

### 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 31 March 2017, 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 standalone 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 31 March 2017 and its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in 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 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 standalone 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.
- iv. The Company has provided requisite disclosures in Note 32 of the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407 (E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company.



For Singhi & Co.  
Chartered Accountants  
Firm's Registration No. 302049E

  
Sukhendra Lodha

Partner  
Membership No. 071272

Place: Mumbai

Date: - 1 SEP 2017

## 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 31 March 2017, 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 the information and explanation given to us, the Company has carried out physical verification of fixed assets. No material discrepancies were noticed in physical verification performed.  
  
(c) According to the information and explanations given to us, the Company does not own any immovable property; accordingly the 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 has complied with provisions of Section 186 of the Act in respect of loans, investments, guarantee and security.
- (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 explanation given to us, the maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 is applicable to the Company. The Company is in the process of updating such records and hence we have not made examination of cost records.
- (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 during the year by the Company, except for few minor delays, 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, 2017 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.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institution, banks, government and dues to 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) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees noticed or reported during year nor have been informed of any such case by the Management.
- (xi) As the Company is a private limited company, provisions of the Section 197 of the Companies Act, 2013, related to managerial remuneration are 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) The Company has made private placement of equity shares during the year and has complied with the provisions of the Companies Act, 2013. According to the information and explanation given to us and based on our examination of the records of the Company, amount raised have been used for the purposes for which the funds were raised.
- (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



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

Sukhendra Lodha  
Partner  
Membership No. 071272

Place: Mumbai

Date: - 1 SEP 2017



## **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 March 31, 2017 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial 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 31 March 2017, 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



  
Sukhendra Lodha

Partner  
Membership No. 071272

Place: Mumbai

Date: - 1 SEP 2017



## B4U BROADBAND (INDIA) PRIVATE LIMITED

Balance Sheet as at 31st March, 2017

(Amount in Rs.)

Particulars		Note No.	As At 31st March, 2017	As At 31st March, 2016
<b>I.</b>	<b><u>EQUITY AND LIABILITIES</u></b>			
1	<b>Shareholders funds</b>			
	(a) Share capital	3	829,915,750	460,102,000
	(b) Reserves and surplus	4	(595,671,145)	(789,046,307)
2	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	5	416,667	934,486
	(b) Long-term provisions	6	5,956,704	4,928,557
3	<b>Current liabilities</b>			
	(a) Short-term borrowings	7	115,944,847	192,506,213
	(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		221,642,639	487,724,163
	(c) Other current liabilities	9	70,937,336	264,562,358
	(d) Short-term provisions	10	783,588	297,593
	<b>TOTAL</b>		<b>649,926,386</b>	<b>622,009,063</b>
<b>II.</b>	<b><u>ASSETS</u></b>			
1	<b>Non-current assets</b>			
	(a) Fixed assets	11		
	(i) Tangible assets		21,839,615	25,542,795
	(ii) Intangible assets		78,513,336	109,809,634
	(b) Non-current investments	12	131,940	131,940
	(c) Deferred tax assets (net)	13	-	-
	(d) Long-term loans and advances	14	7,078,664	7,145,908
2	<b>Current assets</b>			
	(a) Trade receivables	15	267,948,266	230,228,862
	(b) Cash and cash equivalents	16	17,895,190	13,957,892
	(c) Short-term loans and advances	17	256,519,375	235,192,032
	<b>TOTAL</b>		<b>649,926,386</b>	<b>622,009,063</b>

Significant accounting policies

2

Notes on financial statements

3 to 36

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Singhi &amp; Co.

Chartered Accountants

Firm Registration No. 302049E

Sukhendra Lodha

Partner

Membership No. 071272

Place: Mumbai

Date: - 1 SEP 2017



For and on behalf of the board of directors

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

*Santosh Garg*  
Santosh Garg  
Director  
(DIN: 07262936)

*Nikita Sharma*  
Nikita Sharma  
Company Secretary

Date: 31 AUG 2017



**B4U BROADBAND (INDIA) PRIVATE LIMITED****Statement of Profit and loss for the year ended 31st March, 2017**

(Amount in Rs.)

