EZ-MALL ONLINE LIMITED

ANNUAL ACCOUNTS FOR THE YEAR ENDED

31st March, 2018

EZ-MALL ONLINE LIMITED

Regd. Office: 14th Floor, A-Wing, Marathan Futurex, N M Joshi Marg, Lower Parel, Mumbai City, Maharashtra

CIN: U74999MH2017PLC296408

Balance sheet as at March 31, 2018

(All amounts in Indian rupee, unless otherwise stated)

ASSETS		**March 31, 2018**
Non-current assets		
Property, plant and equipment	Note 3	1,394,824
Intangible assets	Note 4	11,648,129
Intangible assets under development	Note 4b	1,500,000
Financial assets		
i. Loans		-
ii. Others		-
Non- current assets	Note 6	10,000
Deffered Tax Asset Net	Note18	72,263,120
Total non-current assets		86,816,073
Current assets		
Financial assets		
i. Trade receivables	Note 5(a)	17,073,310
ii. Cash and cash equivalents	Note5(b)	7,482,043
iii. Loans		-
v. Other financial assets		-
Other current assets	Note 7	31,654,624
Assets held for sale		
Total current assets		56,209,977
Total assets		143,026,050
EQUITY AND LIABILITIES		
Equity		
Equity share capital	Note8(a)	40,000,800
Other equity		
Equity component of compound financial instruments		41,133,062
Reserve and surplus	Note8(b)	-
		(172,198,156)
Total equity		(91,064,294)
LIABILITIES		
Non-current liabilities		
Financial Liabilities		
Non Current Borrowings	Note 9(a)	77,249,596
Employee benefit obligations	Note10	4,660,489
Total non-current liabilities		81,910,085
Current liabilities		
Financial Liabilities		
i. Borrowings		-
ii. Trade payables	Note9(b)	109,879,637
iii. Other financial liabilities	Note9(c)	6,740,688
Other current liabilities	Note 11	35,416,510
Employee benefit obligations	Note 10	143,426
Total current liabilities		152,180,261
Total liabilities		234,090,345
Total equity and liabilities		143,026,050

For B. S. Sharma & Co.
Chartered Accountants
FRN No. 128249W

CA B. S. SHARMA
Proprietor
Membership no. 031578
Place: Mumbai
Date : 14.05.2018

For and on behalf of the Board of Directors of
For EZ-MALL ONLINE LTD

Sumit Kapoor
DIN- 7707504
Place- Noida
Date : 14.05.2018

Rajiv Singh
DIN- 02245630
Place- Noida
Date : 14.05.2018

B. S. SHARMA & CO. F. R. NO 128249W MUMBAI Chartered Accountants

EZ-MALL ONLINE LIMITED NOIDA

EZ-MALL ONLINE LIMITED

Regd. Office: 14th Floor, A-Wing, Marathan Futurex, N M Joshi Marg, Lower Parel, Mumbai City, Maharashtra

CIN: U74999MH2017PLC296408

Statement of profit and loss for the period ended March 31, 2018

(All amounts in Indian rupee, unless otherwise stated)

		March 31, 2018
Revenue from operations	Note 12	45,329,418
Other income	Note 13	5,059,556
Other gains/ (losses) - net		-
Total income		50,388,974
Expenses		
Employee benefits expense	Note 14	101,231,074
Depreciation and amortisation expense	Note 15	658,500
Other expenses	Note 16	232,283,870
Finance costs	Note 17	945,604
Total expenses		335,119,048
(Loss) before tax		(284,730,074)
- Current Tax		-
- Deferred Tax Asset	Note 18	72,263,120
Total tax expense		72,263,120
Profit from continuing operations		(212,466,953)
(Loss) for the year		(212,466,953)
Other comprehensive (expense) for the year		
Items that will not be reclassified to profit or loss		
Changes in fair value of FVOCI equity instruments		
Remeasurements of post-employment benefit obligations		268,697
Income tax relating to these items		
Other comprehensive (expense) for the year		268,697
Total comprehensive (expense) for the year		(212,198,256)
Earning per equity share		
Basic and diluted earning per share	Note19	(9.05)

For B. S. Sharma & Co.

