entity.

s Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown as deduction in equity, net of tax.

t Exceptional items

Certain occassions, the size, type, or incidences of the item of income or expenses pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expenses is classified as an exceptional item and accordingly, disclosed in the financial statements.

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3 **Critical accounting judgment and estimates**

The preparation of financial statements requires management to exercise judgment in applying the Company's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including disclosure of contingent liabilities . Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future periods affected.

a **Contingencies**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that have a low probability of crystallising or are very difficult to quantify reliably, are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. There can be no assurance regarding the final outcome of these legal proceedings.

b **Useful lives and residual values**

The Company reviews the useful lives and residual values of property, plant and equipment, investment property and intangible assets at each financial year end.

c **Impairment testing**

(i) Judgment is also required in evaluating the likelihood of collection of customer debt after revenue has been recognised. This evaluation requires estimates to be made, including the level of provision to be made for amounts with uncertain recovery profiles. Provisions are based on historical trends in the percentage of debts which are not recovered, or on more detailed reviews of individually significant balances.

(ii) Determining whether the carrying amount of these assets has any indication of impairment also requires judgment. If an indication of impairment is identified, further judgment is required to assess whether the carrying amount can be supported by the net present value of future cash flows forecast to be derived from the asset. This forecast involves cash flow projections and selecting the appropriate discount rate.

d **Tax**

(i) The Company's tax charge is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.

(ii) Accruals for tax contingencies require management to make judgments and estimates in relation to tax related issues and exposures.

(iii) The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences are related to losses, the availability of the losses to offset against forecast taxable profits is also considered. Recognition therefore involves judgment regarding the future financial performance of the particular legal entity or tax company in which the deferred tax asset has been recognized.

e **Fair value measurement**

A number of company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

-Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

-Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

-Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of a fair value hierarchy, then the fair value measurement is categorized in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of reporting year during which the change has occurred.

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f **Television Programs**

The Company has several types of programming inventory: news current affairs and regional language. The key area of accounting for inventory requiring judgment is the assessment of the appropriate nature over which to programming inventory should be amortized. The key factors considered by the Company are as follows:

a) News / current affairs / chat shows / events etc. are fully expensed on telecast since such programs do not have repeat value. This treatment best represents our estimate of the benefits received from the acquired rights.

b) The programs (other than (a) above) are amortised over a period of three financial years over which revenue is expected to be generated from exploitation of programs.

g **Defined benefit obligation**

The costs of providing pensions and other post-employment benefits are charged to the statement of profit and loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in note 28, 'Employee benefits'.

4 **Standards issued but not yet effective**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from 1 April, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102:

The amendment to Ind-AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The Company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

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(In Rupees)

Description of assets	Plant and Machinery	Furniture and Fittings	Vehicles	Equipments	Computers	Total
5. Property, plant and equipment						
I. Cost						
As at 01 April 2015	144,779,461	21,396,498	7,620,140	4,126,919	27,972,403	205,895,421
Additions	12,500,593	18,012	-	542,775	4,723,350	17,784,730
Disposal	7,579,417	724,187	-	33,340	3,526,641	11,863,585
As at 31 March 2016	**149,700,637**	**20,690,323**	**7,620,140**	**4,636,354**	**29,169,112**	**211,816,566**
Additions	1,728,322	55,019	-	47,764	1,055,726	2,886,831
Disposal	39,657	-	713,505	23,000	1,576,705	2,352,867
As at 31 March 2017	**151,389,302**	**20,745,342**	**6,906,635**	**4,661,118**	**28,648,133**	**212,350,530**
II. Depreciation						
As at 01 April 2015	82,958,384	15,200,002	3,334,049	2,518,440	23,595,684	127,606,559
Depreciation charge for the year	35,326,384	4,949,413	984,353	1,030,437	3,387,667	45,678,254
Disposal	5,072,884	647,450	-	18,487	3,526,641	9,265,462
Upto 31 March 2016	**113,211,884**	**19,501,965**	**4,318,402**	**3,530,390**	**23,456,710**	**164,019,351**
Depreciation charge for the year	6,419,012	305,997	841,052	512,283	2,244,390	10,322,734
Disposal	14,187	-	433,066	5,852	1,535,875	1,988,979
Upto 31 March 2017	**119,616,709**	**19,807,962**	**4,726,388**	**4,036,821**	**24,165,225**	**172,353,106**
III. Net book value						
As at 31 March 2017	31,772,593	937,380	2,180,247	624,297	4,482,908	39,997,425
As at 31 March 2016	36,488,753	1,188,358	3,301,738	1,105,964	5,712,402	47,797,215
As at 01 April 2015	61,821,077	6,196,496	4,286,091	1,608,479	4,376,719	78,288,862

Net book value	**31 March 2017**	**31 March 2016**	**1 April 2015**
Property, plant and equipment	39,997,425	47,797,215	78,288,862
Capital work-in-progress	1,613,381	1,588,952	-

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(In Rupees)

Description of assets	Computer software	Total
6 Intangible assets		
I. Cost		
As at 01 April 2015	8,158,416	8,158,416
Additions	3,346,344	3,346,344
Disposal	-	-
Balance as at 31 March 2016	**11,504,760**	**11,504,760**
Additions	655,155	655,155
Disposal	-	-
Balance as at 31 March 2017	**12,159,915**	**12,159,915**
II. Amortisation		
Balance as at 01 April 2015	6,449,907	6,449,907
Amortisation expense for the year	1,477,143	1,477,143
Disposal	-	-
Upto 31 March 2016	**7,927,050**	**7,927,050**
Amortisation expense for the year	1,899,335	1,899,335
Disposal	-	-
Upto 31 March 2017	**9,826,385**	**9,826,385**
III. Net book value		
As at 31 March 2017	2,333,530	2,333,530
As at 31 March 2016	3,577,710	3,577,710
As at 01 April 2015	1,708,509	1,708,509