Particulars	Note No.	For the year Ended 31st March, 2017	For the year Ended 31st March, 2016
<b>I. Income</b>			
Revenue from operations	18	1,098,233,871	994,874,487
Other income	19	7,051,980	14,793,506
<b>II. Total Revenue</b>		<b>1,105,285,851</b>	<b>1,009,667,993</b>
<b>III. Expenses</b>			
Purchases of film rights- trading		27,190,840	-
Operating expenses	20	817,821,683	750,182,076
Employee benefits expense	21	58,624,752	55,501,299
Finance cost	22	4,772,099	2,453,723
Depreciation and amortization expense	11	75,479,972	103,425,577
Other expenses	23	38,633,196	58,946,401
<b>IV. Total expenses</b>		<b>1,022,522,542</b>	<b>970,509,076</b>
<b>V. Profit / (Loss) before tax (II-IV)</b>		<b>82,763,309</b>	<b>39,158,917</b>
<b>VI. Tax expense:</b>			
(1) Current tax		-	-
(2) Adjustment of tax relating to earlier periods		332,272	-
(3) Deferred tax		-	-
<b>VII. Profit (Loss) after tax (V-VI)</b>		<b>82,431,037</b>	<b>39,158,917</b>
<b>VIII. Earnings per equity share:</b>			
(1) Basic	27	1.31	0.85
(2) Diluted	27	1.31	0.85

Significant accounting policies

2

Notes on financial statements

3 to 36

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Singhi &amp; Co.

Chartered Accountants

Firm Registration No. 302049E



Sukhendra Lodha

Partner

Membership No. 071272

Place: Mumbai

Date: - 1 SEP 2017



For and on behalf of the board of directors



Sandeep Gupta

Director &amp; CFO

(DIN: 00589505)



Santosh Garg

Director

(DIN: 07262936)



Nikita Sharma

Company Secretary

Date: 31 AUG 2017





## B4U BROADBAND (INDIA) PRIVATE LIMITED

Cash Flow Statement for the year ended on 31st March 2017

(Amount in Rs.)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>A Cash flows from operating activities</b>		
Net profit before tax	82,763,309	39,158,917
<b>Adjustments for:</b>		
Depreciation & amortisation	75,479,972	103,425,577
Interest income	(1,832,524)	(476,296)
Finance cost	4,772,099	2,453,723
Provision for doubtful debts	448,138	2,335,119
Fixed assets written off	4,354,308	4,966,976
Loss on sale of assets	384,950	154
Provisions for employee benefits	2,143,994	1,721,363
<b>Operating Profit before working capital changes</b>	<b>168,514,246</b>	<b>153,585,533</b>
<b>Working capital changes:</b>		
(Increase) / decrease in trade and other receivables	(38,167,542)	(52,104,342)
Increase / (decrease) in trade payables	(266,081,524)	(5,198,414)
Increase / (decrease) in other current liabilities	(193,672,547)	(27,823,053)
(Increase) / decrease in short term loans & advances	(24,984,520)	(40,815,096)
(Increase) / decrease in long term loans & advances	(265,028)	(5,044,908)
Increase / (decrease) in long term & short provisions	(629,852)	(53,528)
<b>Cash generated from operations</b>	<b>(355,286,767)</b>	<b>22,546,192</b>
Direct taxes paid (net of refund)	3,657,176	(1,214,580)
<b>Net cash flow from operating activities</b>	<b>(351,629,591)</b>	<b>21,331,612</b>
<b>B Cash flows from investing activities</b>		
Purchase of Tangible Assets	(6,093,270)	(3,239,400)
Purchase of Intangible Assets	(41,993,270)	(92,170,194)
Proceeds from sale of fixed assets	2,866,789	8,572
Interest income	1,832,524	476,296
<b>Net cash flow from investing activities</b>	<b>(43,387,227)</b>	<b>(94,924,726)</b>
<b>C Cash flows from financing activities</b>		
Issue of share capital	480,757,875	-
Borrowings- vehicle loan ( net of repayment )	(470,294)	1,404,780
Loan from holding company	91,500,000	116,900,000
Repayment of loan to holding company	(166,400,000)	(62,000,000)
Finance cost	(6,433,465)	(820,467)
<b>Net cash flows from financing activities</b>	<b>398,954,116</b>	<b>55,484,313</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	3,937,298	(18,108,801)
Cash and cash equivalents at beginning of period	13,957,892	32,066,693
<b>Cash and cash equivalents at end of the year</b>	<b>17,895,190</b>	<b>13,957,892</b>