Chartered Accountants

FRN No. 128249W

B. S. SHARMA & CO. F. R. NO. 128249W MUMBAI Chartered Accountants

CA B. S. SHARMA

Proprietor

Membership no. 031578

Place: Mumbai

Date : 14.05.2018

For and on behalf of the Board of Directors of

For EZ-MALL ONLINE LTD

Sumit Kapoor

DIN- 7707504

Place- Noida

Date : 14.05.2018

Rajiv Singh

DIN- 02245630

Place- Noida

Date : 14.05.2018

EZ-MALL ONLINE LIMITED NOIDA

EZ-MALL ONLINE LIMITED

Regd. Office: 14th Floor, A-Wing, Marathan Futurex, N M Joshi Marg, Lower Parel, Mumbai City, Maharashtra

CIN: U74999MH2017PLC296408

Statement of cash flow for the year ended March 31, 2018

(All amounts in Indian rupee, unless otherwise stated)

	Year ended March 31, 2018
Cash flow from operating activities	
(Loss) before income tax	(212,198,256)
Adjustments for:	
Depreciation of property, plant and equipment	658,500
Finance costs	945,604
Changes in operating assets and liabilities	
(Increase) in trade receivables	(17,073,310)
(Increase) in Deferred Tax Asset	(72,263,120)
Increase in Provisions	35,416,510
(Increase) in other current assets	(31,654,624)
Increase in trade payables	109,879,637
Increase in employee benefit obligations	4,803,915
(Decrease)/increase in other financial liabilities	6,740,688
(Increase) Decrease in Non Current Assets	(10,000)
(Decrease) in other current liabilities	-
Cash (used in) operating activities	**(174,754,457)**
Income tax	
Net cash (used in) operating activities	**(174,754,457)**
Cash flow from investing activities	
Payment for acquisition of property, plant and equipment	(15,201,454)
Net cash (used in) investing activities	**(15,201,454)**
Cash flow from financing activities	
Proceeds from issuance of share capital	121,133,962
Proceeds of borrowings	77,249,596
Interest paid	(945,604)
Net cash (used in) financing activities	**197,437,954**
Net Increase/(decrease) in cash and cash equivalents	**7,482,043**
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalent at end of the year	**7,482,043**

Reconciliation of cash and cash equivalents as per the cash flow statement

Cash and cash equivalents as per above comprise of the following

	March 31, 2018
Cash and cash equivalents {note 5(b)}	7,482,043
Balance per statement of cash flows	**7,482,043**

The accompanying notes are an integral part of these financial statements.
This is the statement of cash flow referred to in our report of even date.

For B. S. Sharma & Co.	For and on behalf of the Board of Directors of
Chartered Accountants	For EZ-MALL ONLINE LTD
FRN No. 128249W	
CA B. S. SHARMA	Sumit Kapoor Rajiv Singh
Proprietor	DIN- 7707504 DIN- 02245630
Membership no. 031578	Place- Noida Place- Noida
Place: Mumbai	
Date : 14.05.2018	Date : 14.05.2018 Date : 14.05.2018

SHARMA & CO. F. R. NO. 128249W MUMBAI Chartered Accountants

EZ-MALL ONLINE LIMITED NOIDA

EZ-MALL ONLINE LIMITED

Regd. Office: 14th Floor, A-Wing, Marathan Futurex, N M Joshi Marg, Lower Parel, Mumbai City, Maharashtra

CIN: U74999MH2017PLC296408

Statement of changes in equity for the period ended March 31, 2018

(All amounts in Indian rupee, unless otherwise stated)

(a) Equity share capital

	Notes	Amount
Balance at Beginning of the Period		-
Changes in equity share capital (Rupee 1/- per share)		40,000,800
As at March 31, 2018		**40,000,800**

(a) Equity Share Premium

	Notes	Amount
Balance at Beginning of the Period		-
Security Premium		40,000,100
As at March 31, 2018		**40,000,100**

(c) Other equity

	Notes	Equity compnent of compound financial	Reserve and surplus	Total
			Retained earnings	
Balance at Beginning of the Period		-	-	-
(Loss) for the year		-	(212,466,953)	(212,466,953)
Other comprehensive (expense)		-	268,697	268,697
Total comprehensive (expense) for the year		-	**(212,198,256)**	**(212,198,256)**
Transactions with owners in their capacity as owner Issue of 0%Optionaly convertible debentures ("OCD") WRITE TERMS AND CONDITIONS OF SUCH ISSUE	Refer Note no.9(a) for debt portion	41,133,062	-	41,133,062
Total		41,133,062	-	41,133,062
Balance as at March 31, 2018		**41,133,062**	**(212,198,256)**	**(171,065,195)**

The accompanying notes are an integral part of these financial statements.
This is the statement of changes in equity referred to in our report of even date.