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(In Rupees)

		31 March 2017	31 March 2016	01 April 2015
7	**Non-current investments**			
	Investments carried at fair value through other comprehensive income			
	Investments in Equity instrument (Un-quoted)			
	1 (2016: Nil) (2015: Nil) equity share of Rs.10 each fully paid of Dr Subhash Chandra Foundation	10	-	-
	Total	10	-	-

Aggregate value of quoted share	-	-	-
Aggregate value of un-quoted share	10	-	-
Aggregate impairment in value of investments	-	-	-

(In Rupees)

		Non current			Current		
		31 March 2017	31 March 2016	01 April 2015	31 March 2017	31 March 2016	01 April 2015
8	**Other financial assets**						
	Security deposits (unsecured, considered good)	27,125	47,125	31,260,688	36,123,476	35,363,317	190,932
	Balance with bank - in deposit accounts				85,000,000	30,000,000	-
	Interest accrued on bank deposits	-	-	-	5,670,746	1,925,416	-
	Other receivables						
	From related parties	-	-	-	4,672,955	-	-
	From others	-	-	-	235,831	-	-
	Total	27,125	47,125	31,260,688	131,703,008	67,288,733	190,932

Refer Note 30 for transaction relating to related party receivable.

(In Rupees)

		31 March 2017	31 March 2016	01 April 2015
9	**Income tax assets (net)**			
	Advance tax (net of provisions)	12,195,626	21,324,630	12,631,095
	Total	12,195,626	21,324,630	12,631,095

(In Rupees)

		31 March 2017	31 March 2016	01 April 2015
10	**Deferred tax assets (net)**			
	The component of deferred tax balances are as at 31st March, 2017 are as under			
	A) Deferred tax assets			
	Employee retirement benefits obligation	7,704,931	6,190,174	4,478,927
	Depreciation and amortization	8,975,280	9,977,179	-
	Fiscal disallowances	2,018,298	1,976,863	1,759,180
	Allowances for credit losses	6,909,086	6,658,526	-
	(A)	25,607,595	24,802,742	6,238,107
	B) Deferred tax liabilities			
	Depreciation and amortization	-	-	1,108,869
	(B)	-	-	1,108,869
	Total (A+B)	25,607,595	24,802,742	5,129,238

(In Rupees)

		Non current			Current		
		31 March 2017	31 March 2016	01 April 2015	31 March 2017	31 March 2016	01 April 2015
11	**Other assets**						
	Capital advance (Unsecured considered good)	369,316	-	2,040,843	-	-	-
	Advances to related party - holding company	-	-	-	-	-	6,080,273
	Prepaid expenses	180,422	49,228	611,736	2,333,742	2,960,017	5,462,720
	Balance with Government authorities						
	Advance indirect tax	-	-	-	3,265,205	2,623,220	1,254,054
	Other advances	-	-	-	2,574,397	3,140,932	3,200,240
	Total	549,738	49,228	2,652,579	8,173,344	8,724,169	15,997,287

Refer Note 30 for transaction relating to related party receivable.

(In Rupees)

		31 March 2017	31 March 2016	01 April 2015
12	**Inventories**			
	Raw stock - tapes	112,195	31,836	109,303
	Total	112,195	31,836	109,303

Tapes are valued at lower of cost or realisable value.

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(In Rupees)

(In Rupees)

		31 March 2017	31 March 2016	01 April 2015
13	**Trade receivables** (Unsecured)			
	-Considered good	194,404,148	113,223,250	121,363,929
	-Considered doubtful	19,963,842	19,239,845	-
		214,367,990	132,463,095	121,363,929
	Less : Allowances for credit losses	19,963,842	19,239,845	-
	Total	194,404,148	113,223,250	121,363,929

Refer note 30 for transactions relating to related party receivables.
Trade receivables are non-interest bearing and credit period extended to them is 0-90 days.

(In Rupees)

		31 March 2017	31 March 2016	01 April 2015
14	**a. Cash and cash equivalents**			
	Balances with banks			
	In current accounts	99,150,017	143,800,317	21,934,353
	Cash in hand	79,696	141,766	68,496
		99,229,713	143,942,083	22,002,849
	b. Other balances with banks			
	Fixed deposits with bank	-	5,000,000	-
		-	5,000,000	-
	Total	99,229,713	148,942,083	22,002,849

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(In Rupees)

	31 March 2017	31 March 2016	01 April 2015
15 a Share capital			
Authorised			
4,000,000 (2016 : 4,000,000), (2015 : 4,000,000) equity shares of Rs. 10 each	40,000,000	40,000,000	40,000,000
	40,000,000	**40,000,000**	**40,000,000**
Issued , subscribed and fully paid up			
4,000,000 (2016 : 4,000,000), (2015 : 4,000,000) equity shares of Rs. 10 each fully paid-up	40,000,000	40,000,000	40,000,000
Total	**40,000,000**	**40,000,000**	**40,000,000**

(i) Reconciliation of number of equity shares and share capital

(In Rupees)

	31 March 2017		31 March 2016		01 April 2015	
	No. of Equity Shares	Amount	No. of Equity Shares	Amount	No. of Equity Shares	Amount
At the beginning of the year	4,000,000	40,000,000	4,000,000	40,000,000	4,000,000	40,000,000
Add: Changes during the year	-	-	-	-	-	-
At the end of the year	**4,000,000**	**40,000,000**	**4,000,000**	**40,000,000**	**4,000,000**	**40,000,000**