## Notes:

- 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).
- 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 Registration No. 302049E

Sukhendra Lodha  
Partner  
Membership No. 071272  
Place: Mumbai  
Date: - 1 SEP 2017



For and on behalf of the board of directors

Sandeep Gupta  
Director & CFO  
(DIN: 00589505)

Santosh Garg  
Director  
(DIN: 07262936)

Nikita Sharma  
Company Secretary

Date: 31 AUG 2017



Notes to financial statements for the year ended 31st March, 2017**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, which ever 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.

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.



Handwritten signatures in blue ink.





Notes to financial statements for the year ended 31st March, 2017**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 23. 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.



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Notes to financial statements for the year ended 31st March, 2017**Note 3 Share capital**

Particulars	As at	As at
	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
<b>Authorized</b>		
83,500,000 (previous year 83,500,000) Equity Shares of Rs. 10 each	835,000,000	835,000,000
<b>Issued</b>		
82,991,575 (previous year 46,010,200) Equity Shares of Rs. 10 each	829,915,750	460,102,000
<b>Subscribed &amp; paid up</b>		
82,991,575 (previous year 46,010,200) Equity Shares of Rs. 10 each	829,915,750	460,102,000
<b>Total</b>	<b>829,915,750</b>	<b>460,102,000</b>

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

Particulars	As at	As at
	31 March 2017	31 March 2016
	Number	Number
Shares outstanding at the beginning of the year	46,010,200	46,010,200
Shares issued during the year	36,981,375	-
Shares bought back during the year	-	-
<b>Shares outstanding at the end of the year</b>	<b>82,991,575</b>	<b>46,010,200</b>

**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**

82,991,575 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 2017		As at 31 March 2016	
	No. of Shares held	% Holding	No. of Shares held	% Holding
B4U Television Network India Limited	82,991,575	100%	46,010,200	100%

**Note 4 Reserves & surplus**

Particulars	As at	As at
	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
<b>a. Securities premium account</b>		
Opening balance	-	-
Add : Securities premium received during the year	110,944,125	-
<b>Closing balance</b>	<b>110,944,125</b>	<b>-</b>
<b>b. Surplus</b>		
Opening balance	(789,046,307)	(828,205,225)
Add: Net profit/(loss) for the current year	82,431,037	39,158,918
<b>Closing balance</b>	<b>(706,615,270)</b>	<b>(789,046,307)</b>
<b>Total</b>	<b>(595,671,145)</b>	<b>(789,046,307)</b>

**Note 5 Long-term borrowings**

Particulars	As at	As at
	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
Car loan *	934,486	1,404,780
Less : Current maturity disclosed under "other current liabilities"	517,819	470,294
<b>Total</b>	<b>416,667</b>	<b>934,486</b>

\* Car loan taken from Axis Bank Limited is secured by hypothecation of vehicle acquired there against, carrying rate of interest of 9.67% which is repayable in monthly instalments of Rs. 48,800/- over a period of 2 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, 2017**Note 6 Long term provisions**

Particulars	As at	As at
	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
Provision for employee benefits		
Gratuity	3,495,573	2,866,901
Leave encashment	2,461,131	2,061,656
<b>Total</b>	<b>5,956,704</b>	<b>4,928,557</b>

**Note 7 Short-term borrowings (Unsecured)**

Particulars	As at	As at
	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
Loan from holding company	115,944,847	192,506,213
<b>Total</b>	<b>115,944,847</b>	<b>192,506,213</b>

**Note 8 Trade payables**

Particulars	As at	As at
	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
	<b>Current</b>	
Trade payables :		
(i) Total outstanding dues of micro enterprises and small enterprises (Refer note 33)	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	221,642,639	487,724,163
<b>Total</b>	<b>221,642,639</b>	<b>487,724,163</b>