For B. S. Sharma & Co.
Chartered Accountants
FRN No. 128249W

CA B. S. SHARMA
Proprietor
Membership no. 031578
Place: Mumbai
Date : 14.05.2018

B. S. SHARMA & CO. F. R. NO. 128249W MUMBAI Chartered Accountants

For and on behalf of the Board of Directors of
For EZ-MALL ONLINE LTD

Sumit Kapoor
DIN- 7707504
Place- Noida
Date : 14.05.2018

EZ-MALL ONLINE LIMITED NOIDA

Rajiv Singh
DIN- 02245630
Place- Noida
Date : 14.05.2018

EZ-MALL ONLINE LIMITED
Notes forming part of the financial statements for the year ended March 31, 2018

Background

"EZ-MALL ONLINE LIMITED" (the Company) is a limited company domiciled in India and registered under the Companies Act,1956. The Company is primarily objective to handle customer acquisition, marketing, procurement, sales promotion, brand management, website hosting and other ancilliary activities of its "EZMALL" division.

Note 1: Significant accounting policies

(a) Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to period ended March 31, 2018 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost. Basis except for the following a. Defined benefit plans-plan assets measured at fair value.

(b) Segment Reporting

The Company is providing ancilliary activities to its division "EZMALL". Entire operations has been considered as representing a single segment. The said treatment is in accordance with the guiding principles enunciated in the Ind AS 108 Operating segments.

(c) Foreign Currency Translation

Functional and presentation currency

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

(ii) Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation difference on non-monetary assets and liabilities such as equity instrument held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation difference on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

(d) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue earned by way of commission as agent and shipping charges is recognised on delivery of merchandise to the customer, when the property in the goods is transferred for a price, and significant risk and reward have been transferred and no effective ownership control is retained.

It is the Company's policy to service Orders of the the merchandise of the Principal to the end customers with a right to return within 7 days from the date of delivery. Return is recorded when the goods are received back to the warehouse.

EZ-MALL ONLINE LIMITED NOIDA

(e) Leases

<u>As a lessee</u>

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(f) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).In assessing vavue in use, the estimated future cash flows are discounted to the present value using a pre tax discount rate that reflects current market assessment of the time value of the money and risk specific to assets. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period ans impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired after impairment, depritiation is provided on the revised carring amount of the asset over its remaining useful life

(g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(i) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

(j) Financial assets

(i) *Classification*

The Company classifies its financial assets in the following measurement categories:

-those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

-those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit and loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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(ii) *Measurement*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

(iii) *Impairment of financial assets*

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 1(f) details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 *Financial Instruments*, which requires expected life time losses to be recognised from initial recognition of the receivables.

(iv) *Derecognition of financial assets*

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial asset or
- 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 recipients.

Where the Company 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.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(k) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(l) Property, plant and equipment

(i) Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate , only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

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

1. 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
Plant and Machinery (IRD Boxes)	1 Year
Plant and machinery – Other	5 Years
Office Equipment	5 Years
Furniture and Fixture	10 Years
Softwares	3 Years
Website	5 Years
Television Channels	5 Years

(ii) Assets costing below Rs. 5,000 are fully depreciated in the year of acquisition.

(iii) Leasehold Improvements are amortized over the useful life or unexpired period of lease (whichever is lower) on a straight line basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than estimated recoverable amount.

Gain and loss on disposables are determined by comparing proceeds with carrying amount. These are included in the profit or loss with other gains/(losses).
The assets residual values and useful life are reviewed and adjusted if appropriate, at the end of each reporting periods.

(m) Intangible assets

Acquired intangible assets are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

(n) *Amortisation methods and periods*
Intangible assets mainly include software licenses stated at cost, less accumulated amortization. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use and are amortized using the straight-line method over a period of five years.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within **60-90** days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(p) Borrowings costs
General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.
Other borrowing costs are expensed in the period in which they are incurred.

(q) Provisions
Provisions for legal claims, service warranties, volume discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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Provisions for restructuring are recognised by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provision is recognized when the Company has a present obligation as a result of past event and it is more likely than not that an outflow of resources will be required to settle the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(r) Employee benefits

(i) Short-term obligation

Liabilities for salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefits obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plans such as gratuity;

(b) defined contribution plans such as provident fund.