(ii) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of equity shares held by the holding company:

(In Rupees)

	31 March 2017	31 March 2016	01 April 2015
Zee Media Corporation Limited, the holding Company and its nominees 2,400,002 Equity shares of Rs. 10 each fully paid up	24,000,020	24,000,020	24,000,020

(iv) Details of Shareholders holding more than 5 percent of aggregate shares in the Company

Name of Shareholders	31 March 2017		31 March 2016		01 April 2015	
	No. of Equity Shares	% Shareholding	No. of Equity Shares	% Shareholding	No. of Equity Shares	% Shareholding
Zee Media Corporation Limited	2,400,002	60%	2,400,002	60%	2,400,002	60%
Sky B (Bangla) Private Limited	1,599,998	40%	1,599,998	40%	1,599,998	40%

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

(v) The Company has not issued any bonus share nor any share for consideration other than cash or bought back any share during five years preceding 31 March, 2017

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(In Rupees)

		31 March 2017	31 March 2016
15 b	**Other equity**		
	Securities premium		
	As per last balance sheet	98,800,000	98,800,000
		98,800,000	**98,800,000**
	General reserve		
	As per last balance sheet	22,720,717	22,720,717
		22,720,717	**22,720,717**
	Surplus in the statement of profit and loss		
	As per last balance sheet	186,241,262	87,965,838
	Add: profit for the year	92,584,541	99,828,343
	Remeasurement gains / (losses) on defined benefit plans	(2,544,451)	(2,374,785)
	Income tax impact on above	880,584	821,866
		277,161,936	**186,241,262**
	Total	**398,682,653**	**307,761,979**

i) Securities premium represents the premium on equity shares issued.
ii) General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.
iii) Retained earnings represent the accumulated earnings net of losses if any made by the Company over the years.

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Notes forming part of the Financial Statements

(In Rupees)

	Non current			Current		
	31 March 2017	31 March 2016	01 April 2015	31 March 2017	31 March 2016	01 April 2015
16 Provisions						
Provision for employee benefits						
- Gratuity	13,331,553	11,456,777	7,756,725	2,122,882	680,171	831,425
- Leave benefits	5,741,131	5,394,055	4,107,209	1,067,872	355,537	481,830
Total	19,072,684	16,850,832	11,863,934	3,190,754	1,035,708	1,313,255

(In Rupees)

	Current		
	31 March 2017	31 March 2016	01 April 2015
17 Financial liabilties			
a **Trade payables**			
Trade payables	8,281,995	21,025,755	6,138,311
	8,281,995	**21,025,755**	**6,138,311**
b **Other financial liabilities**			
Creditors for capital expenditure	-	780,336	366,218
Other payables	25,158,003	36,064,089	10,673,413
	25,158,003	**36,844,425**	**11,039,631**
Total	**33,439,998**	**57,870,180**	**17,177,943**

Trade and other payables are non-interest bearing and credit term for same is generally in the range of 0 to 90 days.

(In Rupees)

	31 March 2017	31 March 2016	01 April 2015
18 Other current liabilties			
Unearned revenue	4,385,336	4,575,303	-
Advances received from customers	7,293,486	5,893,876	4,022,816
Statutory dues payable	3,865,980	3,409,795	2,930,209
Total	**15,544,802**	**13,878,975**	**6,953,025**

(In Rupees)

	Current		
	31 March 2017	31 March 2016	01 April 2015
19 Current tax liabilities (net)			
Provision for taxation (net of advances)	6,015,947	-	4,540,560
Total	**6,015,947**	**-**	**4,540,560**

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(In Rupees)

	31 March 2017	31 March 2016
20 Revenue from operations		
Services (broadcasting revenue)		
Advertisement revenue	517,841,050	460,756,894
Subscription revenue	21,851,117	19,848,417
Total	**539,692,167**	**480,605,311**

(In Rupees)

	31 March 2017	31 March 2016
21 Other Income		
Interest received on financial assets carried at amortised cost		
Bank deposits	10,317,849	2,336,612
Interest income others (including interest on income tax refunds)	3,207,377	4,020,629
Liabilities / excess provision written back	983,101	149,718
Foreign exchange gain (net)	13,518	-
Miscellaneous income	173,610	14,797
Total	**14,695,455**	**6,521,756**

(In Rupees)

	31 March 2017	31 March 2016
22 Operational cost		
Television programs (production/ acquisition cost)		
Raw tapes consumed	78,341	500,196
Consultancy and professional charges	13,596,762	11,610,669
News subscription fees	1,638,500	1,663,400
Vehicle running, maintenance and hire charges	10,546,817	7,907,083
Travelling and conveyance expenses	1,887,841	1,981,335
Lease-line and v-sat expenses	12,410,432	12,096,080
Hire charges	2,927,936	2,592,534
Other production expenses	40,769,038	19,074,321
	83,855,667	**57,425,618**
Telecast cost	12,447,066	12,317,941
Total	**96,302,733**	**69,743,559**

(In Rupees)

	31 March 2017	31 March 2016
23 Employee benefit expenses		
Salaries and allowances	91,543,287	102,848,936
Contribution to provident and other funds	1,746,611	3,060,949
Staff welfare expenses	818,451	1,126,775
Staff recruitment and training expenses	-	13,339
Total	**94,108,349**	**107,049,999**

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(In Rupees)

	31 March 2017	31 March 2016
24 Finance costs		
Interest - others	1,967,196	4,277,470
Other financial charges	7,791	26,622
Total	**1,974,987**	**4,304,092**

(In Rupees)

