

Independent Auditor's Report

To the Members of
B4U Broadband (India) Private Limited,

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of B4U Broadband (India) Private Limited ('the Company'), which comprise the Balance sheet as at 31st March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31st March 2016 and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 23 to the financial statements regarding preparation of accounts on a going concern basis despite continued and accumulated losses and erosion of total net worth for the reasons detailed therein.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on 31st March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 24 of the Financial Statements.



- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There are no amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

For Singhi & Co.

Chartered Accountants
Firm's Registration No. 302049E




Sukhendra Lodha

Partner
Membership no. 071272

Place: Mumbai

Date: 02 SEP 2016

Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2016, we report that:

- (i) (a) According to the information and explanations given to us, the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to information and explanation given to us, all the fixed assets have been physically verified by the management during the year, except for Integrated Receiver Decoders (IRD) boxes lying with third parties, which will be physically verified based on the phased program designed by management, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to information and explanations given to us, the Company does not own any immovable property; accordingly this clause is not applicable to the Company.
- (ii) The Company is engaged in the business of broadcasting television channels, trading of film rights and theatrical distribution of cinematography films and it is not having any inventory. Accordingly, paragraph 3 (ii) of the Order is not applicable to the Company.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company is having investment in the shares and the Company has complied with provisions of Section 186 of the Act in respect of investments made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from public within the meaning of sections 73 to 76 of the Act and the rules framed there under.
- (vi) According to the information and explanations given to us, the Company is not required to maintain cost records prescribed by the Central Government under the provisions of sub-section (1) of Section 148 of the Act and hence paragraph 3(vi) of the Order is not applicable to the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-tax, Sales-tax, Service Tax, Duty of customs, Duty of excise, Value Added Tax, Cess and other material statutory dues have generally been regularly deposited, except for few minor delays, during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax/Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and any other material statutory dues were in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.



- (b) According to the information and explanations given to us, there are no dues outstanding of Sales Tax, Income Tax, Service Tax, Custom duty, Wealth Tax, Excise duty and Cess on account of any dispute, except as mentioned below:

| Name of the statute | Nature of dues | Amount (Rs.) | Period to which the amount relates | Forum where dispute is pending |
|----------------------|----------------|--------------|------------------------------------|---------------------------------------|
| Income Tax Act, 1961 | Income Tax | 1,17,53,270 | A.Y. 2011-12 | Income Tax Appellate Tribunal, Mumbai |
| Income Tax Act, 1961 | Income Tax | 1,29,26,390 | A.Y. 2010-11 | Income Tax Appellate Tribunal, Mumbai |

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans banks and there are no dues to financial institution, government and debenture holders.
- (ix) No amounts are raised by way of initial public offer or further public offer and term loan and thus reporting under paragraph 3 (ix) related to utilization of the same is not applicable to the Company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) As the Company is private limited company the clause related to Managerial remuneration is not applicable to the Company.
- (xii) According to the information and explanations given to us, the Company is not a "Nidhi Company" as prescribed under Section 406 of the Act. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, all transactions with related parties have been done in compliance with provisions of Section 177 and 188 of the Act, and have been suitably disclosed in the Financial Statement as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, 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 information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with directors.



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

For Singhi & Co.

Chartered Accountants
Firm's Registration No. 302049E




Sukhendra Lodha

Partner
Membership no. 071272

Place: Mumbai

Date: 02 SEP 2016

Annexure - B to the Independent Auditors' Report

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

We were engaged to audit the internal financial controls over financial reporting of B4U Broadband (India) Private Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 conducted in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by 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 controls 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 control 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the 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 controls 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 control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For Singhi & Co.

Chartered Accountants
Firm's Registration No. 302049E

A handwritten signature in blue ink, appearing to read "Sukhendra Lodha".

Sukhendra Lodha

Partner
Membership no. 071272

Place: Mumbai
Date: 02 SEP 2016

B4U BROADBAND (INDIA) PRIVATE LIMITED

Balance Sheet as at 31st March, 2016

(Amount in Rs.)

| Particulars | | Note No. | As At 31st March, 2016 | As At 31st March, 2015 |
|----------------------------------|---|----------|------------------------|------------------------|
| I. EQUITY AND LIABILITIES | | | | |
| 1 Shareholders funds | | | | |
| (a) | Share capital | 3 | 460,102,000 | 460,102,000 |
| (b) | Reserves and surplus | 4 | (789,046,307) | (828,205,225) |
| 2 Non-current liabilities | | | | |
| (a) | Long-term borrowings | 5 | 934,486 | - |
| (b) | Long-term provisions | 6 | 4,928,557 | 3,356,230 |
| 3 Current liabilities | | | | |
| (a) | Short-term borrowings | 7 | 192,506,213 | 135,972,957 |
| (b) | Trade payables | 8 | | |
| | (i) Total outstanding dues of micro enterprises and small enterprises | | - | - |
| | (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 487,724,163 | 492,922,577 |
| (c) | Other current liabilities | 9 | 264,562,358 | 291,915,117 |
| (d) | Short-term provisions | 10 | 297,593 | 202,085 |
| TOTAL | | | 622,009,063 | 556,265,741 |
| II. ASSETS | | | | |
| 1 Non-current assets | | | | |
| (a) | Fixed assets | 11 | | |
| | (i) Tangible assets | | 25,542,795 | 32,243,310 |
| | (ii) Intangible assets | | 109,809,634 | 116,100,804 |
| (b) | Non-current investments | 12 | 131,940 | 131,940 |
| (c) | Deferred tax assets (net) | 13 | - | - |
| (d) | Long-term loans and advances | 14 | 7,145,908 | 2,101,000 |
| 2 Current assets | | | | |
| (a) | Trade receivables | 15 | 230,228,862 | 180,459,639 |
| (b) | Cash and cash equivalents | 16 | 13,957,892 | 32,066,693 |
| (c) | Short-term loans and advances | 17 | 235,192,032 | 193,162,355 |
| TOTAL | | | 622,009,063 | 556,265,741 |

Significant accounting policies

2

Notes on financial statements

3 to 34

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

Sukhendra Lodha
Membership No. 071272
Place: Mumbai
Date:

02 SEP 2016



For and on behalf of the board of directors

Sandeep Gupta
Director & CFO
(DIN: 00589505)

Date:

01 SEP 2016

Santosh Garg
Director
(DIN: 07262936)