<u>Gratuity obligations</u>

The liability recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Bonus plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually or statutorily obliged.

<u>Defined contribution plans</u>

Company's contributions to Provident Fund, Employees' State Insurance Scheme and Employee Pension Scheme, which are defined contribution plans, are expensed to the statement of profit and loss on accrual basis. The Company has no further obligations under these plans beyond its monthly contributions to the respective government funds.

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(o) Contributed equity

Equity shares are classified as equity.

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

(p) Debentures-Optionally Convertible 0.00%

Company issued 0.00 % Optionally Convertibles Debenture during period conditions attached such Debenture are as below

i Type of Security - 0% Optionally Convertible Debenture of Rs. 10 each

ii Tenure - 5 Years from the date of allotment

iii Conversion Option - To be exercised by the OCD holder at any time after 18 months from the date of allotment till the tenure of OCD

iv Conversion Terms - Each OCD of Rs. 10 each shall be convertible into 5 Equity Shares of Re. 1 each at issue price of Rs. 2 per share (including premium of Re. 1 per share)

v Redemption - The OCD holder shall have option to seek redemption of OCDs during the tenure, either in full or in part. OCDs not converted into Equity Shares at the end of the tenure shall be redeemed at Par value by the Issuer at the end of the tenure.

Note 2: a. Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different that those originally assessed. Detailed information about each of these estimates and judgements is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgements

The areas involving critical estimates and judgements are:

ii) Estimate useful life of intangible assets

ii) Estimation of employee related defined benefit obligations

Estimates and judgements are continually evaluated. They are based on historical experience and other factors including expectations of future events that may have financial impact on the Company and that are believed to be reasonable under the circumstances.

b The value on realization of Current Assets, Loans & Advances and others, if realized in the ordinary course of business shall not be less than the amount of at which they are stated in the Balance Sheet as at 31.03.2018.

c The balances as appearing in the financial statements are subject to confirmation and reconciliation.

d This being the first period of operations from 21 June 2017 to 31 March 2018, previous period/year's figures are not given.

e This being the first period i.e., from 21 June 2017 to 31 March 2018, of operations since incorporation, the company has incurred net loss and its current liabilities have exceeded current assets as at that date. The net owned funds of the company has become negative. The promoter (holding company) has assured of necessary action to organise for any shortfall in liquidity from time to time in future, to meet the Company's financial obligations.

Based on the above the Company is confident of its ability to meet funds requirements and to continue its business as a going concern and accordingly the financial statements are prepared on that basis.

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Notes forming part of the financial statements for the period ended March 31, 2018

Note 3
Property, plant and equipment

	Plant and Machinery	Computer and Printer	Furniture and fixtures	Total
Opening				
Gross carrying amount				
	-			
Additions	1,04,500	14,91,116	19,840	16,15,456
Closing gross carrying amount	**1,04,500**	**14,91,116**	**19,840**	**16,15,456**
Accumulated depreciation				
Depreciation charge during the year	(2,697)	(2,16,841)	(1,094)	(2,20,632)
Closing accumulated depreciation	**(2,697)**	**(2,16,841)**	**(1,094)**	**(2,20,632)**
Period ended March 31, 2018				
Net carrying amount				
	-	-	-	-
As at March 31, 2018	1,01,803	12,74,275	18,746	13,94,824
Closing gross carrying amount	**1,01,803**	**12,74,275**	**18,746**	**13,94,824**

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Notes forming part of the financial statements for the period ended March 31, 2018

Note 4
<u>Intangible Assets</u>

	Software
Opening	
Gross carrying amount	
Additions	1,20,85,998
Disposals	
Transfers	
Closing gross carrying amount	**1,20,85,998**
Accumulated depreciation	
Depreciation charge during the year	(4,37,869)
Disposals	
Closing accumulated depreciation	**(4,37,869)**
Closing net carrying amount as on March 31, 2	**1,16,48,129**

Note 4b	
Intangible assets under development	**15,00,000**

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Notes forming part of the financial statements for the period ended March 31, 2018

Note 5: Financial assets

5(a) Trade Receivables

PARTICULARS	Mar 31, 2018
Trade Receivables	17,073,310
Receivables from related parties	-
Less: Allowances for doubtful debts	-
Total Receivables	**17,073,310**
Current portion	**17,073,310**
Non-current portion	-

Break-up of security details

PARTICULARS	Mar 31, 2018
Unsecured, considered good	17,073,310
Unsecured, considered good	-
Unsecured, considered doubtful	-
Total	**17,073,310**
Allowance for doubtful debts	-
Total trade receivables	**17,073,310**

Trade receivables are non-interest bearing and credit period terms are generally 0-30 days. The Company's exposure to credit and currency risks related to trade receivables is disclosed in note 23.