	31 March 2017	31 March 2016
25 Depreciation and amortisation expense		
Depreciation on property, plant and equipment	10,322,734	45,678,254
Amortisation of intangible assets	1,899,335	1,477,143
Total	**12,222,069**	**47,155,397**

(In Rupees)

	31 March 2017	31 March 2016
26 Other Expenses		
Rent	11,981,830	11,949,392
Rates and taxes	6,292	91,422
Repairs and maintenance		
-Plant and machinery	2,202,494	2,347,963
-Others	2,513,899	3,415,640
Insurance	304,162	239,601
Electricity and water charges	10,013,890	10,356,130
Communication expenses	2,623,422	2,796,938
Printing and stationary expenses	293,903	326,386
Hire and service charges	3,616,537	2,664,717
Travelling and conveyance expenses	8,622,426	9,534,662
Legal and professional charges	1,643,085	1,722,679
Payment to auditors (Refer Note 27)	520,849	300,000
Corporate Social Responsibility expenses (Refer Note 39)	2,643,126	2,300,000
Business promotion expenses	30,642,314	8,951,133
Advertisement and publicity expenses	72,891,199	20,797,020
Commission/ discount expenses	55,175,895	4,363,352
Bad debts and advances written off	-	129,137
Allowances for credit losses on trade receivables and other advances	723,997	19,239,845
Loss on sale / discard of plant, properties and equipments (net)	118,786	2,557,965
Foreign exchange loss (net)	-	80,433
Miscellaneous expenses	788,973	1,122,901
Total	**207,327,079**	**105,287,316**

27 Payment to auditors

(In Rupees)

	31 March 2017	31 March 2016
Audit Fee	247,500	225,000
Tax Audit Fee	82,500	75,000
Certification and tax matter	170,000	-
Reimbursement of expenses including swacha bharat cess	20,849	-
Total	**520,849**	**300,000**

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28 Employee benefits

The Disclosures as per Ind AS 19 - Employee Benefits is as follows:

A Defined contribution plan:

"Contribution to provident and other funds" is recognized as an expense in note 23 "Employee benefit expenses" of the statement of profit and loss.

B Defined benefit plans

The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave benefits (non funded) is also recognised using the projected unit credit method.

Disclosure of Gratuity (unfunded) in terms of Ind AS 19 is as under:

(In Rupees)

	31 March 2017	31 March 2016
	Gratuity (Non funded)	
I. Expenses recognized in statement of profit and loss		
1 Current Service Cost	1,629,888	1,724,346
2 Interest Cost	970,956	687,052
3 Past Service cost	-	-
Total Expenses	**2,600,844**	**2,411,398**
II. Amount recognized in other comprehensive income (OCI)		
1 Opening amount recognized in OCI outside profit and loss account	2,374,785	-
2 **Remeasurment during the period due to**		
Changes in financial assumptions	721,427	1,605,987
Changes in demographic assumptions	-	-
Experience adjustments	1,823,024	768,798
Closing amount recognized in OCI outside profit and loss account	**4,919,236**	**2,374,785**
III. Net Asset/(Liability) recognized in the Balance Sheet		
1. Present value of defined benefit obligation (DBO)	15,454,435	12,136,948
2. Net Asset / (Liability)	(15,454,435)	(12,136,948)
IV. Reconciliation of Net Asset/(Liability) recognized in the Balance Sheet		
1 Net Asset/(Liability) at the beginning of year	(12,136,948)	(8,588,150)
2 Defined benefit cost included in statement of profit and loss	(2,600,844)	(2,411,398)
3 Amount recognised in other comprehensive income	(2,544,451)	(2,374,785)
4 Benefit paid	1,827,808	1,237,385
5 Net Asset/(Liability) at the end of the year	(15,454,435)	(12,136,948)

V. Acturial assumptions:	**31 March 2017**	**31 March 2016**	**01 April 2015**
1 Discount rate	7.50%	8.00%	8.00%
2 Expected rate of salary increase	6.00%	6.00%	5.00%
3 Mortality	IALM(2006-08)	IALM (2006-08)	IALM (2006-08)

VI. The following payments are expected to defined benefit plan in future years :	(In Rupees)	
1 Expected benefits for year 1	862,512	123,856
2 Expected benefits for year 2 to year 5	3,671,517	121,543
3 Expected benefits beyond year 5	4,840,144	11,891,549

VII. Sensitivity Analysis

The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

	Discount Rate	Salary Escalation rate
Impact of increase in 100 Bps on DBO	12,858,147	15,961,887
Impact of decrease in 100 Bps on DBO	15,881,617	12,769,988

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Notes:

(a) The current service cost recognised as an expense included in the Note 23 "Employee benefit expenses". The remeasurement of the net defined liability is included in other comprehensive income.

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

(c) Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

C Other long term benefits

The obligation for leave benefits (non funded) is also recognised using the projected unit credit method and accordingly the long term paid absences have been valued. The leave encashment expense is included in the note 23 "Employee benefit expenses".

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Notes to the financial statements

29 First Time Adoption of Ind AS

For all periods upto and including the year ended 31 March 2016, the Company had prepared its financial statements in accordance with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). This note explains the principal adjustments made by the Company in restating its financial statements prepared under Previous GAAP.