**Note 9 Other current liabilities**

Particulars	As at	As at
	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
TDS payable	8,136,095	11,842,997
Salary payable	3,532,739	2,981,593
Incentive & bonus payable	6,868,958	7,202,778
Payable for expenses	2,864,345	9,081,470
VAT payable	-	100,190
Service tax payable	22,466	30,351
Deposits	490,000	490,000
Current maturities of long term borrowings	517,819	470,294
Advance from related parties	40,379,174	218,475,151
Advance from others	8,125,740	13,887,533
<b>Total</b>	<b>70,937,336</b>	<b>264,562,358</b>

**Note 10 Short term provisions**

Particulars	As at	As at
	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
Provision for employee benefits		
Gratuity	444,472	63,195
Leave encashment	339,116	234,398
<b>Total</b>	<b>783,588</b>	<b>297,593</b>

**Note 12 Non current investments (Unquoted at cost)**

Particulars	As at	As at
	31 March 2017	31 March 2016
	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
<b>Total</b>	<b>131,940</b>	<b>131,940</b>



Notes to financial statements for the year ended 31st March, 2017

## Note 11 Fixed Assets

	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
		Balance as at 1 April 2016	Additions	Disposals	Balance as at 31 March 2017	Balance as at 1 April 2016	Total Depreciation charge for the year	On disposals	Balance as at 31 March 2017	Balance as at 31 March 2017	Balance as at 31 March 2016
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
a	<b>Tangible Assets</b>										
	Plant and Equipment	28,503,001	4,932,669	8,060,280	25,375,390	6,295,012	4,037,258	3,705,973	6,626,297	18,749,093	22,207,989
	Furniture and Fixtures	100,266	-	-	100,266	46,779	7,858	-	54,637	45,629	53,487
	Office equipment	79,399	791,980	-	871,379	55,103	90,012	-	145,115	726,264	24,296
	Computers	1,058,884	368,621	-	1,427,505	554,631	350,517	-	905,148	522,357	504,253
	Vehicles	3,219,835	-	1,111,826	2,108,009	467,065	351,284	506,612	311,737	1,796,272	2,752,770
	<b>Total</b>	<b>32,961,385</b>	<b>6,093,270</b>	<b>9,172,106</b>	<b>29,882,549</b>	<b>7,418,590</b>	<b>4,836,929</b>	<b>4,212,585</b>	<b>8,042,934</b>	<b>21,839,615</b>	<b>25,542,795</b>
	<b>Previous Year</b>	<b>47,451,346</b>	<b>3,239,400</b>	<b>17,729,361</b>	<b>32,961,385</b>	<b>15,208,036</b>	<b>4,964,213</b>	<b>12,753,659</b>	<b>7,418,590</b>	<b>25,542,795</b>	
b	<b>Intangible Assets</b>										
	Copyrights, and patents and other intellectual property rights, services and operating rights*	301,670,938	41,993,270	2,646,525	341,017,683	243,873,825	53,396,593	-	297,270,418	43,747,265	57,797,113
	Theatrical distribution rights	173,538,336	-	-	173,538,336	121,525,815	17,246,450	-	138,772,265	34,766,071	52,012,521
	<b>Total</b>	<b>475,209,274</b>	<b>41,993,270</b>	<b>2,646,525</b>	<b>514,556,019</b>	<b>365,399,640</b>	<b>70,643,043</b>	<b>-</b>	<b>436,042,683</b>	<b>78,513,336</b>	<b>109,809,634</b>
	<b>Previous Year</b>	<b>383,039,080</b>	<b>92,170,194</b>	<b>-</b>	<b>475,209,274</b>	<b>266,938,276</b>	<b>98,461,364</b>	<b>-</b>	<b>365,399,640</b>	<b>109,809,634</b>	

\* Amount of Rs. 26,46,525/- deducted from gross block is towards cancellation of run of film.