Nikita Sharma
Company Secretary



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B4U BROADBAND (INDIA) PRIVATE LIMITED

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

| | | (Amount in Rs.) | |
|--|----------|--|--|
| Particulars | Note No. | For the year Ended 31st March, 2016 | For the year Ended 31st March, 2015 |
| I. Income | | | |
| Revenue from operations | 18 | 994,874,487 | 848,225,885 |
| Other income | 19 | 14,793,506 | 27,867,349 |
| II. Total Revenue | | 1,009,667,993 | 876,093,234 |
| III. Expenses | | | |
| Purchases of film Rights- trading | | - | 33,725,500 |
| Operating expenses | 20 | 750,182,076 | 705,643,926 |
| Employee benefits expense | 21 | 55,501,299 | 40,631,280 |
| Finance cost | | 2,453,723 | 31,233 |
| Depreciation and amortization expense | 11 | 103,425,577 | 126,818,969 |
| Other expenses | 22 | 58,946,401 | 36,893,584 |
| IV. Total expenses | | 970,509,076 | 943,744,492 |
| V. Profit / (Loss) before tax (II-IV) | | 39,158,917 | (67,651,258) |
| VI. Tax expense: | | | |
| (1) Current tax | | - | - |
| (2) Short provision for tax earlier year | | - | 10,170 |
| (3) Deferred tax | | - | 353,711 |
| VII. Profit (Loss) after tax (V-VI) | | 39,158,917 | (68,015,139) |
| VIII. Earnings per equity share: | | | |
| (1) Basic | 27 | 0.85 | (1.66) |
| (2) Diluted | 27 | 0.85 | (1.66) |

Significant accounting policies

2

Notes on financial statements

3 to 34

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E



Sukhendra Lodha
Membership No. 071272

Place: Mumbai

Date: 02 SEP 2016



For and on behalf of the board of directors



Sandeep Gupta
Director & CFO
(DIN: 00589505)
Date:



Santosh Garg
Director
(DIN: 07262936)



Nikita Sharma
Company Secretary

B4U BROADBAND (INDIA) PRIVATE LIMITED

Cash Flow Statement for the year ended on 31st March 2016

(Amount in Rs.)

| Particulars | | Year ended 31st March, 2016 | Year ended 31st March, 2015 |
|-------------|--|--------------------------------|--------------------------------|
| A | Cash flows from operating activities | | |
| | Net profit before tax | 39,158,917 | (67,651,258) |
| | Adjustments for: | | |
| | Depreciation & amortisation | 103,425,577 | 126,818,969 |
| | Interest & dividend income | (108,356) | (492,262) |
| | Finance cost | 2,453,723 | 31,233 |
| | Interest on income tax refund | (367,940) | - |
| | Provision for doubtful debts | 2,335,119 | - |
| | Fixed assets w/off | 4,966,976 | - |
| | Loss on sale of assets | 154 | - |
| | Provisions for employee benefits | 1,721,363 | 1,342,085 |
| | Operating Profit before working capital changes | 153,585,533 | 60,048,767 |
| | Working capital changes: | | |
| | (Increase) / decrease in trade and other receivables | (52,104,342) | 13,485,838 |
| | Increase / (decrease) in trade payables | (5,198,414) | (51,166,499) |
| | Increase / (decrease) in other current liabilities | (27,352,759) | 165,376,939 |
| | (Increase) / decrease in short term loans & advances | (40,815,096) | (50,388,259) |
| | (Increase) / decrease in long term loans & advances | (5,044,908) | (40,691,743) |
| | Increase / (decrease) in long term & short provisions | (53,528) | - |
| | Cash generated from operations | 23,016,486 | 96,665,043 |
| | Direct taxes paid (net of refund) | (1,214,580) | (3,434,132) |
| | Net cash flow from operating activities | 21,801,906 | 93,230,911 |
| B | Cash flows from investing activities | | |
| | Purchase of fixed assets | (95,409,594) | (118,921,519) |
| | Proceeds from sale of fixed assets | 8,572 | - |
| | Interest & dividend income | 476,296 | 492,262 |
| | Net cash flow from investing activities | (94,924,726) | (118,429,257) |
| C | Cash flows from financing activities | | |
| | Issue of share capital | - | 100,000,000 |
| | Long-term borrowings | 934,486 | - |
| | Short-term borrowings | 56,533,256 | (57,576,013) |
| | Finance cost | (2,453,723) | (31,233) |
| | Net cash flows from financing activities | 55,014,019 | 42,392,754 |
| | Net increase/(decrease) in cash and cash equivalents (A+B+C) | (18,108,801) | 17,194,408 |
| | Cash and cash equivalents at beginning of period | 32,066,693 | 14,872,285 |
| | Cash and cash equivalents at end of the year | 13,957,892 | 32,066,693 |

Notes:

- (i) The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statement as specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended)
- (ii) Figures for the previous period have been regrouped / rearranged wherever found necessary.

As per our report of even date attached

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E




Sukhendra Lodha
Membership No. 071272
Place: Mumbai
Date: 02 SEP 2016

For and on behalf of the board of directors





Sandeep Gupta
Director & CFO
(DIN: 00589505)
Date:

Santosh Garg
Director
(DIN: 07262936)

Nikita Sharma
Company Secretary

Notes to financial statements for the year ended 31st March, 2016**Note 1 Corporate information**

B4U Broadband (India) Private Limited is a private company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in business of broadcasting television channels in India. The company is also in the business of trading of film rights, production of films and theatrical distribution of cinematography films. The company is a wholly owned subsidiary of B4U Television Network India Limited.