Exceptions and exemptions availed on first time adoption of Ind AS 101

1 **Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

2 **De-recognition of financial assets and liabilities**

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

3 **Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Reconciliations between Previous GAAP and Ind AS

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

(i) Effect on the balance sheet
(ii) Effect on the statement of profit and loss and other comprehensive income
(iii) Reconciliation of total equity
(iv) Reconciliation of total comprehensive income
(v) Effect on the statement of cash flow

I. Effect of Ind AS adoption on Balance Sheet

(In Rupees)

	Note	Balance Sheet as at 1 April 2015			Balance Sheet as at 31 March 2016		
		IGAAP	Effects of transition to Ind-AS	Ind AS	IGAAP	Effects of transition to Ind-AS	Ind AS
ASSETS							
Non-current assets							
(a) Property, plant and equipment	b,c	89,948,194	(11,659,332)	78,288,862	58,529,960	(10,732,746)	47,797,215
(b) Capital work-in-progress		-	-	-	1,588,952	-	1,588,952
(c) Intangible assets	b,c	1,709,031	(522)	1,708,509	3,581,212	(3,502)	3,577,710
(d) Financial assets							
(i) Other financial assets	a	36,000,000	(4,739,312)	31,260,688	47,125	-	47,125
(e) Income tax assets (net)		12,631,095	-	12,631,095	21,324,630	-	21,324,630
(f) Deferred tax assets (net)	e	1,166,054	3,963,184	5,129,238	21,159,199	3,643,543	24,802,742
(g) Other non-current assets	a	2,056,367	596,212	2,652,579	49,228	-	49,228
Total non-current assets		143,510,741	(11,839,769)	131,670,971	106,280,306	(7,092,705)	99,187,602
Current assets							
(a) Inventories		109,303	-	109,303	31,836	-	31,836
(b) Financial assets							
(i) Trade receivable		121,363,929	-	121,363,929	113,223,250	-	113,223,250
(ii) Cash and cash equivalent		22,002,849	-	22,002,849	143,942,083		143,942,083
(iii) Bank balance other than (ii) above		-	-	-	5,000,000		5,000,000
(iv) Other financial assets	a	190,932	-	190,932	68,007,416	(718,683)	67,288,733
(c) Other current assets	a	12,420,014	3,577,273	15,997,287	8,127,957	596,212	8,724,169
Total current assets		156,087,028	3,577,273	159,664,300	338,332,542	(122,471)	338,210,071
Total assets		299,597,768	(8,262,497)	291,335,271	444,612,848	(7,215,175)	437,397,673
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital		40,000,000	-	40,000,000	40,000,000	-	40,000,000
(b) Other equity	a,b,c,e	217,749,052	(8,262,497)	209,486,555	314,977,154	(7,215,175)	307,761,979
Total equity		257,749,052	(8,262,497)	249,486,555	354,977,154	(7,215,175)	347,761,979
Liabilities							
Non-current liabilities							
(a) Provisions		11,863,934	-	11,863,934	16,850,832	-	16,850,832
Total non-current liabilities		11,863,934	-	11,863,934	16,850,832	-	16,850,832
Current liabilities							
(a) Financial liabilities							
(i) Trade payables		6,138,311	-	6,138,311	21,025,755	-	21,025,755
(i) Other financial liabilities		11,039,631	-	11,039,631	36,844,425	-	36,844,425
(b) Other current liabilities		6,953,025	-	6,953,025	13,878,974	-	13,878,974
(c) Provisions		1,313,255	-	1,313,255	1,035,708	-	1,035,708
(d) Current Tax liabilities (net)		4,540,560	-	4,540,560	-	-	-
Total current liabilities		29,984,782	-	29,984,782	72,784,862	-	72,784,862
Total Liabilities		41,848,716	-	41,848,716	89,635,694	-	89,635,694
Total equities and liabilities		299,597,768	(8,262,497)	291,335,271	444,612,848	(7,215,175)	437,397,673

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ii. Effect of Ind AS adoption on the statement of profit and loss and other comprehensive income

(In Rupees)

	Note	Year ended 31 March 2016		
		IGAAP	Effects of transition to Ind-AS	Ind AS
Revenue				
Revenue from operations		480,605,311	-	480,605,311
Other Income	a	2,501,127	4,020,630	6,521,757
Total		**483,106,438**	**4,020,630**	**487,127,068**
Operational Cost		69,743,559	-	69,743,559
Employee benefit expense	d	110,111,837	(3,061,838)	107,049,999
Finance Cost	a	39,768	4,264,324	4,304,092
Depreciation and amortization expense	b,c	48,079,003	(923,606)	47,155,397
Other expenses		105,287,316	-	105,287,316
Total		**333,261,483**	**278,880**	**333,540,363**
Profit before tax		**149,844,956**	**3,741,749**	**153,586,705**
Tax Expense				
Current tax				
-Current Year		72,610,000	-	72,610,000
-Deferred tax	e	(19,993,145)	1,141,507	(18,851,638)
Profit for the year		**97,228,101**	**2,600,242**	**99,828,343**
Other comprehensive income				
A. Items that will not be reclassified to profit or loss				
(i) Remeasurement gains / (losses) on defined benefits obligation plans		-	(2,374,785)	(2,374,785)
(ii) Income tax relating to items that will not be reclassified to the profit or loss		-	821,866	821,866
Total other comprehensive income		-	**(1,552,919)**	**(1,552,919)**
Total comprehensive income for the year		**97,228,101**	**1,047,323**	**98,275,424**

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iii. Reconciliation of total equity as of 31 March 2016 and 1 April 2015

(In Rupees)

Particulars	Notes	31-Mar-16	1-Apr-15
Total equity under Previous GAAP		**354,977,154**	**257,749,052**
Discounting of deposits given / received	a	(122,471)	(565,828)
Depreciation and amortisation	b, c	(10,736,247)	(11,659,854)
Deferred tax impact on above adjustments	e	3,643,543	3,963,185
Total equity as per Ind AS		**347,761,979**	**249,486,555**

iv. Reconciliation of total comprehensive income for the year ended 31 March 2016

(In Rupees)

Nature of adjustments	Notes	31-Mar-16
Net Profit as per Previous GAAP		**97,228,101**
Re-measurements gain/(loss) on defined benefit obligations	d	1,552,919
Depreciation and amortisation	b,c	603,964
Finance income on deposit	a	4,020,630
Finance cost on deposit	a	(3,577,272)
Net Profit as per Ind AS		**99,828,342**
Other comprehensive income (net of tax)	d,e	(1,552,919)
Total Comprehensive income as per Ind AS		**98,275,424**

v. Effect of Ind AS adoption on the statement of cash flow

There was no significant reconciliation items between cash flows prepared under Previous GAAP and those prepared under Ind AS.

