

INDEPENDENT AUDITOR'S REPORT

To the Members of Topmovies Entertainment Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Topmovies Entertainment Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its loss including other comprehensive income, its cash flows and the changes in equity 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 1 a statement on the matters specified in paragraphs 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 purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account ;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 2" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;



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- iv. As per books of account of the Company and as represented by the management of the Company, the Company did not have cash balance as on November 8, 2016 and December 30, 2016 and has no cash dealings during this period

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Vishal Sharma

per **Vishal Sharma**

Partner

Membership Number: 096766

Place of Signature: New Delhi

Date: May 16, 2017



Annexure 1 referred to in paragraph 'Report on Other Legal and Regulatory Requirements' of our report of even date

Re: Topmovies Entertainment Limited ('the Company')

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (i)(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (i)(c) According to the information and explanations given by the management, there are no immovable properties, included in fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii)(a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, duty of custom, service tax, cess and other statutory dues applicable to it. The provisions relating to employees' state insurance, sales-tax, duty of excise, value added tax are not applicable to the Company.
- (vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, , duty of customs, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, sales-tax, duty of excise, value added tax are not applicable to the Company.
- (vii)(c) According to the information and explanations given to us, there are no dues of provident fund, income-tax, duty of custom, service tax, cess and other statutory dues which have not been deposited on account of any dispute. The provisions relating to employees' state insurance, sales-tax, duty of excise, value added tax are not applicable to the Company.



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- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Vishal Sharma

per Vishal Sharma

Partner

Membership Number: 096766

Place of Signature: New Delhi

Date: May 16, 2017



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF TOPMOVIES ENTERTAINMENT LIMITED

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

We have audited the internal financial controls over financial reporting of Topmovies Entertainment Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A



S.R. BATLIBOI & Co. LLP

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Vishal Sharma

per **Vishal Sharma**

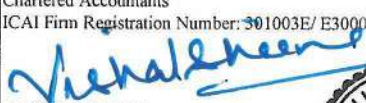



Partner

Membership Number: 096766

Place of Signature: New Delhi

Date: May 16, 2017



Topmovies Entertainment Limited Balance Sheet as at March 31, 2017				
				(INR '000)
	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
I ASSETS				
1) Non-current assets				
(a) Property, plant and equipment	3	229.23	408.07	265.52
(b) Intangible assets	4	295.05	3,238.55	8,259.00
(c) Income Tax assets	5	1,930.33	587.84	220.79
Total non-current assets		2,454.61	4,234.46	8,745.31
2) Current assets				
(a) Financial assets				
(i) Trade receivables	6	23,317.92	1,618.93	4,281.19
(ii) Cash and cash equivalents	7	17,801.70	10,104.15	17,605.15
(iii) Other bank balances	7A	-	-	20,000.00
(iv) Other financial assets	8	5,124.92	2,969.50	1,147.56
(b) Other current assets	9	987.53	1,417.50	247.58
Total current assets		47,232.07	16,110.08	43,281.48
Total Assets		49,686.68	20,344.54	52,026.79
II EQUITY AND LIABILITIES				
1) Equity				
(a) Equity Share capital	10	68,000.00	38,000.00	38,000.00
(b) Instruments entirely equity in nature	10	470.00	470.00	470.00
(c) Other equity	11	(39,141.62)	(27,415.43)	9,450.88
Total equity		29,328.38	11,054.57	47,920.88
2) Liabilities				
Non-current liabilities				
Long term provisions	12	388.41	448.09	275.02
Total non-current liabilities		388.41	448.09	275.02
Current liabilities				
(a) Financial liabilities				
(i) Trade Payables	13	18,891.28	8,021.61	3,145.63
(ii) Other financial liabilities	14	-	-	222.50
(b) Other current liabilities	15	928.06	605.37	330.00
(c) Short term provisions	12	150.55	214.90	132.76
Total current liabilities		19,969.89	8,841.88	3,830.89
Total liabilities		20,358.30	9,289.97	4,105.91
Total Equity and Liabilities		49,686.68	20,344.54	52,026.79
Summary of significant accounting policies	2			
The accompanying notes are an integral part of the financial statements				
As per our report of even date				
For S.R. Batliboi & CO. LLP Chartered Accountants ICAI Firm Registration Number: 301003E/E300005		For and on behalf of the Board of Directors of Topmovies Entertainment Limited		
 per Vishal Sharma Partner Membership No. 096766		 Dinesh Mittal Director (DIN: 00105769)		
		 Shantanu Bhanja Director (DIN: 07682150)		
Place: New Delhi Date: May 16, 2017				