Note 2 Significant accounting policies**a Basis of accounting and use of estimates**

- i The financial statements are prepared under historical cost convention (except land carried on revalued amount), on accrual basis of accounting in accordance with the accounting principles generally accepted in India and the provision of the Companies Act, 2013. The company has prepared these financial statements to comply in all material respects with the mandatory accounting standards notified under section 133 of the companies Act 2013, read together with rule 7 of the Companies(Accounts) Rules, 2014.
- ii The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Difference between the actual result and estimates are recognized in the period in which the results are known/materialized.
- iii All assets and liabilities are classified as current or non-current as per Company's normal operating cycle and other criteria set out in schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current/non current classification of assets and liabilities.

b Revenue Recognition

- i Advertisement revenue is recognized when the related advertisement or commercial is telecasted.
- ii Subscription revenue from cable is recognized as per agreement terms with the distributors, provided there is no uncertainty as to its ultimate collection.
- iii Revenue from sales of services is recognized when the service is completed.
- iv Commission income on distribution of films is recognized on collection/confirmation basis.
- v Income on distribution of films is recognized on collection/confirmation basis from sub Distributors/exhibitors.
- vi Interest Income is recognized on a time proportion basis taking into consideration the amount outstanding and the rate applicable.

c Tangible & Intangible Fixed Assets

- i Tangible fixed assets are stated at their original cost added on revaluation less accumulated depreciation and include all expenses relating to acquisition and installation.
- ii Depreciation on tangible fixed assets is provided on Straight- Line Method at the rates specified in Schedule II of the Companies Act,2013. Depreciation on addition/deletion during the year is provided on pro-rata basis from the date of purchase/upto the date of sale.
- iii All Capital assets with individual value less than Rs. 5000/- are depreciated fully in the month in which they are purchased.
- iv Intangible Assets consisting of Film rights are stated at cost less amortization thereon.
- v Amortization on film rights

The company amortizes the cost of film rights over the useful life of the film or in proportion to the estimated gross revenue, whichever is higher.

Further, the maximum useful life in case of all film rights is considered to be eight years. The amortization policy is explained as under.

For films with a useful life of 8 years or above:

For the first 3 years 25 percent of cost p.a. from the date of commencement of exploitation or proportion of cost to the estimated gross revenue, whichever is higher

For the next 5 years 5 percent p.a. of cost or proportion of cost to the estimated gross revenue, whichever is higher.

No amortization is done if the film rights have not been exploited for first three years from date of acquisition. The amortization is done evenly over the balance useful life.

For films with estimated life of less than 8 years, amortization is spread evenly over the life of the right.

For films with estimated life of less than 8 years and are sold which were earlier capitalized under intangible assets, amortization is spread evenly over the life of the right or proportion of cost to the estimated gross revenue, whichever is higher.

For films which are purchased on basis of number of runs, the amortization is spread evenly over the number of runs upto the useful life.

In case of sale of film rights which are earlier capitalized under intangible assets, the total realizations from the sale of such film rights are recognized as revenue in the Statement of profit & loss and the remaining un-amortized value of such films rights is recognized as amortization.



Notes to financial statements for the year ended 31st March, 2016

Cost of film rights is ascertained as under:

- a) Specific identification basis wherever possible.
- b) In case multiple films are acquired, cost is allocated to each film on basis as estimated by the management.

vi Amortization of Theatrical Film Rights

Amortization is charged at 60% of the cost of film rights upon first theatrical release based on management estimates of revenue from these rights. The remaining 40% is amortized over the remaining license period or based on management estimate on the basis of future revenue potential as the case may be.

d **Impairment of Assets**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

e **Investments**

Non Current Investments are stated at cost less provision, if any, for a decline other than temporary in the value of investments. Current Investments are carried at lower of cost and fair value.

f **Foreign Currency Transactions**

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the date of transaction. Monetary items denominated in foreign currency outstanding at the period end are translated at rates prevailing as on year end. The exchange differences arising on settlement / translation or at the year end are recognized in the Statement of Profit and Loss.

g **Employee Benefits**

Defined contribution plans

The Contribution to Employee Provident Fund is made to Regional Provident Fund Commissioner and the Company's contribution thereto is charged to revenue every year. The Company's contribution to Employee's Pension Scheme 1995 is charged to revenue every year.

Defined benefit plans

The company has Defined Benefit plans namely Gratuity and leave encashment for all employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year using the projected unit credit method. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss as income or expense.

h **Leases**

Operating Lease

The company's significant leasing arrangements are in respect of operating leases of office premises. These leasing arrangements are usually renewable on mutually agreed terms but are cancelable during the primary lease period. Lease payments in respect of office premises are shown as Lease Rent in Note 22, Other expenses.

i **Earnings Per Share:**

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20, "Earnings per Share" issued by the ICAI. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year.

j **Accounting for Taxes:**

Provision for Current tax is made based on the liability computed in accordance with the relevant tax rates and tax laws. Deferred tax is recognized on the basis of timing differences arising between the taxable incomes and accounting incomes computed using the tax rates and the laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets are recognized depending upon the certainty of its realization and reviewed for the appropriateness of their carrying values at each balance sheet date.

k **Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and are adjusted to effect the current best estimation. A contingent liability is disclosed if the possibility of an outflow of resources embodying the economic benefits is remote or a reliable estimate of the amount of obligation cannot be made.



Notes to financial statements for the year ended 31st March, 2016**Note 3 Share capital**

| Particulars | As at | As at |
|---|--------------------|--------------------|
| | 31 March 2016 | 31 March 2015 |
| | Amount (Rs.) | Amount (Rs.) |
| Authorized | | |
| 83,500,000 (previous year 83,500,000) Equity Shares of Rs. 10 each | 835,000,000 | 835,000,000 |
| Issued | | |
| 46,010,200 (previous year 46,010,200) Equity Shares of Rs. 10 each | 460,102,000 | 460,102,000 |
| Subscribed & paid up | | |
| 46,010,200 (previous year 46,010,200) Equity Shares of Rs. 10 each | 460,102,000 | 460,102,000 |
| Total | 460,102,000 | 460,102,000 |

a Reconciliation of the no. of equity shares outstanding at the beginning and at the end the reporting period

| Particulars | As at | As at |
|--|-------------------|-------------------|
| | 31 March 2016 | 31 March 2015 |
| | Number | Number |
| Shares outstanding at the beginning of the year | 46,010,200 | 36,010,200 |
| Shares issued during the year | - | 10,000,000 |
| Shares bought back during the year | - | - |
| Shares outstanding at the end of the year | 46,010,200 | 46,010,200 |

b Terms/Rights attached to equity share

The company has only one class of shares i.e. equity shares having a par value of Rs.10/- per share. Each shareholder of the equity shares is entitled to one vote per share. In the event of the liquidation of the company, the holder of the equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in the proportion of number of equity shares held by the shareholders. In case the dividend is proposed by the Board of Director the same is subject to the approval of share holders in the ensuing Annual General Meeting.

c Share held by holding/ultimate holding company and/or their subsidiaries/associates