Explanations for reconciliation of Balance Sheet and Statement of Profit and loss and other Comprehensive income as previously reported under IGAAP to Ind AS

a) Deposits

Under Previous GAAP, the Company accounted for deposit received/given at transaction value. Under Ind AS, the deposits with inherent significant financing element are initially recorded at fair value with the difference between transaction value and fair value being treated as prepaid expenses.

b) Property, plant and equipment

The Company elected to apply Ind AS 16 from the date of acquisition of Property , plant and equipment and the impact thereon has been taken into retained earnings.

c) Depreciation and amortisation

Under Ind AS, the Company has elected to apply Ind AS 16-Property, plant and equipment from the date of acquisition of property, plant and equipment and accordingly depreciation has been retrospectively calculated and the resultant change has been adjusted in retained earnings.

d) Defined benefit obligations

As per Ind AS-19 Employee Benefits, actuarial gains and losses are recognized in other comprehensive income and not reclassified to Statement of profit and loss in a subsequent period.

e) Tax adjustments

Tax adjustments include deferred tax impact on account of differences between Previous GAAP and Ind AS.

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30 Related Party Transactions

(i) List of Parties where control exists:

Holding Company:

M/s Zee Media Corporation Ltd (Extent to holding 60%)

Fellow Subsidiary Companies:

Mediavest India Private Limited
Pri-Media Services Private Limited
Maurya TV Private Limited
Diligent Media Corporation Limited

Party holding substantial share of the Company:

Sky B (Bangla) Private Limited

(ii) Other Related Parties with whom transactions have taken place during the year and balance outstanding as on the last day of the year:

Zee Entertainment Enterprise Limited
Dish TV India Limited
Zee Foundation
Dr. Subhash Chandra Foundation

Key Management Personnel

Directors

Shri Avik Dutta
Shri Dinesh Garg
Shri Rajiv Singh

(iii) Transactions with Related Parties:

(In Rupees)

	31-Mar-17	31-Mar-16
(A) Transactions :		
(i) With Holding Company		
-Zee Media Corporation Limited		
. Advertisement income received	41,275,528	72,309,627
. Subscription income received	21,851,117	19,848,417
. Amount collected on behalf of the Company	4,400,950	1,285,371
. Amount collected by us on their behalf	87,224	379,833
. Expenses incurred on behalf of the Company	-	1,653,249
(ii) With fellow subsidiary company		
-Diligent Media Corporation Limited	**78,120,000**	**18,095,220**
. Advertisement & Publicity Expenses	54,000,000	18,095,220
. Market Research Expenses	24,120,000	-
(iii) With other related parties		
· **Advertisement Income**	**11,069,349**	**6,629,543**
Zee Entertainment Enterprises Limited	6,998,840	2,061,820
Dish TV India Limited	4,070,509	4,567,723
· **Telecast cost**	**11,487,150**	**11,520,000**
Dish TV India Limited	11,487,150	11,520,000
· **Other Operational cost**	**75,954**	-
Zee Entertainment Enterprises Limited	75,954	-
· **Leaseline and V-sat expenses**	**11,140,783**	**10,831,518**
Dish TV India Limited	11,140,783	10,831,518
· **Other Production expenses**	-	**12,000,000**
Sky B Bangla Private Limited	-	12,000,000
· **Advertisement Expenses**	**16,080,000**	-
Sky B Bangla Private Limited	16,080,000	-

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· **Corporate Social Responsibility expenses**	**2,643,126**	**2,300,000**
Zee Foundation	-	2,300,000
Dr. Subhash Chandra Foundation	2,643,126	-
· **Investment in equity shares**		
Dr. Subhash Chandra Foundation	10	-

(B) Balances at the end of the year:	**31-Mar-17**	**31-Mar-16**	**01-Apr-15**
(I) With Holding Company			
- Zee Media Corporation Ltd			
· Trade receivable	85,458,637	21,176,419	26,140,539
· Other current receivable	4,400,950	-	-
· Trade payable/ Other payable	87,224	-	329,062
· Loans and advances given	-	-	6,080,273
(III) With fellow subsidiary company			
· **Trade payables / Other payables**			
Diligent Media Corporation Limited	-	17,733,315	-
(II) Other Related Parties			
· **Trade payables / Other payables**	**5,996,182**	**17,912,110**	**5,530,484**
Dish TV India Limited	5,916,718	5,912,110	5,529,784
Zee Entertainment Enterprises Limited	79,464	-	700
Sky B Bangla Private Limited	-	12,000,000	-
· **Trade receivable**	**7,301,272**	**5,462,228**	**807,122**
Dish TV India Limited	3,637,278	5,233,878	535,503
Zee Entertainment Enterprises Limited	3,663,994	228,350	271,619
· **Other current receivable**	**272,005**	-	-
Zee Entertainment Enterprises Limited	272,005	-	-
· **Investment in equity shares**	**10**	-	-
Dr. Subhash Chandra Foundation	10	-	-

31 Financial Instruments

i) **Financial risk management objective and policies**

The Company's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

a) **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, other financial instruments.