5(b) Cash and cash equivalents

PARTICULARS	Mar 31, 2018
Balances with banks	
- in current accounts	7,450,424
Deposits with maturity of less than three months	-
Cash on hand	31,619
Total cash and cash equivalents	**7,482,043**

Note 6: Non-current assets

PARTICULARS	Mar 31, 2018
Capital advance	10,000
Other non current assets	-
Total other non current asset	**10,000**

Note 7: Other current assets

PARTICULARS	Mar 31, 2018
Advances to related parties	-
GST receivable	30,652,688
Prepaid expenses	518,522
Other advances	483,414
Total other current assets	**31,654,624**

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Notes forming part of the financial statements for the period ended March 31, 2018

Note 8: Share capital and other equity
8(a) Equity share capital

Authorised equity share capital

PARTICULARS	Number of shares	Amount
As at April 1, 2017	-	-
Increase during the period	50,000,000	50,000,000
As at March 31, 2018	**50,000,000**	**50,000,000**

(i) Movements in equity share capital

PARTICULARS	Number of shares	Equity share capital (par value)
As at April 1, 2017	-	-
Issued during the period	40,000,800	40,000,800
As at March 31, 2018	**40,000,800**	**40,000,800**

Terms and rights attached to equity shares

The Company has one class of equity shares having a par value of Re. 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. However, no such preferential amounts exist currently.

(ii) Details of shareholders holding more than 5% equity shares in the company

	31 March 2018	
PARTICULARS	Number of shares	holding (%)
Zee Media Corporation Limited	40,000,800	100%
Total	**40,000,800**	**100%**

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8(b) Reserves and surplus

	Mar 31, 2018
Securities premium reserve	4,00,00,100
Retained earning	(21,21,98,256)
Total reserves and surplus	**(17,21,98,156)**

(i) Securities premium reserve

	Mar 31, 2018
Opening balance	2,00,00,750
Add: Received on issue of equity shares	2,00,00,050
Closing balance	**4,00,00,800**

(i) Retained earnings

	Mar 31, 2018
Opening balance	-
Net (loss) for the year	21,24,66,953
Items of other comprehensive income recognised directly in retained earnings	
Remeasurements of post-employment benefit obligation	**(2,68,697)**
Dividend on equity shares for previous year	
Dividend distribution tax on dividend for previous year	
Adjustment on account of revision in useful life of fixed assets	
Closing balance	**21,21,98,256**

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Notes forming part of the financial statements for the period ended March 31, 2018

Note 9: Financial liabilities

9(a) Non current borrowings

	Maturity Date	Terms of repayments	Coupon/ Interest Rate	Mar 31, 2018
Unsecured				
Liability component of compound financial instruments				
Other Non Current Liabilities				-
Total borrowings				-
Less: Current maturities of liability component of compound financial instrument				
Less: interest accured				
Non-current borrowings (as per balance sheet)				-

0% Optionally Convertible Debenture

PARTICULARS	Mar 31, 2018
Face value of 0% Optionally Convertible Debenture issued *	117,500,000
Less : Equity component of 0% Optionally Convertible Debenture - value of conversion right:	41,133,062
Liability paid in advance	
Less: Liability paid	-
Interest expenses	-
Add :Interest Accrued	882,658
Non - current borrowings	77,249,596

*** Condition to Debentures-Optionally Convertible 0.00%**

Company issued 0.00 % Optionally Convertibles Debenture during period conditions attached such Debenture are as below

i.Type of Security - 0% Optionally Convertible Debenture of Rs. 10 each

ii.Tenure - 5 Years from the date of allotment

iii.Conversion Option - To be exercised by the company as well as OCD holder at any time after 18 months from the date of allotment till the tenure of OCD

iv.Conversion Terms - Each OCD of Rs. 10 each shall be convertible into 5 Equity Shares of Re. 1 each at issue price of Rs. 2 per share including premium of Re.1/- per share.

v.Redemption - The Company as well as the holder shall have option to seek redemption of OCDs during the tenure, either in full or in part.