46,010,200 Equity Shares (Previous year 46,010,200 Equity Shares) are held by holding company B4U Television Network India Limited and its nominee.

d Details of shareholders holding more than 5% shares in the company

| Name of shareholder | As at 31 March 2016 | | As at 31 March 2015 | |
|--------------------------------------|---------------------|-----------|---------------------|-----------|
| | No. of Shares held | % Holding | No. of Shares held | % Holding |
| B4U Television Network India Limited | 46,010,200 | 100% | 46,010,200 | 100% |

Note 4 Reserves & surplus

| Particulars | As at | As at |
|---|----------------------|----------------------|
| | 31 March 2016 | 31 March 2015 |
| | Amount (Rs.) | Amount (Rs.) |
| Surplus | | |
| Opening balance | (828,205,225) | (760,190,086) |
| Add: Net profit/(loss) for the current year | 39,158,918 | (68,015,139) |
| Total | (789,046,307) | (828,205,225) |

Note 5 Long-term borrowings

| Particulars | As at | As at |
|---|----------------|---------------|
| | 31 March 2016 | 31 March 2015 |
| | Amount (Rs.) | Amount (Rs.) |
| Car loan * | 1,404,780 | - |
| Less : Current maturity disclosed under other current liabilities | 470,294 | - |
| Total | 934,486 | - |

* Car loan is secured by hypothecation of vehicle acquired there against, carrying rate of interest of 9.67% which is repayable in monthly instalments over a period of 3 years.

Note: There is no default, continuing or otherwise as at the balance sheet date, in repayment of above loan.



Notes to financial statements for the year ended 31st March, 2016

Note 6 Long term provisions

| Particulars | As at | As at |
|--|------------------|------------------|
| | 31 March 2016 | 31 March 2015 |
| | Amount (Rs.) | Amount (Rs.) |
| Provision for employee benefits | | |
| Gratuity | 2,866,901 | 1,991,996 |
| Leave encashment | 2,061,656 | 1,364,234 |
| Total | 4,928,557 | 3,356,230 |

Note 7 Short-term borrowings (Unsecured)

| Particulars | As at | As at |
|---------------------------|--------------------|--------------------|
| | 31 March 2016 | 31 March 2015 |
| | Amount (Rs.) | Amount (Rs.) |
| Loan from holding company | 192,506,213 | 135,972,957 |
| Total | 192,506,213 | 135,972,957 |

Note 8 Trade payables

| Particulars | As at | As at |
|---|--------------------|--------------------|
| | 31 March 2016 | 31 March 2015 |
| | Amount (Rs.) | Amount (Rs.) |
| Current | | |
| Trade payables : | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 487,724,163 | 492,922,577 |
| Total | 487,724,163 | 492,922,577 |

Note 9 Other current liabilities

| Particulars | As at | As at |
|---------------------------------------|--------------------|--------------------|
| | 31 March 2016 | 31 March 2015 |
| | Amount (Rs.) | Amount (Rs.) |
| TDS payable | 11,842,997 | 10,317,746 |
| Salary payable | 10,184,371 | 7,540,490 |
| Provision for expenses | 9,081,470 | 11,111,114 |
| VAT payable | 100,190 | 411,607 |
| Service tax payable | 30,351 | - |
| Deposits | 490,000 | 490,000 |
| Current maturities of long term debts | 470,294 | - |
| Advance from related parties | 218,475,151 | 250,269,503 |
| Advance from others | 13,887,533 | 11,774,657 |
| Total | 264,562,358 | 291,915,117 |

Note 10 Short term provisions

| Particulars | As at | As at |
|--|----------------|----------------|
| | 31 March 2016 | 31 March 2015 |
| | Amount (Rs.) | Amount (Rs.) |
| Provision for employee benefits | | |
| Gratuity | 63,195 | 47,241 |
| Leave encashment | 234,398 | 154,844 |
| Total | 297,593 | 202,085 |

Note 12 Non current investments (Unquoted at cost)

| Particulars | As at | As at |
|--|----------------|----------------|
| | 31 March 2016 | 31 March 2015 |
| | Amount (Rs.) | Amount (Rs.) |
| Other investments | | |
| Investment in equity instruments (Holding company M/s B4U Television Network India Limited 13,194 (previous year 13,194) equity shares of Rs. 10 each) | 131,940 | 131,940 |
| Total | 131,940 | 131,940 |



Notes to financial statements for the year ended 31st March, 2016

Note 11 Fixed Assets

| | Fixed Assets | Gross Block | | | | Accumulated Depreciation | | | | | Net Block | | |
|---|---|----------------------------|-------------------|-------------------|-----------------------------|----------------------------|--------------------------------------|----------------------------------|--|-------------------|-----------------------------|-----------------------------|-----------------------------|
| | | Balance as at 1 April 2015 | Additions | Disposals | Balance as at 31 March 2016 | Balance as at 1 April 2015 | Adjustment on account of schedule II | Depreciation charge for the year | Total Depreciation charge for the year | On disposals | Balance as at 31 March 2016 | Balance as at 31 March 2016 | Balance as at 31 March 2015 |
| | | Amount (Rs.) | Amount (Rs.) | Amount (Rs.) | Amount (Rs.) | Amount (Rs.) | Amount (Rs.) | Amount (Rs.) | Amount (Rs.) | Amount (Rs.) | Amount (Rs.) | Amount (Rs.) | Amount (Rs.) |
| a | Tangible Assets | | | | | | | | | | | | |
| | Plant and Equipment | 45,574,717 | 648,145 | 17,719,861 | 28,503,001 | 14,595,649 | - | 4,443,522 | 4,443,522 | 12,744,159 | 6,295,012 | 22,207,989 | 30,979,068 |
| | Furniture and Fixtures | 108,466 | - | 8,200 | 100,266 | 47,121 | - | 7,858 | 7,858 | 8,200 | 46,779 | 53,487 | 61,345 |
| | Office equipment | 71,949 | 8,750 | 1,300 | 79,399 | 33,628 | - | 22,775 | 22,775 | 1,300 | 55,103 | 24,296 | 38,321 |
| | Computers | 584,388 | 474,496 | - | 1,058,884 | 257,790 | - | 296,841 | 296,841 | - | 554,631 | 504,253 | 326,598 |
| | Vehicles | 1,111,826 | 2,108,009 | - | 3,219,835 | 273,848 | - | 193,217 | 193,217 | - | 467,065 | 2,752,770 | 837,978 |
| | Total | 47,451,346 | 3,239,400 | 17,729,361 | 32,961,385 | 15,208,636 | - | 4,964,213 | 4,964,213 | 12,753,659 | 7,418,590 | 25,542,795 | 32,243,310 |
| | Previous Year | 28,437,479 | 19,013,867 | - | 47,451,346 | 10,136,131 | 1,998,192 | 3,073,713 | 5,071,905 | - | 15,208,036 | 32,243,310 | |
| b | Intangible Assets | | | | | | | | | | | | |
| | Copyrights, and patents and other intellectual property rights, services and operating rights | 224,015,240 | 77,655,698 | - | 301,670,938 | 165,107,962 | - | 78,765,863 | 78,765,863 | - | 243,873,825 | 57,797,113 | 58,907,278 |
| | Theatrical distribution rights | 159,023,840 | 14,514,496 | - | 173,538,336 | 101,830,314 | - | 19,695,501 | 19,695,501 | - | 121,525,815 | 52,012,521 | 57,193,526 |
| | Total | 383,039,080 | 92,170,194 | - | 475,209,274 | 266,938,276 | - | 98,461,364 | 98,461,364 | - | 365,399,640 | 109,809,634 | 116,100,804 |
| | Previous Year | 283,131,428 | 99,907,652 | - | 383,039,080 | 145,191,212 | - | 121,747,064 | 121,747,064 | - | 266,938,276 | 116,100,804 | |