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Notes to financial statements for the year ended 31st March, 2017**Note 13 Deferred tax assets (net)**

Particulars	As at	As at
	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
Provision for gratuity	1,302,697	968,778
Provision for earned leave	925,846	759,144
Expenses of sec 43 B	2,259,022	2,381,454
Book/tax depreciation difference	2,810,050	1,448,915
<b>Total deferred tax assets</b>	<b>7,297,615</b>	<b>5,558,291</b>
<b>Total deferred tax liability</b>	-	-
<b>Deferred tax asset *</b>	-	-

\* 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 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
Security deposits	7,078,664	7,145,908
Advance for film production & distribution	6,512,843	6,512,843
Less: Provision for doubtful advances	6,512,843	6,512,843
<b>Total</b>	<b>7,078,664</b>	<b>7,145,908</b>

**Note 15 Trade receivables (Unsecured, unless otherwise stated)**

Particulars	As at	As at
	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
<b>a. Outstanding for a period exceeding six months from the date they became due</b>		
Considered good	12,251,821	14,199,529
Doubtful	5,317,623	4,869,485
	<b>17,569,444</b>	<b>19,069,014</b>
Less: Provision for doubtful debts	5,317,623	4,869,485
<b>Total (a)</b>	<b>12,251,821</b>	<b>14,199,529</b>
<b>b. Other Receivables</b>		
Considered good	255,696,446	216,029,333
<b>Total (b)</b>	<b>255,696,446</b>	<b>216,029,333</b>
<b>Total (a)+(b)</b>	<b>267,948,266</b>	<b>230,228,862</b>

**Note 16 Cash and cash equivalents**

Particulars	As at	As at
	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
Balances with banks		
On current account	17,893,763	13,952,792
Cash on hand	1,427	5,100
<b>Total</b>	<b>17,895,190</b>	<b>13,957,892</b>

Please refer note 32 for details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016.

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

Particulars	As at	As at
	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
Security deposits	520,000	520,000
Advance for film production & distribution	82,751,682	78,134,312
Prepaid expenses- cable placement fees	120,420,793	95,637,822
Prepaid expenses - other	20,432,331	23,785,174
Loan to employees	1,665,686	459,885
Advance paid to suppliers	7,889,638	3,079,093
Vat	11,733	-
Cenvat credit (Input credit / available for utilization)	9,622,664	16,713,721
Income tax refundable (net)	13,204,848	16,862,024
<b>Total</b>	<b>256,519,375</b>	<b>235,192,032</b>



Notes to financial statements for the year ended 31st March, 2017**Note 18 Revenue from operations**

Particulars	For the year ended	For the year ended
	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
Sale of products	47,362,918	93,317,813
Sale of services	1,050,870,953	901,556,674
<b>Total</b>	<b>1,098,233,871</b>	<b>994,874,487</b>
<b>Details of sale of products</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
Film rights-local	5,000,000	17,000,000
Film rights-exports	31,269,466	-
Film distribution revenue	11,093,452	76,317,813
<b>Total</b>	<b>47,362,918</b>	<b>93,317,813</b>
<b>Details of sale of services</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
Advertisement sales	1,012,198,827	851,877,902
Cable subscription	4,657,379	8,706,488
Other subscription	1,109,365	1,959,170
Programming contents	27,991,336	21,575,920
TV productions services	1,280,000	6,192,000
Film production income	-	10,694,905
Digital Income	3,058,467	-
Commission-film distribution	575,579	550,289
<b>Total</b>	<b>1,050,870,953</b>	<b>901,556,674</b>

**Note 19 Other income**

Particulars	For the year ended	For the year ended
	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
Interest on income tax refund	1,466,088	367,940
Interest on short term bank deposits	366,436	108,356
Other income	2,380	3,810
Provisions written back (net)	2,516,120	8,936,713
Sundry balances written back (net)	2,700,956	5,376,687
<b>Total</b>	<b>7,051,980</b>	<b>14,793,506</b>