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Topmovies Entertainment Limited
Statement of Profit and Loss for the year ended March 31, 2017

Particulars	Notes	(INR '000)	
		Year ended March 31, 2017	Year ended March 31, 2016
I Income			
a) Revenue from operations	16	26,611.73	10,170.69
b) Other Income	17	929.73	1,971.99
Total Income		27,541.46	12,142.68
II Expenses			
a) Employee benefits expense	18	15,952.35	21,430.88
b) Finance costs	19	3.43	9.50
c) Depreciation and amortization expense	20	3,122.34	5,167.92
d) Other expenses	21	20,101.59	21,832.88
Total expenses		39,179.71	48,441.18
III Profit/(loss) before tax (I-II)		(11,638.25)	(36,298.50)
IV Earnings before interest, tax, depreciation and amortization (EBITDA) [III+II(b)+II(c)]		(8,512.48)	(31,121.08)
V Tax expense:			
(1) Current tax	22	-	-
(2) Deferred tax	22	-	-
Total Tax expense		-	-
VI Profit/ (loss) for the year after tax (III-V)		(11,638.25)	(36,298.50)
VII Other Comprehensive Income			
<u>Items that will not to be reclassified to profit and loss</u>			
Remeasurement gain/ (loss) on defined benefit plans	23	257.92	127.39
Income tax effect		-	-
Other comprehensive income for the year, net of tax		257.92	127.39
VIII Total Comprehensive Income for the year, net of tax (VI+VII)		(11,380.33)	(36,171.11)
IX Earnings/ (loss) per share			
Basic	24	(2.10)	(9.55)
Diluted	24	(2.10)	(9.55)

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/ E300005

per Vishal Sharma
Partner
Membership No. 096766



Place: New Delhi
Date: May 16, 2017

For and on behalf of the Board of Directors of Topmovies Entertainment Limited

Dinesh Mittal
Director
(DIN: 00105769)

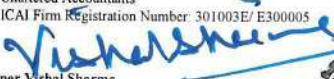



Shantanu Bhanja
Director
(DIN: 07682150)

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Topmovies Entertainment Limited
Cash Flow Statement for the year ended March 31, 2017

Particulars	(INR '000)	
	March 31, 2017	March 31, 2016
Cash flow from Operating activities		
Profit before tax	(11,638.25)	(36,298.50)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	3,122.34	5,167.92
Gain on disposal of property, plant and equipment	(5.00)	-
Employee Stock Option Scheme	(345.86)	(695.20)
Interest income from deposits and others	(924.73)	(1,953.68)
Impairment for doubtful debts and advances (includes bad debts written off)	314.92	1,455.86
Operating profit before working capital changes	(9,476.58)	(32,323.60)
Working capital adjustments:		
(Increase)/Decrease in trade receivables	(22,013.91)	1,206.40
(Increase)/Decrease in current and non-current financial assets and other current and non-current assets	(1,512.23)	(3,384.74)
Increase/ (Decrease) in trade payables	10,869.68	4,875.97
(Decrease)/Increase in provision	133.89	382.60
Increase/(Decrease) in Other Current Liabilities	322.69	52.87
Total Cash From Operations	(21,676.46)	(29,190.50)
Income tax paid	(1,342.50)	(367.05)
Net cash flows used in operating activities (A)	(23,018.96)	(29,557.55)
Cash flow from Investing activities		
Purchase of property, plant and equipment	-	(290.02)
Proceeds from sale of property, plant and equipment	5.00	-
Proceeds from deposits matured	-	20,000.00
Interest received	711.51	2,346.57
Net cash flows from used in investing activities (B)	716.51	22,056.55
Net cash flow from Financing activities		
Proceeds from issue of Equity Share Capital	30,000.00	-
Net cash flows from financing activities (C)	30,000.00	-
Net increase/ (decrease) in cash and cash equivalents (D=A+B+C)	7,697.55	(7,501.00)
Cash and cash equivalents as at the beginning of the year (E)	10,104.15	17,605.15
Cash and cash equivalents at the end of the year (D+E)	17,801.70	10,104.15