Notes to financial statements for the year ended 31st March, 2016**Note 13 Deferred tax assets (net)**

| Particulars | As at | As at |
|----------------------------------|------------------|------------------|
| | 31 March 2016 | 31 March 2015 |
| | Amount (Rs.) | Amount (Rs.) |
| Provision for gratuity | 968,778 | 661,630 |
| Provision for earned leave | 759,144 | 492,865 |
| Expenses of sec 43 B | 2,381,454 | - |
| Total deferred tax assets | 4,109,376 | 1,154,495 |
| Book/tax depreciation difference | (1,448,915) | 61,153 |
| Total deferred tax liability | (1,448,915) | 61,153 |
| Deferred tax asset * | - | - |

* In the absence of virtual certainty supported by convincing evidence that the sufficient future taxable income will be available against which such deferred tax asset can be realized, the Company has decided to recognize DTA only to the extent of DTL and hence, the impact on the account is nil.

Note 14 Long term loans & advances (Unsecured, considered good unless otherwise stated)

| Particulars | As at | As at |
|--|------------------|------------------|
| | 31 March 2016 | 31 March 2015 |
| | Amount (Rs.) | Amount (Rs.) |
| Security deposits | 7,145,908 | 2,101,000 |
| Advance for film production & distribution | 6,512,843 | 6,512,843 |
| Less: Provision for doubtful advances | 6,512,843 | 6,512,843 |
| Total | 7,145,908 | 2,101,000 |

Note 15 Trade receivables (Unsecured, unless otherwise stated)

| Particulars | As at | As at |
|---|--------------------|--------------------|
| | 31 March 2016 | 31 March 2015 |
| | Amount (Rs.) | Amount (Rs.) |
| a. Outstanding for a period exceeding six months from the date they became due | | |
| Considered good | 14,199,529 | 3,473,860 |
| Doubtful | 4,869,485 | 4,724,007 |
| | 19,069,014 | 8,197,867 |
| Less: Provision for doubtful debts | 4,869,485 | 4,724,007 |
| Total (a) | 14,199,529 | 3,473,860 |
| b. Other Receivables | | |
| Considered good | 216,029,333 | 176,985,779 |
| Total (b) | 216,029,333 | 176,985,779 |
| Total (a)+(b) | 230,228,862 | 180,459,639 |

Note 16 Cash and cash equivalents

| Particulars | As at | As at |
|---|-------------------|-------------------|
| | 31 March 2016 | 31 March 2015 |
| | Amount (Rs.) | Amount (Rs.) |
| Balances with banks | | |
| On current account | 13,952,792 | 32,032,003 |
| Deposit with original maturity of less than 6 month | - | - |
| Cash on hand | 5,100 | 34,690 |
| Total | 13,957,892 | 32,066,693 |

Note 17 Short Term Loans & Advances (Unsecured, considered good unless otherwise stated)

| Particulars | As at | As at |
|---|--------------------|--------------------|
| | 31 March 2016 | 31 March 2015 |
| | Amount (Rs.) | Amount (Rs.) |
| Security deposits | 520,000 | 520,000 |
| Advance for film production & distribution | 78,134,312 | 39,500,000 |
| Prepaid expenses- cable placement fees | 95,637,822 | 81,602,634 |
| Prepaid expenses - other | 23,785,174 | 14,715,825 |
| Loan to employees | 459,885 | 1,468,333 |
| Advance paid to suppliers | 3,079,093 | 8,052,321 |
| Centvat credit (Input credit / available for utilization) | 16,713,721 | 31,655,798 |
| Advance payment against Income Tax (net) | 16,862,024 | 15,647,444 |
| Total | 235,192,032 | 193,162,355 |



Notes to financial statements for the year ended 31st March, 2016**Note 18 Revenue from operations**

| Particulars | For the year ended | For the year ended |
|------------------|--------------------|--------------------|
| | 31 March 2016 | 31 March 2015 |
| | Amount (Rs.) | Amount (Rs.) |
| Sale of products | 93,317,813 | 203,634,283 |
| Sale of services | 901,556,674 | 644,591,602 |
| Total | 994,874,487 | 848,225,885 |

| Details of sale of products | Amount (Rs.) | Amount (Rs.) |
|-----------------------------|-------------------|--------------------|
| Film rights-local | 17,000,000 | 65,000,000 |
| Film rights-exports | - | 38,784,325 |
| Film distribution revenue | 76,317,813 | 99,849,958 |
| Total | 93,317,813 | 203,634,283 |

| Details of sale of services | Amount (Rs.) | Amount (Rs.) |
|------------------------------|--------------------|--------------------|
| Advertisement sales | 851,877,902 | 611,746,780 |
| Cable subscription | 8,706,488 | 10,227,875 |
| Other subscription | 1,959,170 | 357,700 |
| Programming contents | 21,575,920 | 17,506,583 |
| TV productions services | 6,192,000 | 2,432,000 |
| Film production income | 10,694,905 | - |
| Commission-film distribution | 550,289 | 2,320,664 |
| Total | 901,556,674 | 644,591,602 |