**Note 20 Operating expenses**

Particulars	For the year ended	For the year ended
	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
Programming & content charges	173,702,727	137,992,990
Cable placement fees	532,213,423	460,784,606
Up linking charges	15,742,805	16,646,782
Play out charges	8,705,282	8,450,827
Commission - advertisement sales	10,625,696	4,486,645
Commission - distribution	698,607	1,305,973
Advertisement & business promotion expenses	5,338,491	3,092,535
TV production expenses	-	13,942,855
Digital expenses	468,379	-
Film distribution expenses	34,574,649	60,766,243
Other operating expenses	35,751,624	42,712,620
<b>Total</b>	<b>817,821,683</b>	<b>750,182,076</b>

**Note 21 Employee benefits expense**

Particulars	For the year ended	For the year ended
	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
(a) Salaries and incentives	55,972,499	53,601,588
(b) Contributions to provident fund & other funds	2,079,022	1,654,683
(c) Staff welfare expenses	573,231	245,028
<b>Total</b>	<b>58,624,752</b>	<b>55,501,299</b>



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Notes to financial statements for the year ended 31st March, 2017**Note 22 Finance cost**

Particulars	For the year ended	For the year ended
	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
Interest on car loan	115,306	19,180
Interest on loan from holding company	3,962,213	2,434,543
Interest on placement fees	694,580	-
<b>Total</b>	<b>4,772,099</b>	<b>2,453,723</b>

**Note 23 Other expenses**

Particulars	For the year ended	For the year ended
	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
Power & fuel	350,905	325,028
Rent	1,908,203	1,907,712
Repairs & maintenance	550,572	272,594
Insurance	442,264	887,731
Rates and taxes	789,595	95,655
Swachh Bharat Cess	4,455,253	1,295,787
Communication costs	1,162,487	902,629
Bank charges	136,550	95,264
Legal and professional fees	6,250,955	3,834,181
Travelling and conveyance	5,665,815	4,947,530
Printing and stationery	87,520	68,640
Payment to auditors*	570,000	570,000
Membership & subscription	1,600,000	1,100,000
Foreign exchange loss (net)	8,613,983	35,183,660
Miscellaneous expenses	861,698	157,740
Loss on sales of assets	384,950	154
Fixed assets written off	4,354,308	4,966,976
Provision for doubtful debts	448,138	2,335,119
<b>Total</b>	<b>38,633,196</b>	<b>58,946,401</b>

**\* Details of payment to auditors**

Particulars	For the year ended	For the year ended
	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
Audit fees	395,000	395,000
Taxation matters	100,000	100,000
Other services	75,000	75,000
<b>Total</b>	<b>570,000</b>	<b>570,000</b>

**Note 24** There is no contingent liability as on Balance Sheet date except as stated below:

Particulars	2016-17	2015-16
	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 during the year in ITAT and for which the department has not appealed further	-	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 Other commitments as regards media content and others not provided for, as they are not due, are Rs. 5,99,08,850/-



Notes to financial statements for the year ended 31st March, 2017

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	2016-17	2015-16
	Amount (Rs.)	Amount (Rs.)
Sale of services	31,148,259	32,919,441
Sale of products	37,950,066	11,865,153
<b>Total</b>	<b>69,098,325</b>	<b>44,784,594</b>

## b Expenditure in foreign currency (on accrual basis)

Particulars	2016-17	2015-16
	Amount (Rs.)	Amount (Rs.)
Technical expenses	15,742,805	16,646,782
Film distribution expenses	2,354,488	25,762,750
Other expenses	976,872	825,074
<b>Total</b>	<b>19,074,165</b>	<b>43,234,606</b>

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

Particulars	2016-17	2015-16
	Amount (Rs.)	Amount (Rs.)
Profit used as numerator for the calculation of basic & diluted earnings per share	82,431,037	39,158,917
Weighted average number of shares used in computing basic & diluted earnings per share	63,020,460	46,010,200
<b>Earning per Shares (Rs.) (basic &amp; diluted)</b>	<b>1.31</b>	<b>0.85</b>

## 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	Ultimate Holding Company
B4U Network (Europe) Limited	Subsidiary of Ultimate Holding Company
B4U Media Ventures Private Limited	Fellow subsidiary

## b Key Managerial Personnel

Name of the Related Party	Nature of Relationship
Mr. Sandeep Gupta	Director & CFO
Ms. Natasha Fernandes	Director
Mr. Santosh Garg	Director