Particulars	March 31, 2017	March 31, 2016
Components of cash and cash equivalents as at end of the year (Refer note 7)		
Balance with banks		
-on current accounts	5,301.70	4.15
-on deposit accounts	12,500.00	10,100.00
Cash and Cash equivalents as per Cash Flow Statement	17,801.70	10,104.15
The accompanying notes are an integral part of the financial statements		
As per our report of even date		
For S.R. Batliboi & CO. LLP Chartered Accountants ICAI Firm Registration Number: 301003E/ E300005		
 per Vishal Sharma Partner Membership No. 096766		
		
Place: New Delhi Date: May 16, 2017		
For and on behalf of the Board of Directors of Topmovies Entertainment Limited  Dinesh Mittal Director (DIN: 00105769)		
 Shantanu Bhanja Director (DIN: 07682150)		



Topmovies Entertainment Limited
Statement Of Changes in Equity as on March 31, 2017

A. Equity Share Capital (Refer note 10)
Equity Shares of INR 10 each issued, subscribed and fully paid up

Particulars	Equity Share Capital	
	Number	Amount(INR '000)
Balance as at April 1, 2015:	3,800,000	38,000.00
Changes in share capital during the year	-	-
Balance as at March 31, 2016	3,800,000	38,000.00
Changes in share capital during the year:	3,000,000	30,000.00
Balance as at March 31, 2017	6,800,000	68,000.00

B. Instruments entirely equity in nature (Refer note 10)
Optionally Convertible Cumulative Preference Shares of Re 0.10 each issued, subscribed and fully paid up

Particulars	Preference Share Capital	
	Number	Amount(INR '000)
Balance as at April 1, 2015:	4,700,000	470.00
Changes in share capital during the year	-	-
Balance as at March 31, 2016	4,700,000	470.00
Changes in share capital during the year:	-	-
Balance as at March 31, 2017	4,700,000	470.00

C. Other Equity attributable to Equity Holders (Refer note 11)

Particulars	Reserves and Surplus		Share Based Payments	Total
	Share Premium	Retained earnings		
Balance as at April 1, 2015	46,530.00	(38,120.18)	1,041.06	9,450.88
Change during the year	-	(36,298.50)	(695.20)	(36,993.70)
Other comprehensive income	-	127.39	-	127.39
Balance as at March 31, 2016	46,530.00	(74,291.29)	345.86	(27,415.43)
Change during the year	-	(11,638.25)	(345.86)	(11,984.11)
Other comprehensive income	-	257.92	-	257.92
Balance as at March 31, 2017	46,530.00	(85,671.62)	-	(39,141.62)

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/ E300005

Vishal Sharma

per Vishal Sharma
Partner
Membership No. 096766



Place: New Delhi
Date: May 16, 2017

For and on behalf of the Board of Directors of Topmovies Entertainment Limited

Dinesh Mittal
Dinesh Mittal
Director
(DIN: 00105769)

Shantanu Bhanja
Shantanu Bhanja
Director
(DIN: 07682150)

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1. Corporate information

Topmovies Entertainment Limited (“TMEL or the Company”) is a wholly owned subsidiary of HT Media Limited, domiciled in India and incorporated under the provision of the Companies Act, 1956 to carry on internet related business for providing movie reviews and ratings business in the name of www.desimartini.com.

The registered office of the company is located at Hindustan Times House, 2nd Floor, 18-20 Kasturba Gandhi Marg, New Delhi 110001.

Information on related party relationships of the company is provided in Note 27.