Note 19 Other income

| Particulars | For the year ended | For the year ended |
|--------------------------------------|--------------------|--------------------|
| | 31 March 2016 | 31 March 2015 |
| | Amount (Rs.) | Amount (Rs.) |
| Interest on income tax refund | 367,940 | - |
| Interest on short term bank deposits | 108,356 | 492,262 |
| Other income | 3,810 | - |
| Short and excess provisions w/back | 8,936,713 | - |
| Sundry balances w/back | 5,376,687 | 27,375,088 |
| Total | 14,793,506 | 27,867,350 |

Note 20 Operating Expenses

| Particulars | For the year ended | For the year ended |
|---|--------------------|--------------------|
| | 31 March 2016 | 31 March 2015 |
| | Amount (Rs.) | Amount (Rs.) |
| Programming & content charges | 137,992,990 | 131,471,379 |
| Cable placement fees | 460,784,606 | 430,227,826 |
| Up linking charges | 16,646,782 | 30,314,370 |
| Play out charges | 8,450,827 | 9,940,026 |
| Commission - advertisement sales | 4,486,645 | 2,111,058 |
| Commission - distribution | 1,305,973 | 1,534,181 |
| Advertisement & business promotion expenses | 3,092,535 | 7,179,345 |
| TV production expenses | 13,942,855 | 7,145,573 |
| Film distribution expenses | 60,766,243 | 61,326,070 |
| Other operating expenses | 42,712,620 | 24,394,098 |
| Total | 750,182,076 | 705,643,926 |

Note 21 Employees benefits expenses

| Particulars | For the year ended | For the year ended |
|---|--------------------|--------------------|
| | 31 March 2016 | 31 March 2015 |
| | Amount (Rs.) | Amount (Rs.) |
| (a) Salaries and incentives | 53,601,588 | 39,018,924 |
| (b) Contributions to provident fund & other funds | 1,654,683 | 1,342,817 |
| (c) Staff welfare expenses | 245,028 | 269,539 |
| Total | 55,501,299 | 40,631,280 |



Notes to financial statements for the year ended 31st March, 2016**Note 22 Other expenses**

| Particulars | For the year ended | For the year ended |
|------------------------------|--------------------|--------------------|
| | 31 March 2016 | 31 March 2015 |
| | Amount (Rs.) | Amount (Rs.) |
| Power & fuel | 325,028 | 288,634 |
| Rent | 1,907,712 | 1,694,815 |
| Repairs & maintenance | 272,594 | 253,413 |
| Insurance | 887,731 | 406,164 |
| Rates and taxes | 1,391,442 | 4,433,039 |
| Communication costs | 902,629 | 941,288 |
| Bank charges | 95,264 | 85,508 |
| Legal and professional fees | 3,834,181 | 3,398,225 |
| Travelling and conveyance | 4,947,530 | 5,120,451 |
| Printing and stationery | 68,640 | 91,300 |
| Payment to auditors* | 570,000 | 475,000 |
| Membership & subscription | 1,100,000 | 1,100,000 |
| Foreign exchange loss (net) | 35,183,660 | 17,800,925 |
| Miscellaneous expenses | 157,740 | 602,713 |
| VAT expenses | - | 202,108 |
| Loss on sales of assets | 154 | - |
| Fixed assets w/off** | 4,966,976 | - |
| Provision for doubtful debts | 2,335,119 | - |
| Total | 58,946,401 | 36,893,584 |

*** Details of payment to auditors**

| Particulars | For the year ended | For the year ended |
|------------------|--------------------|--------------------|
| | 31 March 2016 | 31 March 2015 |
| | Amount (Rs.) | Amount (Rs.) |
| Audit fees | 395,000 | 300,000 |
| Taxation matters | 100,000 | 100,000 |
| Other services | 75,000 | 75,000 |
| Total | 570,000 | 475,000 |

** The company has changed its linear feed from horizontal to vertical thus the setup boxes has become obsolete and the same has been written off.

Note 23 As at 31st March, 2016, the Company has accumulated losses amounting to Rs. 789,046,307/- (previous year Rs. 828,205,225), which is far in excess of its Share capital of Rs. 460,102,000/- (previous year Rs. 460,102,000/-). However, the company has generated profit of Rs. 39,158,912/- in the financial year 2015-16 and the Company has additional growth of revenue from programming contents along with the existing activities of television channel business and also having regard to the fact that the holding company, B4U Television Network India Limited and holding company of holding company M/s. LMB Holdings (Mauritius) Limited has agreed to support the Company technically, financially, operationally and functionally, the accounts are continued to be prepared on a going concern basis.

Note 24

There is no contingent liability as on Balance Sheet date except as stated below:

| Particulars | 2015-16 | 2014-15 |
|--|--------------|--------------|
| | Amount (Rs.) | Amount (Rs.) |
| Claims against the company by Indian Performing Rights Society (IPRS) | 29,181,600 | 29,181,600 |
| Claims in respect of Income Tax (TDS) where the issues were decided in favour of the Company and for which the department is in further appeal | 24,679,660 | 24,679,660 |

Note 25 Capital and other commitments

a Estimated amount of contracts remaining to be executed on capital account and not provided for are Rs. Nil (previous year Rs. Nil)

b Estimated amount of other commitments not provided for, as they are not due, are Rs. Nil (previous year Rs. Nil).