OCDs not converted into Equity Shares at the end of the tenure shall be redeemed at Par value by the Issuer at the end of the tenure.

9(b) Trade payables

PARTICULARS	Mar 31, 2018
Current	
Trade payables	109,879,637
Outstanding due to Micro and Small Enterprises	-
Outstanding due to others	-
Trade payables to related parties	-
Total trade payables	**109,879,637**

Trade payables are non-interest bearing and credit term for same is generally in the range of 0 to 30 days.

9(c) Other financial liabilities

PARTICULARS	Mar 31, 2018
Current	
Current maturities of liability component of compound financial instrument	-
Employee benefits payable	339214
Interest accured	-
Statuory dues payable	6,401,474
Total other financial liabilities	**6,740,688**

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Notes forming part of the financial statements for the period ended March

Note 10: Employee benefit obligations

Non- Current

	Mar 31, 2018
Leave obligations (i)	2,659,076
Gratuity (ii)	2,001,413
Total employee benefit obligations	**4,660,489**

Current

	Mar 31, 2018
Leave obligations.	126,842
Gratuity.	16,584
Total employee benefit obligations	**143,426**

Note 11: Other current liabilities

	Mar 31, 2018
Advance from customers	-
Calls in Advance	-
Provision for expenses-Trading	19,969,233
Provision for expenses-CAPEX	1,500,000
Provision for expenses-Other	13,947,277
Other Liabilities	-
Total	**35,416,510**

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Note 12: Revenue from operations

The Company derives the following types of revenue:

PARTICULARS	Mar 31, 2018
Commission received	45,329,418

Note 13: Other income

PARTICULARS	Mar 31, 2018
Unwinding of discount on security deposits	-
Interest income	-
Unspent liabilities written back	-
Gain on property plant and equipment	-
Other revenue	5,059,556
Total other income	**5,059,556**

Note 14: Employee benefit expenses

PARTICULARS	Mar 31, 2018
Salaries, wages and bonus	93,281,275
Contribution to provident fund	4,361,209
Contribution to ESI	14,915
Leave compensation	1,140,039
Gratuity	1,303,374
Recruitment Charges	424,747
Staff welfare expenses	705,515
Total employee benefit expense	**101,231,074**

Note 15: Depreciation and amortisation expense

PARTICULARS	Notes	Mar 31, 2018
Depreciation of property, plant and equipment	3	220,632
Amortisation of intangible assets	4	437,868
Total depreciation and amortisation expense		**658,500**

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Notes forming part of the financial statements for the period ended March 31, 2018

Note 16: Other expenses

PARTICULARS	Mar 31, 2018
Administration Expenses	
Legal, Professional & Consultancy Charges	6,258,432
Audit Fees	250,000
Travelling and conveyance expenses	976,760
Repairs&Maintenance-Computers	116,893
Rent	7,061,456
Electricity Charges	1,708,595
Interest on Late payment of Statutory Dues	15,820
Miscellaneous expenses	78,157
Rates and taxes	681,390
Pre Incorporation Expenses Written Off	14,650
Printing and Stationery Expenses	215,970
Water Expenses	42,100
Telephone/Internet Expenses	111,018
Production Expenses	
Channel Management & Production Expenses	79,709,332
Own Brand Creation Expenses	129,188
Advertisement Expenses - TV	66,515,042
Warehouse Expenses	3,403,965
Freight Charges	21,123,101
Bank and Payment Gateway Charges	63,635
Packing Material	2,232,131
Call Center - Fixed Seats	10,293,293
Marketing /Advertisement & Publicity Expenses	
Social Media-Google	16,082,344
Social Media-Facebook	3,824,046
Advertisement Expenses - Other	234,300
Repairs & Maintenance - Others	
Repairs & Maintenance - Others	1,768,589
IT Exps-Cloud Hosting Charges	5,105,745
Website Maintenance	7,188
IT Exps -Purchase Of Software	-
IT & Support Services Exp.	4,260,730
Total other expenses	**232,283,870**

Details of payments to auditors

PARTICULARS	Mar 31, 2018
Payment to auditors	
Statutory Audit	200,000
Tax Audit	50,000
Total payments to auditors	**250,000**