The financial statements of the Company for the year ended March 31, 2017 are authorized for issue in accordance with a resolution of the Board of Directors on May 16, 2017.

2. Significant accounting policies followed by company

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (“Ind-AS”) notified under the Companies (Indian Accounting Standard) Rules, 2015 as amended.

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the Accounting Standards notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 (Indian GAAP). The financial statements for the year ended March 31, 2017 are the first the Company has prepared in accordance with Ind-AS. Refer Note 32 on information on how the Company adopted Ind-AS.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind-AS Balance Sheet as at April 1, 2015 being the date of transition to Ind-AS.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Defined benefit plans - plan assets measured at fair value.
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

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

The financial statements are presented in INR, which is also the Company’s functional currency.



2.2 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the display of advertisement on websites and delivery of content and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.



c) Fair value measurement

The Company measures financial instruments, such as, derivatives and certain investments at fair value at each reporting/ balance sheet date.

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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



d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as principal in all of its revenue arrangements.

Service tax, Sales tax and value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised:

Revenue from online Advertising

Revenue from digital platforms by display of internet advertisements are typically contracted for a period of one to twelve months. Revenue in this respect is recognized over the period of the contract, in accordance with the established principles of accrual accounting. Unearned revenues are reported on the balance sheet as deferred revenue.

Interest Income

For all debt instruments measured either at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.



e) Taxes

Current income tax:

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



Sales/ value added taxes paid on acquisition of assets or on incurring expenses:

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

f) Property, plant and equipment

The Company has applied one time transition option of considering the carrying cost of Property, plant and equipment on the transition date i.e. April 1, 2015 as the deemed cost under Ind- AS.

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Cost comprises the purchase price, borrowing costs (if any) if capitalization criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Recognition:

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably

All other expenses on existing assets, including day- to- day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Type of asset	Useful lives estimated by management (Years)
Plant and Machinery	3
Office Equipments	3

Depreciation on the property, plant and equipment is provided over the useful life of assets as specified in Schedule II to the Companies Act, 2013. Property, Plant and Equipment which are added/disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition/deletion.



Modification or extension to an existing asset, which is of capital nature and which becomes an integral part thereof is depreciated prospectively over the remaining useful life of that asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

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

g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

On transition to Ind-AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2015 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Intangible assets with finite lives are amortised on straight line basis using the estimated useful lives as follows:

Intangible Assets	Useful life (in years)
Copyright	6
Website/ Softwares	3

Goodwill is not amortised, but is tested for impairment annually.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the



statement of profit and loss when the asset is derecognised.

h) Borrowing cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

i) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

j) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded Company's or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.



An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

k) Retirement and Other Employee Benefits

Short term employee benefits and defined contribution plans:

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc. are recognised in the statement of profit and loss in the period in which the employee renders the related service.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

Gratuity is a defined benefit scheme. The defined benefit obligation is Computed by actuaries using the projected unit credit method.

The Company recognizes termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:



- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring cost

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

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

Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long- term employee benefit for measurement purposes. Such long- term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the period end. Re-measurements, comprising of actuarial gains and losses, are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non- current liability.

l) Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

For purposes of subsequent measurement, Debt instruments are measured at amortized cost.

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The



EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Derecognition

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Lease receivables under Ind-AS 17
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind-AS 11 and Ind-AS 18 (referred to as 'contractual revenue receivables' in these financial statements)

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind-AS 17

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for



impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

- Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount. For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and bank overdrafts.



Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. This category generally applies to borrowings.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit and loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind-AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind-AS 109 to the entire hybrid contract. Derivatives embedded in all other host



contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit and loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit and loss, unless designated as effective hedging instruments.

Offsetting of financial instruments

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

m) Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The Company has availed option under Ind-AS 101, to apply intrinsic value method to the options already vested before the date of transition and applied Ind-AS 102 Share-based payment to equity instruments that remain unvested as of transition date.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.



n) Leases

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

For arrangements entered into prior to April 1, 2015, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leasehold improvements represent expenses incurred towards civil works, interiors furnishings, etc. on the leased premises at various locations.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

o) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of Cash Flow Statement, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

p) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an



outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

q) Measurement of EBITDA

The Company has elected to present earnings before interest expense, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In the measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

r) Earnings per Share

Basic earnings per share

Basic earnings per share are calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.