Notes to financial statements for the year ended 31st March, 2016

Additional information required to be given pursuant to Part II of Schedule III of the Companies Act, 2013 is as follows:

Note 26 a Earnings in foreign currency (on accrual basis)

| Particulars | 2015-16 | 2014-15 |
|------------------|-------------------|--------------------|
| | Amount (Rs.) | Amount (Rs.) |
| Sale of services | 32,919,441 | 17,639,798 |
| Sale of products | 11,865,153 | 129,383,576 |
| Total | 44,784,594 | 147,023,374 |

b Expenditure in foreign currency (on accrual basis)

| Particulars | 2015-16 | 2014-15 |
|----------------------------|-------------------|-------------------|
| | Amount (Rs.) | Amount (Rs.) |
| Technical expenses | 16,646,782 | 39,554,677 |
| Film distribution expenses | 25,762,750 | 8,701,487 |
| Other expenses | 825,074 | 1,136,500 |
| Total | 43,234,606 | 49,392,664 |

Note 27 The Earning per share – basic & diluted for the year calculated as under

| Particulars | 2015-16 | 2014-15 |
|--|--------------|---------------|
| | Amount (Rs.) | Amount (Rs.) |
| Loss used as numerator for the calculation of basic & diluted earnings per share | 39,158,918 | (68,015,139) |
| Weighted average number of shares used in computing basic & diluted earnings per share | 46,010,200 | 40,886,912 |
| Earning per Shares (Rs.) (basic & diluted) | 0.85 | (1.66) |

Note 28 Related party disclosures

a Particulars of holding, subsidiary and associate companies

| Name of the related party | Nature of relationship |
|--------------------------------------|--|
| B4U Television Network India Limited | Holding Company |
| LMB Holdings (Mauritius) Limited. | Holding Company of Holding Company |
| LMB Holdings Limited (IOM) | Ultimate Holding Company |
| B4U Network (Europe) Limited | Subsidiary of Ultimate Holding Company |

b Key Managerial Personnel

| Name of the Related Party | Nature of Relationship |
|---------------------------|----------------------------------|
| Mr. Sandeep Gupta | Director & CFO |
| Mrs. Natasha D'souza | Director |
| Mr. Santosh Garg | Director (from 21st August 2015) |

c The following transactions was carried out during the year with related parties in the ordinary course of business:

| Particulars | 2015-16 | 2014-15 |
|---|--------------|--------------|
| | Amount (Rs.) | Amount (Rs.) |
| Purchase of programming contents & film rights | | |
| B4U Television Network India Limited | 38,426,817 | 39,669,664 |
| Sale of programming contents | | |
| LMB Holdings (Mauritius) Limited | 21,575,920 | 17,506,583 |
| Agent commission paid/payable | | |
| B4U Television Network India Limited | 1,305,973 | 1,534,181 |
| B4U Network (Europe) Limited | 248,491 | 2,996,168 |
| Loans taken | | |
| B4U Television Network India Limited | 116,900,000 | 22,500,000 |
| Loans repaid | | |
| B4U Television Network India Limited | 62,000,000 | 80,104,123 |
| Sale of film rights | | |
| LMB Holdings (Mauritius) Limited | - | 38,784,325 |
| Film distribution income | | |
| B4U Network (Europe) Limited | 4,969,824 | 26,827,603 |
| Film distribution expenses | | |
| B4U Network (Europe) Limited | 14,570,340 | 5,705,319 |
| Interest paid | | |
| B4U Television Network India Limited | 2,434,543 | 31,233 |
| Agent commission received | | |
| B4U Network (Europe) Limited | 233,975 | 133,215 |



Notes to financial statements for the year ended 31st March, 2016

d Amount Outstanding as at 31st March, 2016

| Particulars | 2015-16 | 2014-15 |
|--|--------------|--------------|
| | Amount (Rs.) | Amount (Rs.) |
| Payables | | |
| B4U Television Network India Limited | 21,444,332 | 16,699,256 |
| LMB Holdings (Mauritius) Limited | 297,888,517 | 281,083,453 |
| Advances/loan taken | | |
| B4U Television Network India Limited | 192,506,213 | 135,972,957 |
| Advance against programming content/films | | |
| LMB Holdings (Mauritius) Limited | 17,291,262 | 61,962,075 |
| LMB Holdings Limited(IOM) | 66,332,900 | 50,072,640 |

Note -29 Segment Reporting

Information about Primary Segment

(Amount in Rs.)

| Particulars | Business Segment | | | | | Total |
|---|------------------|--------------------------------|---------------|----------------------|--------------------------------|---------------|
| | Television | Film distribution & production | Film rights | Programming contents | TV content production services | |
| REVENUE | | | | | | |
| Revenue From Operations (External) | 862,543,560 | 87,563,007 | 17,000,000 | 21,575,920 | 6,192,000 | 994,874,487 |
| | (622,332,355) | (102,170,622) | (103,784,325) | (17,506,583) | (2,432,000) | (848,225,885) |
| RESULTS | | | | | | |
| Segment Results | 70,538,912 | (9,432,264) | 13,135,000 | 2,814,250 | (7,750,855) | 69,305,044 |
| | (-115,287,499) | (-22,391,061) | (67,041,825) | (2,383,467) | (-4,713,573) | (-73,066,841) |
| Unallocated Expenditure (Net of Income) | | | | | | (30,622,422) |
| | | | | | | (4,923,321) |
| Operating Profit / (Loss) | | | | | | 38,682,622 |
| | | | | | | (-68,143,520) |
| Interest Income | | | | | | 476,296 |
| | | | | | | (492,262) |
| Taxation for the year | | | | | | - |
| | | | | | | (-363,881) |
| Net Profit / (Loss) | | | | | | 39,158,918 |
| | | | | | | (-68,015,139) |
| Other Information | | | | | | |
| Segment Assets | 424,772,948 | 131,891,720 | 5,195,100 | - | 12,023,833 | 573,883,601 |
| | (364,491,145) | (88,386,122) | (1,154,004) | (-) | (22,732,595) | (476,763,866) |
| Unallocated Corporate Assets | | | | | | 48,125,462 |
| | | | | | | (79,501,875) |
| Total Assets | 424,772,948 | 131,891,720 | 5,195,100 | - | 12,023,833 | 622,009,063 |
| | (364,491,145) | (88,386,122) | (1,154,004) | (-) | (22,732,595) | (556,265,741) |
| Segment Liabilities | 500,177,372 | 149,116,575 | 4,950,000 | - | - | 654,243,947 |
| | (485,123,466) | (148,248,557) | (10,461,606) | (-) | (-) | (643,833,629) |
| Unallocated Corporate Liabilities | | | | | | 296,709,422 |
| | | | | | | (280,535,336) |
| Total Liabilities | 500,177,372 | 149,116,575 | 4,950,000 | - | - | 950,953,369 |
| | (485,123,466) | (148,248,557) | (10,461,606) | (-) | (-) | (924,368,966) |
| Capital Expenditure | | | | | | |
| For Segment | 80,895,098 | 14,514,496 | - | - | - | 95,409,594 |
| | (57,947,919) | (60,973,600) | (-) | (-) | (-) | (118,921,519) |
| Depreciation & Amortisation Expenses | | | | | | |
| For Segment | 83,730,076 | 19,695,501 | - | - | - | 103,425,577 |
| | (73,108,727) | (53,710,242) | (-) | (-) | (-) | (126,818,969) |

Previous year figures are stated in bracket

Note:

1. Business Segment

The company has considered "business segment" as primary reporting segment for disclosure. Company has identified the following segments:

- Television - It includes air time sale, cable subscription and other related revenue.
- Film Distribution - It includes theatrical distribution of films in overseas territory.
- Sale of Film Rights.
- Programming content.
- TV Production.