Note 17: Finance costs

PARTICULARS	Mar 31, 2018
Interest on financial liabilities through P&L	882,658
Interest Cost - Employee benefit	62,946
Total finance costs	**945,604**

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Notes forming part of the financial statements for the period ended March 31, 2018

Note 18: Deferred Tax Calculation

Deferred Tax Assets	**IGAAP**	**Reclassification**	**Adjustment**	**Ind AS**
Asset on account of Loss for the period	(74,029,819)	-	-	(74,029,819)
Arising on account of timing difference in employee retirement benefits	1,249,018	-	-	1,249,018
Depreciation	(428,079)	-	-	(428,079)
Allowable on payment basis	4,113	-	-	4,113
Others	941,646	-	-	941,646
Total	**72,263,120**			**72,263,120**

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Notes forming part of the financial statements for the period ended March 31, 2018

Note 19: Earnings per share

Particulars	March 31, 2018
Basic and diluted earnings per share attributable to the equity holders of the Company	(9.05)
(Loss) attributable to the equity holders of the Company used in calculating basic earnings per share	(21,21,98,256)
Total Number of Equity Shares	4,00,00,800
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (Number of shares)	2,34,52,614

Note 20: Contigent Liabilities

Particulars	March 31, 2018
Claim against company not acknowledged as debts	-
Demand raised by Tax authorities being disputed by the Company	-
Total	-

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Notes forming part of the financial statements for the period ended March 31, 2018

Note 21: Related party transactions

Name	**Type**	**Place of incorporation**	**Ownership interest**
Holding Company			**March 31, 2018**
Zee Media Corporation Limited	Immediate and Ultimate parent company	India	100%
Fellow Subsdriaries			
Zee Akaash News Private Limited			
Mediavest India Private Limited			
Pri-Media Services Private Limited			
Maurya TV Private Limited			
Other Related Parties			
Today Retail Network Private limited			
Today Merchandise Private limited			
Key management personnel compensation			-
Transactions with related parties			
Services rendered and received			
Services rendered			
Commision			
Today Retail Network Private Limited			43,871,500
Services received			
Rent			
Today Merchandise Private limited			7,061,456
Electrcity			
Today Merchandise Private limited			1,708,595
Channal Management Services			
Today Merchandise Private limited			70,901,260
Professional and Consultancy			
Essel business excellence services limited			4,438,125
Advertisement Expenses - TV			
Dish Infra Private Limited			21,714,140
Purchase of Intangible assets			
Today Merchandise Private limited			3,028,800
Subscriptions for Equity shares including Share Premium			
Zee Media Corporation Limited			80,000,900
Subscriptions for Equity shares			
Zee Media Corporation Limited			117,500,000

(d) Outstanding balances arising from sales/purchases of services.

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Trade payables			
Today Merchandise Private limited			107,018,556
Dish Infra Private Limited			1,635,600
Total receivables			
Today Retail Network Private Limited			10,719,881

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Note 22 Retirement and other employee benefits

The discloser as per Ind AS 19 - Employee Benefits 1s as follows

a Defined contribution plan:

Contribution to provident and other funds is recognized as an expense in note 14 of statement of profit and loss:

b The defined benefit obligation is based on actuarial valuation using the projected unit credit method. The obligation for gratuity benefit is also recognised using the projected unit credit method.

	Working of Gratuity benefit	31 March 18
1	Expenses recognised in statement of profit and Loss	
i	Service Cost	1,303,374
ii	Interest Cost	62,946
	Total Expenses	**1,366,320**
2	Amount Recognised in Other Comprehensive income (OCI)	
	opening	-
	Actuarial gain / (loss) for the year	268,697
	Closing	268,697
3	Net Asset/Liability recognized in Balance Sheet	
	Present Value Of Defined Benefit Obligation	2,017,997
	Net asset and Liability	2,017,997
4	Reconciliation of Net Asset/(Liability recognized in the Balance Sheet	
	opening Net asset and Liability	-
	Liability Transferred	1,159,220
	Expense as per 1 above	1,366,320
	Other Comprehensive income (OCI) as per 2 above	(268,697)
	Benefit Paid	(238,846)
	Closing Net asset and Liability	2,017,997
5	Following payments are expected to defined benefit plan in future years	
	Expected Benefits for year 1	16,584
	Expected Benefits for year 2 to year 5	151,995
	Expected nenefits beyond year 5	1,849,418
6	Actuarial assumptions	
	Discount Rate	7.71
	Expected rate of salary increase	5.50

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Note 23. Financial Instruments

A Financial risk management objective and policies

The Company's principal financial liabilities comprise borrowings, 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 bank balances that derive directly from its operations.