2.3 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The areas involving critical estimates or judgement are as below:

Assessment of lease contracts

Significant judgement is required to apply lease accounting rules under Appendix C to Ind-AS 17: determining whether an Arrangement contains a Lease. In assessing the applicability to arrangements entered into by the Company, management has exercised judgement to evaluate the right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Appendix C to Ind-AS 17.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the Companies.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. The



mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of non- financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent markets transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.



Note 3 : Property, Plant and Equipment

(INR '000)

Particulars	Plant and Machinery	Office Equipments	Total
Cost			
Deemed cost as at April 1, 2015	242.00	23.52	265.52
Additions	150.40	139.62	290.02
As at March 31, 2016	392.40	163.14	555.54
Disposals/ Adjustments	34.70	-	34.70
As at March 31, 2017	357.70	163.14	520.83
Depreciation/ Impairment			
As at April 1, 2015	-	-	-
Charge for the year	130.06	17.41	147.47
As at March 31, 2016	130.06	17.41	147.47
Charge for the year	124.30	54.54	178.84
Disposals	34.70	-	34.70
As at March 31, 2017	219.65	71.95	291.60
Net Block			
As at March 31, 2017	138.04	91.19	229.23
As at March 31, 2016	262.34	145.73	408.07
As at April 1, 2015	242.00	23.52	265.52

Ind-AS 101 Exemption : The Company has availed the exemption available under Ind-AS 101, whereas the carrying value of property, plant and equipment has been carried forward at the amount as determined under the GAAP. Regarding application of deemed cost, the Company has disclosed the cost as at April 1, 2015 net of accumulated depreciation. However, information regarding gross block of assets, accumulated depreciation has been disclosed by the Company separately as follows :

Particulars	Gross Block as on April 1, 2015	Accumulated Depreciation as on April 1, 2015	Net Block as on April 1, 2015
Plant and Machinery	404.74	162.74	242.00
Office Equipments	24.67	1.16	23.52
Total	429.41	163.90	265.52



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Topmovies Entertainment Limited
Notes to financial statements for the year ended March 31, 2017

Note 4 : Intangible Assets

(INR '000)

Particulars	Website/ Softwares	Copyright	Goodwill	Total
Cost				
Deemed cost as at April 1, 2015	7,963.95	-	295.05	8,259.00
As at March 31, 2016	7,963.95	-	295.05	8,259.00
As at March 31, 2017	7,963.95	-	295.05	8,259.00
Amortization				
As at April 1, 2015	-	-	-	-
Charge for the year	5,020.45	-	-	5,020.45
As at March 31, 2016	5,020.45	-	-	5,020.45
Charge for the year	2,943.50	-	-	2,943.50
As at March 31, 2017	7,963.95	-	-	7,963.95
Net Block				
As at March 31, 2017	-	-	295.05	295.05
As at March 31, 2016	2,943.50	-	295.05	3,238.55
As at April 1, 2015	7,963.95	-	295.05	8,259.00

Ind-AS 101 Exemption : The Company has availed the exemption available under Ind-AS 101, whereas the carrying value of intangible assets has been carried forwarded at the amount as determined under the Indian GAAP. Regarding application of deemed cost, the Company has disclosed the cost as at April 1, 2015 net of accumulated amortization. However, information regarding gross block of assets, accumulated amortization has been disclosed by the Company separately as follows:

Particulars	Gross Block as on April 1, 2015	Accumulated Amortization as on April 1, 2015	Net Block as on April 1, 2015
Website/ Softwares	15,061.36	7,097.41	7,963.95
Copyright	95.46	95.46	-
Goodwill	295.05	-	295.05
Total	15,451.86	7,192.87	8,259.00

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Topmovies Entertainment Limited
Notes to financial statements for the year ended March 31, 2017