The above business segments have been identified considering:

- The nature of products & services.
- The different risks & returns.

2. There are no inter segment sales

3. Geographical Segment - Secondary Segment

Information about Geographical Segment Revenue

| Country/Territory | 2015-16 | 2014-15 |
|-------------------|--------------------|--------------------|
| | Amount (Rs.) | Amount (Rs.) |
| India | 950,089,893 | 701,202,511 |
| Overseas | 44,784,594 | 147,023,374 |
| Total | 994,874,487 | 848,225,885 |

As it is not possible to allocate expenditure and ascertain assets & liabilities under geographical segment, hence the segment results, assets and liabilities under geographical segment are not given.



Notes to financial statements for the year ended 31st March, 2016**Note 30 Employee Benefits****i Defined contribution plans – provident fund**

During the year, the company has recognized the following amounts in the statement of profit and loss
- Employer's contribution to provident fund

Rs. 4,01,796

ii Pension plans

During the year, the company has recognized the following amounts in the statement of profit and loss
- Employer's contribution to employee's Pension Scheme 1995

Rs. 3,07,255

iii Defined benefit plans (non-funded)**a The amount recognized in Balance Sheet are as follows:**

| Particulars | Gratuity Plan | | Leave Encashment | |
|--|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2016 | As at 31 March 2015 | As at 31 March 2016 | As at 31 March 2015 |
| | Amount (Rs.) | Amount (Rs.) | Amount (Rs.) | Amount (Rs.) |
| A Present value of defined benefit obligation | | | | |
| - Wholly unfunded | 2,930,096 | 2,039,237 | 2,296,054 | 1,519,078 |
| Less : Fair value of plan assets | - | - | - | - |
| Amount to be recognized as liability or (assets) | 2,930,096 | 2,039,237 | 2,296,054 | 1,519,078 |
| B Amount reflected in the Balance Sheet | | | | |
| Liabilities | 2,930,096 | 2,039,237 | 2,296,054 | 1,519,078 |
| Assets | - | - | - | - |
| Net liability / (assets) | 2,930,096 | 2,039,237 | 2,296,054 | 1,519,078 |

b. The amounts recognized in the Statement of Profit and Loss are as follows:

| Particulars | Gratuity Plan | | Leave Encashment | |
|--|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2016 | As at 31 March 2015 | As at 31 March 2016 | As at 31 March 2015 |
| | Amount (Rs.) | Amount (Rs.) | Amount (Rs.) | Amount (Rs.) |
| 1 Current service cost | 471,553 | 315,176 | 304,698 | 219,939 |
| 2 Interest cost | 162,323 | 122,435 | 120,919 | 83,896 |
| 3 Expected (return) on plan assets | | | | |
| 4 Actuarial losses / (gain) | 256,983 | 286,531 | 404,887 | 314,108 |
| Total included in employee cost (Refer note no. 21) | 890,859 | 724,142 | 830,504 | 617,943 |

c. The change in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

| Particulars | Gratuity Plan | | Leave Encashment | |
|--|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2016 | As at 31 March 2015 | As at 31 March 2016 | As at 31 March 2015 |
| | Amount (Rs.) | Amount (Rs.) | Amount (Rs.) | Amount (Rs.) |
| Opening balance of the present value of defined benefit obligation | 2,039,237 | 1,315,095 | 1,519,078 | 901,135 |
| Add: Current service cost | 471,553 | 315,176 | 304,698 | 219,939 |
| Add: Interest cost | 162,323 | 122,435 | 120,919 | 83,896 |
| Add/(less): actuarial losses / (gains) | 256,983 | 286,531 | 404,887 | 314,108 |
| Less: Benefits paid | | | 53,528 | |
| Add: Past service cost | - | - | - | - |
| Closing balance of the present value of defined benefit obligation | 2,930,096 | 2,039,237 | 2,296,054 | 1,519,078 |

d. In Accordance with Accounting Standard 15 (revised 2005), actuarial valuation was done in respect of the aforesaid defined 'benefit plans' based on the following assumptions –

| Particulars | Employee's Gratuity Fund | Leave Encashment |
|---------------------|--|------------------|
| Date of valuation | 31.03.2016 | 31.03.2016 |
| Retirement Age | 58 Years | 58 Years |
| Withdrawal rates | Age Related | Age Related |
| Rate of discounting | 8.06% | 8.06% |
| Future salary rise | 5% | 5% |
| Attrition rate | 2% | 2% |
| Mortality table | Indian Assured Lives Mortality (2006-08) | |



Notes to financial statements for the year ended 31st March, 2016**Note 31 Operating lease**

The aggregate lease rentals for operating leases for the period aggregate to Rs.19,07,712/- (Previous year: Rs. 16,94,815/-).
The total of future minimum lease payment commitments under non-cancellable operating lease agreement are nil.

Note 32 The information as required to be disclosed as defined in the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of the information available with the Company There are no Micro, Small and Medium Enterprises (MSME) to whom the Company owes dues which are outstanding for more than 45 Days as at 31st March 2016.

Note 33 In the Opinion of the management and to the best of its knowledge and belief, the value on realization of current assets, loans, advances and payment of current liabilities and provisions in the ordinary course of business would not be less/ more, than the amount at which they are stated in the Balance sheet.

Note 34 Previous year figures have been regrouped / rearranged wherever necessary to confirm to current years classification.

As per our report of even date attached

For Singhi & Co.
Chartered Accountants
ICAI Firm Reg. No. 302049E

Sukhendra Lodha
Membership No. 071272
Place: Mumbai
Date:

02 SEP 2016



For and on behalf of the Board

Sandeep Gupta Santosh Garg
Director & CFO Director
(DIN: 00589505) (DIN: 07262936)

Date: 01 SEP 2016

Nikita Sharma
Company Secretary