1) **Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair value of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that future cash flows of floating interest bearing investments will vary because of fluctuations in interest rates.

The company has no borrowing as on date.

2) **Foreign Currency risk**

The Company enters into transactions in currency other than its functional currency and is therefore exposed to foreign currency risk. The Company analyses currency risk as to which balances outstanding in currency other than the functional currency of that Company. The management has taken a position not to hedge this currency risk.

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are not hedged considering the insignificant impact and period involved on such exposure.

The following table sets forth information relating to foreign currency exposure:

(In Rupees)

Currency	Assets as at			Liabilities as at		
	31 March 2017	31 March 2016	01 April 2015	31 March 2017	31 March 2016	01 April 2015
United States Dollar (USD)	-	1,227,100	-	2,743	41,020	21,999

Foreign Currency sensitivity analysis

The following table demonstrates the sensitivity to a 10% increase / decrease in foreign currencies with all other variable held constant. The below impact on the Company's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liablities at balance sheet date.

Currency	Sensitivity analysis			
	31 March 2017		31 March 2016	
	Rs. decrease by 10%	Rs. increase by 10%	Rs. decrease by 10%	Rs. increase by 10%
United States Dollar (USD)	274	(274)	(118,608)	118,608

3) **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, deposits and loans given, investments and balances at bank.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business enviornment in which the entity operates. Expected Credit Loss is based on actual credit loss experienced and past trends based on the historical data.

Ageing of trade receivables

(In Rupees)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade Receivables (Unsecured)			
Over six months	58,263,254	23,773,340	23,046,684
Less than six months	156,104,736	108,689,755	98,317,245
Total	214,367,990	132,463,095	121,363,929

(In Rupees)

	As at 31 March 2017	As at 31 March 2016
Movement in allowance for credit loss during the year was as follows :		
Balance at 1 April	19,239,845	-
Add :- Provided during the year	723,997	19,239,845
Less :- Reversal during the year	-	-
Balance as at 31 March	19,963,842	19,239,845
Net Trade receivable	194,404,148	113,223,250

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies.

The Company has diversified revenue streams and based on market practices and past trends of credit losses, the impact of concentration of credit risk is limited / insignificant.

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The following table gives details in respect of percentage of revenues generated from top 10 customers

	31 March 2017	31 March 2016	01 April 2015
Revenues generated from top 10 customers	41.06%	43.65%	39.95%

b) **Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Company's principal source of liquidity are cash and cash equivalents and the cash flow i.e. generated from operations. The Company consistently generated strong cash flows from operations which together with the available cash and cash equivalents and current investment provides adequate liquidity in short terms as well in the long term.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2017

(In Rupees)

	Due in 1st year	Due in 2 to 5th year	Due in 5 to 10th year
Financial Liabilities			
Trade payable and other current liabilities	33,439,998	-	-
Total	**33,439,998**	-	-

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2016

	Due in 1st year	Due in 2 to 5th year	Due in 5 to 10th year
Financial Liabilities			
Trade payable and other current liabilities	57,870,179	-	-
Total	**57,870,179**	-	-

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 1 April 2015

(In Rupees)

	Due in 1st year	Due in 2 to 5th year	Due in 5 to 10th year
Financial Liabilities			
Trade payable and other current liabilities	17,177,943	-	-
Total	**17,177,943**	-	-

ii) **Capital Management**

For the purpose of the Company' s capital management, capital includes issued capital and all other equity reserves. The Company manages its capital structure to ensure that it's revenue will be able to continue as a going concern while maximising the return to the stakeholders.

iii) **Categories of financial instruments**

(In Rupees)

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
A) Financial assets						
i) Measured at amortised cost						
Trade receivables	194,404,148	194,404,148	113,223,250	113,223,250	121,363,929	121,363,929
Cash and cash equivalents and bank balances	99,229,713	99,229,713	148,942,083	148,942,083	22,002,850	22,002,850
Other financial assets	131,730,133	131,730,133	67,335,858	67,335,858	31,451,620	31,451,620
ii) Measured at Fair value through other comprehensive income						
Investment	10	10	-	-	-	-
B) Financial liabilities						
i) Measured at amortised cost						
Trade payable	8,281,996	8,281,996	21,025,755	21,025,755	6,138,311	6,138,311
Other financial liabilities	25,158,003	25,158,003	36,844,424	36,844,424	11,039,632	11,039,632

The management assessed that cash and cash equivalents and bank balances, trade receivables, other financial assets, trade payables and other current liabilities approximate their fair value largely due to the short-term maturities of these instruments. Difference between carrying amount and fair value of bank deposits, other financial assets and other financial liabilities subsequently measured at amortised cost is not significant in each of the year presented.

(iv) **Fair value hierarchy**

All financial assets and liabilities at amortized cost are in Level 3 of fair value hierarchy and have been considered at carrying amount.