Note 5: Income tax assets

Particulars	(INR '000)		
	March 31, 2017	March 31, 2016	April 1, 2015
Income tax assets	1,930.33	587.84	220.79
Total	1,930.33	587.84	220.79
Current	-	-	-
Non - Current	1,930.33	587.84	220.79

Note 6 : Trade Receivables

Particulars	(INR '000)		
	March 31, 2017	March 31, 2016	April 1, 2015
Trade receivables	2,876.30	1,076.93	1,979.19
Receivables from related parties (Note 27A)	20,441.62	542.00	2,302.00
Total	23,317.92	1,618.93	4,281.19

Particulars	(INR '000)		
	March 31, 2017	March 31, 2016	April 1, 2015
Secured, considered good	-	-	-
Unsecured, considered good	23,317.92	1,618.93	4,281.19
Unsecured, considered doubtful	2,594.28	2,279.36	823.50
	25,912.20	3,898.29	5,104.69
Impairment of unsecured Doubtful Debts	(2,594.28)	(2,279.36)	(823.50)
Total Trade Receivables	23,317.92	1,618.93	4,281.19

Trade receivables are non-interest bearing and credit period generally falls in the range of 1 to 90 days. Trade receivables do not include any dues from directors or other officers of the company either severally or jointly with any other person. For terms and conditions relating to related party receivables and details of amount due from other Related Parties, refer note 27 and 27A respectively.

Note 7 : Cash and cash equivalents

Particulars	(INR '000)		
	March 31, 2017	March 31, 2016	April 1, 2015
Balance with banks :			
- On current accounts	5,301.70	4.15	105.15
- on deposit accounts	12,500.00	10,100.00	17,500.00
Total	17,801.70	10,104.15	17,605.15

Note 7A : Other bank balances

Particulars	(INR '000)		
	March 31, 2017	March 31, 2016	April 1, 2015
Other bank balances			
- Deposits with original maturity of more than three months but less than 12 months	-	-	20,000.00
Total	-	-	20,000.00

Note 8 :Other Financial Assets

Particulars	(INR '000)		
	March 31, 2017	March 31, 2016	April 1, 2015
Financial Assets at Amortized Cost			
Interest accrued on deposits	431.85	218.63	611.51
Income accrued but not due	4,693.07	2,750.87	536.05
Total Financial Assets	5,124.92	2,969.50	1,147.56
Current	5,124.92	2,969.50	1,147.56
Non - Current	-	-	-

Break up of financial assets carried at amortized cost

Particulars	Note	(INR '000)		
		March 31, 2017	March 31, 2016	April 1, 2015
Trade receivables	6	23,317.92	1,618.93	4,281.19
Cash and cash equivalents	7	17,801.70	10,104.15	17,605.15
Other bank balances	7A	-	-	20,000.00
Other financial assets	8	5,124.92	2,969.50	1,147.56
Total financial assets carried at amortized cost		46,244.54	14,692.58	43,033.90

Note 9 : Other current assets

Particulars	(INR '000)		
	March 31, 2017	March 31, 2016	April 1, 2015
Prepaid expenses	131.60	142.37	-
Advances given	12.75	-	113.78
Balance with Government authorities	843.18	1,275.13	133.80
Total	987.53	1,417.50	247.58



Topmovies Entertainment Limited
Notes to financial statements for the year ended March 31, 2017

Note 10 : Equity Share Capital and Instruments entirely equity in nature

Authorized Share Capital

(A) Equity Share Capital

Particulars	Number of shares	Amount (INR '000)
At April 1, 2015	50,00,000	50,000.00
Increase/(decrease) during the year		
At March 31, 2016	50,00,000	50,000.00
Increase/(decrease) during the year	30,00,000	30,000.00
At March 31, 2017	80,00,000	80,000.00

Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share.