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

Particulars	2016-17	2015-16
	Amount (Rs.)	Amount (Rs.)
<b>Purchase of programming contents &amp; film rights</b>		
B4U Television Network India Limited	38,704,593	38,426,817
<b>Sale of programming contents</b>		
LMB Holdings (Mauritius) Limited	27,991,336	21,575,920
<b>Agent commission paid/payable</b>		
B4U Television Network India Limited	698,607	1,305,973
B4U Network (Europe) Limited	-	248,491
<b>Loans taken</b>		
B4U Television Network India Limited	91,500,000	116,900,000
<b>Loans repaid</b>		
B4U Television Network India Limited	166,400,000	62,000,000
<b>Sale of film rights</b>		
LMB Holdings Limited	31,269,466	-
<b>Film distribution income</b>		
B4U Network (Europe) Limited	-	4,969,824
<b>Film distribution expenses</b>		
B4U Network (Europe) Limited	-	14,570,340
<b>Interest paid</b>		
B4U Television Network India Limited**	3,962,213	2,434,543
<b>Agent commission received</b>		
B4U Network (Europe) Limited	290,229	233,975

\*\* Charged on loan given subsequent to 01.04.2014





## Notes to financial statements for the year ended 31st March, 2017

## d Amount Outstanding as at 31st March, 2017

Particulars	2016-17	2015-16
	Amount (Rs.)	Amount (Rs.)
<b>Payables</b>		
B4U Television Network India Limited	7,878,434	21,444,332
LMB Holdings (Mauritius) Limited	-	297,888,517
<b>Receivable</b>		
LMB Holdings (Mauritius) Limited	10,145,296	-
<b>Advances/loan taken</b>		
B4U Television Network India Limited	115,944,847	192,506,213
<b>Advance against programming content/films</b>		
LMB Holdings (Mauritius) Limited	-	17,291,262
LMB Holdings Limited	2,381,457	66,332,900
B4U Network (Europe) Limited	37,997,717	134,850,989

## Note -29 Segment Reporting

## Information about Primary Segment

(Amount in Rs.)

Particulars	Business Segment					Total
	Television	Film distribution	Film rights	Programming contents	TV content production services	
<b>REVENUE</b>						
Revenue From Operations (External)	1,017,965,571	14,727,498	36,269,466	27,991,336	1,280,000	1,098,233,871
	(862,543,560)	(87,563,007)	(17,000,000)	(21,575,920)	(6,192,000)	(994,874,487)
<b>RESULTS</b>						
Segment Results	132,058,739	(50,865,602)	8,160,626	3,651,044	1,280,000	94,284,807
	(70,538,912)	(9,432,264)	(13,135,000)	(2,814,250)	(7,750,855)	(69,305,044)
Unallocated Expenditure (Net of income)						(13,354,022)
						(-30,622,422)
Operating Profit / (Loss)						80,930,785
						(38,682,621)
Interest Income						1,832,524
						(476,296)
Taxation for the year						(332,272)
						-
Net Profit / (Loss)						82,431,037
						(39,158,917)
<b>Other Information</b>						
Segment Assets	457,139,701	127,352,288	3,373,600	10,145,296	9,383,441	607,394,326
	(424,772,948)	(131,891,720)	(5,195,100)	-	(12,023,833)	(573,883,601)
Unallocated Corporate Assets						42,532,061
						(48,125,462)
Total Assets	457,139,701	127,352,288	3,373,600	10,145,296	9,383,441	649,926,386
	(424,772,948)	(131,891,720)	(5,195,100)	-	(12,023,833)	(622,009,063)
Segment Liabilities	220,467,499	44,338,598	3,450,000	-	-	268,256,097
	(500,177,372)	(149,116,575)	(4,950,000)	-	-	(654,243,947)
Unallocated Corporate Liabilities						147,425,684
						(296,709,422)
Total Liabilities	220,467,499	44,338,598	3,450,000	-	-	415,681,781
	(500,177,372)	(149,116,575)	(4,950,000)	-	-	(950,953,369)
<b>Capital Expenditure</b>						
For Segment	48,086,540	-	-	-	-	48,086,540
	(80,895,098)	(14,514,496)	-	-	-	(95,409,594)
<b>Depreciation &amp; Amortisation Expenses</b>						
For Segment	58,233,522	17,246,450	-	-	-	75,479,972
	(83,730,076)	(19,695,501)	-	-	-	(103,425,577)