The fair values of the financial assets and financial liabilities included in the level 3 categories have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

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Notes forming part of the Financial Statements

32 Taxes on income

The major components of income tax for the year 2017 are as under:

(In Rupees)

	31 March 2017	31 March 2016
Income tax related to items recognised directly in the statement of profit and loss		
Current tax	49,792,134	72,610,000
Deferred tax charge / (benefit)	75,730	(18,851,638)
Total	49,867,864	53,758,362
Effective tax rate	35.01%	35.00%

A reconciliation of the income tax expense applicable to the profit before income tax at statutory rate to the income tax expense at the Company's effective income tax rate for the year ended 31 March 2017 and 31st March, 2016 are as follows:

(In Rupees)

	31 March 2017	31 March 2016
Profit before tax	142,452,405	153,586,705
Statutory income tax rate @ 34.608% (2016 : 34.608%) on profit	49,299,928	53,153,287
Income tax	49,867,864	53,758,362
Difference	(567,936)	(605,075)
Explanation for the differences:		
Effect of exempt income, notional income and non-deductable expenses (net)	567,935	605,076
Tax expense recognised in the statement of profit and loss	49,867,863	53,758,362

The applicable tax rate is the standard effective corporate income tax rate in India. The tax rate is 34.608% (2016:34.608%) for the year ended 31 March 2017.

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. For analysis of the deferred tax balances (after offset) for financial reporting purposes.

The Company does not have any temporary differences in respect of unutilized tax losses.

Deferred tax recognised in statement of profit and loss (In Rupees)

For the year ended 31 March	31 March 2017	31 March 16
Employee retirement benefit obligation	(634,173)	(889,381)
Allowance for credit loss	(250,561)	(6,658,526)
Depreciation and amortization	1,001,900	(11,086,049)
Fiscal disallowances	(41,435)	(217,683)
Total	**75,730**	**(18,851,638)**

Deferred tax recognized in statement of other comprehensive income (In Rupees)

For the year ended 31 March	31 March 2017	31 March 16
Employee retirement benefits obligation	(880,584)	(821,866)

(In Rupees)

Reconciliation of deferred tax assets / (liabilities) net:	31 March 2017	31 March 16
Opening balance	24,802,741	5,129,238
Deferred tax (charge)/credit recognised in		
- Statement of profit and loss	(75,730)	18,851,638
- Recognised in other comprehensive income	880,584	821,866
Total	**25,607,595**	**24,802,741**

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33 Operating leases:

The Company has taken office premises and plant and machinery (including equipments) under cancellable/non-cancellable lease agreements that are renewable on a periodic basis at the option of both the Lessor and the Lessee. The initial tenure of the lease generally is for 11 months to 36 months.

(In Rupees)

	31 March 2017	31 March 2016
Lease rental charges for the year	20,785,630	20,709,392
Future Lease rental obligation payable (under non-cancellable lease)		
Not later than one year	-	-
Later than one year but not later than five years	-	-

34 Information required under Section 186 (4) of the Companies Act, 2013

(i) Loans, guarantee and security given

There are no loans, guarantees and securities given during the year.

(ii) Investments made

There are no investments made during the year except those mentioned in Note 7.

35 Disclosure of Specified Bank Notes in accordance with Notification dated 30 March, 2017 from the Ministry of Corporate Affairs:

(In Rupees)

	Specified bank notes	Other denomination notes	Total
Closing cash in hand as on 08 November, 2016	86,000	53,773	139,773
Add : Permitted receipts	-	475,472	475,472
Less : Permitted payments	-	(494,711)	(494,711)
Less : Amount deposited in banks	(86,000)	-	(86,000)
Closing cash in hand as on 30 December, 2016	-	34,534	34,534

36 Earnings per share:

	31 March 2017	31 March 2016
a) Profit after tax for EPS (Rupees)	92,584,541	99,828,343
b) Weighted average number of equity shares for Basic and Diluted EPS	4,000,000	4,000,000
Nominal value of equity shares	10	10
c) Basic and Diluted EPS	23.15	24.96

37 Foreign exchange

(In Rupees)

	31 March 2017	31 March 2016
Payable	2,743	41,020
Receivable	-	1,227,100

38 Micro, small and medium enterprises

The Company has no dues to Micro, Small and Medium enterprises during the year ended 31 March 2017, on the basis of information provided by the parties and available on record.

39 As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility Committee has been formed by the Company. The Company is required to spend Rs.2,643,126 for the year against which Rs.2,643,126 has been spent on activities specified in Schedule VII of the Companies Act, 2013.

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40 Contingent liabilities (In Rupees)

	31 March 17	31 March 16	01 April 15
Disputed Direct Taxes #	419,543	419,543	-
Legal cases against the Company *	Not Ascertainable	Not Ascertainable	Not Ascertainable

\# Income tax demands mainly include appeals filed by the Company before appellate authority for addition made during assessment. The management is of the opinion that its tax cases will be decided in its favour and hence no provision is considered necessary at this stage.

* The Company has received legal notices of claims / law suits filed against it relating to defamation suits etc. in relation to programs telecasted / other matters. In the opinion of the management, no material liability is likely to arise on account of such claims / law suits.

41 Capital and other commitment (In Rupees)

	31 March 17	31 March 16	01 April 15
Estimated amount of contract executed on capital account net of advances	21,948,269	-	-

42 Segment reporting

The Company is engaged in the business of "Production and Broadcasting of Television channel" which in the context of IND AS 108 "Operating Segment " is considered as the only reportable operating segment.

43 No dividend on equity shares for the year ended 31 March, 2017 is approved by the Board of Directors.

44 Previous year comparatives

Previous year's figures have been regrouped, rearranged or recast wherever necessary to conform to current year's classification. Figures in brackets pertain to previous year.

Notes forming part of the financial statements **1-44**

As per our attached report of even date

For MGB & Co LLP
Chartered Accountants
Firm Registration Number - 101169W/W100035

Lalit Kumar Jain
Partner
Membership Number - 72664

Place: Mumbai
Date: 22 May, 2017

mgb&co LLP CHARTERED ACCOUNTANTS

For and on behalf of the Board

Dinesh Garg
Director
DIN - 2048097

Rajiv Singh
Director
DIN - 2245630

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