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

(B) Instruments entirely equity in nature
Optionally Convertible Cumulative Preference Shares (OCCPS) of Re 0.10 each *

Particulars	Number of shares	Amount (INR '000)
At April 1, 2015	50,00,00,000	50,000.00
Increase/(decrease) during the year		
At March 31, 2016	50,00,00,000	50,000.00
Increase/(decrease) during the year	(30,00,00,000)	(30,000.00)
At March 31, 2017	20,00,00,000	20,000.00

Terms of conversion/redemption of OCCPS

During the year ended March 31, 2015, the Company had issued 47,00,000 OCCPS of INR 0.10 each fully paid-up at a premium of INR 9.90 per share. OCCPS carry cumulative dividend @ 0.10% p.a. Each holder of OCCPS is entitled to one vote per share only on resolutions placed before the Company which directly affects the rights attached to OCCPS.

Each holder of OCCPS can opt to redeem its preference shares or convert its preference shares into equity shares anytime during the period of 5 years from the date of issue at a pre-determined price.

* Based on fair valuation of the above OCCPS by an independent valuer and considering the revenue, cash flow projections and the terms of conversion/redemption, the above OCCPS are expected to be converted into fixed number of equity shares at 1:1 proportion to redemption amount pre-determined at the inception and only vary over time, accordingly, the management has determined that the aforesaid instrument meets the 'fixed to fixed' condition and therefore has been classified as equity in entirety.

During the year, pursuant to the resolution passed at the extraordinary general meeting of the shareholders of the Company on August 1, 2016, the existing authorised share capital of the Company being INR 1,00,000.00 thousands, comprising of 50,00,000 thousands equity shares of INR 10.00 each and 5,00,000.00 thousand optionally convertible cumulative preference shares of INR 0.10 each, had been reclassified as 8,000.00 thousand equity shares of INR 10.00 each (aggregating to INR 80,000.00 thousands) and 2,00,000.00 thousand optionally convertible cumulative preference shares of INR 0.10 each (aggregating to INR 20,000.00 thousands).

Issued and subscribed capital

(A) Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid	Number of shares	Amount (INR '000)
At April 1, 2015	38,00,000	38,000.00
Changes during the year		
At March 31, 2016	38,00,000	38,000.00
Changes during the year	30,00,000	30,000.00
At March 31, 2017	68,00,000	68,000.00



(B) Instruments entirely equity in nature

	Number of shares	Amount (INR '000)
Optionally Convertible Cumulative Preference Shares of Re 0.10 each		
At April 1, 2015	47,00,000	470.00
Changes during the year	-	-
At March 31, 2016	47,00,000	470.00
Changes during the year	-	-
At March 31, 2017	47,00,000	470.00

Reconciliation of the equity shares outstanding at the beginning and at the end of the year :

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Number of shares	Amount (INR '000)	Number of shares	Amount (INR '000)	Number of shares	Amount (INR '000)
Equity shares of INR 10 each issued, subscribed and fully paid						
Shares outstanding at the beginning of the year	38,00,000	38,00,000	38,00,000	38,00,000	38,00,000	38,00,000
Shares issued during the year	30,00,000	30,00,000	-	-	-	-
Shares outstanding at the end of the year	68,00,000	68,00,000	38,00,000	38,00,000	38,00,000	38,00,000
Optionally Convertible Cumulative Preference Shares of Re 0.10 each						
Shares outstanding at the beginning of the year	47,00,000	470.00	47,00,000	470.00	-	-
Shares Issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	47,00,000	470.00	47,00,000	470.00	47,00,000	470.00

Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates
Out of shares issued by the company, shares held by its holding company are as below:

Particulars	Amount (INR '000)	
	March 31, 2017	April 1, 2015
HT Media Limited, the holding company		
Equity shares of INR 10 each issued, subscribed and fully paid	68,00,000	38,00,000
6,800 thousand (March 31, 2016 - 3,800 thousand, April 1, 2015 - 3,800 thousand) equity shares of INR 10 each fully paid		
Optionally Convertible Cumulative Preference Shares of Re 0.10 each	470.00	470.00
4,700 thousand (March 31, 2016 - 4,700 thousand, April 1, 2015 - 4,700 thousand) preference shares of INR 0.10 each fully paid		
	68,470.00	38,470.00

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

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Number of shares	% holding in the class	No in the class	% holding in the class	No in the class	% holding in the class
HT Media Limited, the holding company						
Equity shares of INR 10 each issued, subscribed and fully paid	67,99,994	99.99%	37,99,994	99.99%	37,99,994	99.99%
Optionally Convertible Cumulative Preference Shares of Re 0.10 each	47,00,000	100.00%	47,00,000	100.00%	47,00,000	100.00%

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

Shares reserved for issue under options

For details of equity shares reserved for the issue under Employee Stock Options (ESOP) of the Company, refer note 26.