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 and digital syndication of content.
- 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	2016-17	2015-16
	Amount (Rs.)	Amount (Rs.)
India	1,029,135,546	950,089,893
Overseas	69,098,325	44,784,594
<b>Total</b>	<b>1,098,233,871</b>	<b>994,874,487</b>

As it is not possible to allocate expenditure and ascertain assets &amp; 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, 2017**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. 6,11,150

## 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. 3,17,563

## 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 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
<b>A</b> Present value of defined benefit obligation				
- Wholly unfunded	3,940,045	2,930,096	2,800,247	2,296,054
Less : Fair value of plan assets	-	-	-	-
Amount to be recognized as liability or (assets)	3,940,045	2,930,096	2,800,247	2,296,054
<b>B</b> Amount reflected in the Balance Sheet				
Liabilities	3,940,045	2,930,096	2,800,247	2,296,054
Assets	-	-	-	-
Net liability / (assets)	3,940,045	2,930,096	2,800,247	2,296,054

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

Particulars	Gratuity Plan		Leave Encashment	
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
1 Current service cost	580,201	471,553	383,028	304,698
2 Interest cost	236,166	162,323	185,062	120,919
3 Expected (return) on plan assets	-	-	-	-
4 Actuarial losses / (gain)	263,990	256,983	495,547	404,887
<b>Total included in employee cost (Refer note no. 21)</b>	<b>1,080,357</b>	<b>890,859</b>	<b>1,063,637</b>	<b>830,504</b>

## 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 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
Opening balance of the present value of defined benefit obligation	2,930,096	2,039,237	2,296,054	1,519,078
Add: Current service cost	580,201	471,553	383,028	304,698
Add: Interest cost	236,166	162,323	185,062	120,919
Add/(less): actuarial losses / (gains)	263,990	256,983	495,547	404,887
Less: Benefits paid	70,408	-	559,444	53,528
Add: Past service cost	-	-	-	-
Closing balance of the present value of defined benefit obligation	<b>3,940,045</b>	<b>2,930,096</b>	<b>2,800,247</b>	<b>2,296,054</b>

## 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	31.03.2017	31.03.2017
Retirement Age	58 Years	58 Years
Withdrawal rates	Age Related	Age Related
Rate of discounting	7.20%	7.20%
Future salary rise	5%	5%
Attrition rate	2%	2%
Mortality table	Indian Assured Lives Mortality (2006-08)	



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Notes to financial statements for the year ended 31st March, 2017**Note 31 Operating lease**

The aggregate lease rentals for operating leases for the period aggregate to Rs. 19,08,203 /- (Previous year: Rs. 19,07,712/-).  
The total of future minimum lease payment commitments under non-cancellable operating lease agreement are nil.

**Note 32 Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016 is as under:**

Particulars	Specified Bank Notes	Other Denomination Notes	Total
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
Closing cash in hand as on 08.11.2016	30,000	13,914	43,914
(+) Permitted receipts	-	104,000	104,000
(-) Permitted payments	-	(102,762)	(102,762)
(-) Amount deposited in banks	(30,000)	-	(30,000)
<b>Closing cash in hand as on 30.12.2016</b>	<b>-</b>	<b>15,152</b>	<b>15,152</b>

**Note 33** 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 2017.

**Note 34** 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 35** Balances of some of the trade receivables, trade payables, loans & advances are subject to reconciliation / confirmation from the respective parties and the consequential adjustments, if any. The management, however, of the view that there will be no material adjustments in this regard.

**Note 36** 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  
Firm Registration No. 302049E

Sukhendra Lodha  
Partner  
Membership No. 071272  
Place: Mumbai  
Date:



1-1 SEP 2017

For and on behalf of the Board

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

Nikita Sharma  
Company Secretary

Date: 31 AUG 2017