The Company is exposed to credit risk and liquidity risk. The Board provides guidance for overall risk-management, as well as policies covering specific areas such as credit risk, liquidity risk and investment of excess liquidity.

(i) 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 given and balances at bank.The Company measures the expected credit loss of trade receivables based on financial conditions / market practices, credit track record in the market, analysis of historical bad debts and past dealings for extension of credit to customers. Individual credit limits are set accordingly. The Company monitors the payment track record of the customers and ageing of receivables. Outstanding customer receivables are regularly monitored. The Company considers the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Ageing analysis of trade receivables has been considered from the date the invoice falls due.

	March 31, 2018
Trade receivables (unsecured)	
Up to six months	17,073,310
More than six months	-
Total (A)	**17,073,310**

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

	March 31, 2018
Revenues generated from top 10 customers	100%

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – borrowings, trade payables and other financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities.

Exposure to liquidity risk

The table below provides details regarding the contractual maturities of financial liabilities (including interest accrued) at the reporting date. The contractual cashflow amounts are gross and undiscounted.

As at 31 March 2018

	Less than 1 year	Between 1 to 5 years	Beyond 5 years
Financial liabilities			
Long term borrowings	-	77,249,595.60	-
Short term borrowings	-	-	-
Trade payable	109,879,637	-	-
Other current financial liabilities	-	-	-
Other non-current financial liabilities	-	-	-
Total	**109,879,637**	**77,249,595.60**	**-**

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24. Leases

(a) Operating Lease

The Company has taken office under cancellable operating 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 varies from twelve months.The rental obligations are as follows:

PARTICULARS	March 31, 2018
Lease rental charges for the year	7,061,456
Future lease rental obligation payable	
Not later than one year	-
Later than one year but not later than five years	-

(b) Finance Lease

The Company does not have any lease in the nature of finance lease.

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B Capital management

Risk Management

The Company manages its capital structure and makes necessary adjustments in light of changes in economic conditions and the requirement of financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or raise / retire debt. The primary objective of the Company's capital management is to maximise the shareholders' value.

For the purpose of the Company's capital management, equity includes issued capital, securities premium and other reserves.Net debt includes loans less cash and bank balances. The Company manages capital by monitoring gearing ratio which is net debt divided by equity plus net debt.

The capital composition is as follows:	March 31, 2018
Gross debt (inclusive of long term and short term borrowing)	187,129,232
Less: Cash and bank balances	7,482,043
Net debt	**179,647,190**
Total equity	(91,064,294)
Total capital	**88,582,896**
Gearing ratio	203%

C Fair value measurements

(i) Financial instruments by category

	March 31, 2018	
	Carrying amount	**Fair value**
Financial assets (other than investments in subsidiaries and associates which are carried at cost)		
i) Measured at amortized cost		
Non-current assets		
Investment	-	-
Other financial assets	-	-
Current assets		
Trade receivables	17,073,310	17,073,310
Cash and cash equivalents and other bank balances	7,482,043	7,482,043
Other financial assets	-	-
Total financial assets measured at amortized cost	**24,555,353**	**24,555,353**
Financial liabilities		
i) Measured at amortized cost		
Non-current liabilities		
Borrowings	77,249,596	77,249,596
Other financial liabilities	-	-
Current liabilities		
Borrowings	-	-
Trade payable	109,879,637	109,879,637
Other financial liabilities	6,740,688	6,740,688
Total financial liabilities measured at amortized cost	**193,869,920**	**193,869,920**

(ii) Fair value hierarchy

The fair values of the financial assets and liabilities are the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(a) The Company's borrowings have been contracted at floating rates of interest, which resets at short intervals. Accordingly, the carrying value of such borrowings approximates fair value.

(b) The fair values for other non-current financial assets and liabilities and long term borrowings are based on discounted cash flows using a current borrowing rate.

(c) The carrying amounts of trade receivables, cash and bank balances, current borrowings, trade payables and other current financial liabilities are considered to be approximately equal to the fair value due to the short-term maturities of these financial assets/liabilities.

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