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Note 11 : Other Equity

Particulars	(INR'000)		
	March 31, 2017	March 31, 2016	April 1, 2015
Share Premium	46,530.00	46,530.00	46,530.00
Share Based Payments	-	345.86	1,041.06
Retained Earnings	(85,671.62)	(74,291.29)	(38,120.18)
Total	(39,141.62)	(27,415.43)	9,450.88

Share Premium

Particulars	Amount (INR '000)
At April 1, 2015	46,530.00
Changes during the year	-
At March 31, 2016	46,530.00
Changes during the year	-
At March 31, 2017	46,530.00

Retained Earnings

Particulars	(INR'000)	
	March 31, 2017	March 31, 2016
Opening Balance	(74,291.29)	(38,120.18)
Net Profit for the year	(11,638.25)	(36,298.50)
Items of other comprehensive income recognized directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	257.92	127.39
Closing Balance	(85,671.62)	(74,291.29)

The disaggregation of changes in OCI by each type of reserves in equity is disclosed in note 23.

Share Based Payments

Particulars	Amount (INR '000)
At April 1, 2015	1,041.06
Changes during the year	(695.20)
At March 31, 2016	345.86
Changes during the year	(345.86)
At March 31, 2017	-

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Topmovies Entertainment Limited
Notes to financial statements for the year ended March 31, 2017

Note 12 : Provisions

Particulars	(INR '000)		
	March 31, 2017	March 31, 2016	April 1, 2015
Provision for employee benefits			
Provision for Leave Benefits	145.71	211.03	130.76
Provision for Gratuity (Refer Note 25)	393.25	451.96	277.02
Total	538.96	662.99	407.78
Current	150.55	214.90	132.76
Non- Current	388.41	448.09	275.02

Note 13 : Trade Payables

Particulars	(INR '000)		
	March 31, 2017	March 31, 2016	April 1, 2015
Trade Payables (Refer Note 33 for details of dues to micro and small enterprises)	9,408.30	6,472.61	3,117.63
Trade Payables to related parties (Note 27A)	9,482.98	1,549.00	28.00
Total	18,891.28	8,021.61	3,145.63
Current	18,891.28	8,021.61	3,145.63
Non- Current	-	-	-

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled in the range of 0 to 90 days terms.
- For terms and conditions with related parties, Refer to Note 27.

Note 14 : Other financial liabilities

Particulars	(INR '000)		
	March 31, 2017	March 31, 2016	April 1, 2015
Financial liabilities at amortized cost			
Others	-	-	222.50
Total	-	-	222.50
Current	-	-	222.50
Non- Current	-	-	-

Break up of financial liabilities carried at amortized cost

Particulars	(INR '000)		
	March 31, 2017	March 31, 2016	April 1, 2015
Others (Note 14)	-	-	222.50
Trade payables (Note 13)	18,891.28	8,021.61	3,145.63
Total financial liabilities carried at amortized cost	18,891.28	8,021.61	3,368.13

Note 15 : Other current liabilities

Particulars	(INR '000)		
	March 31, 2017	March 31, 2016	April 1, 2015
Customers and agents balances	-	0.98	5.90
Statutory dues	928.06	604.39	324.10
Total	928.06	605.37	330.00

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Topmovies Entertainment Limited
Notes to financial statements for the year ended March 31, 2017

Note 16 : Revenue from operations

Particulars	(INR '000)	
	March 31, 2017	March 31, 2016
Sale of services		
- Income from digital services	26,611.73	10,170.69
Total	26,611.73	10,170.69

Note 17 : Other Income

Particulars	(INR '000)	
	March 31, 2017	March 31, 2016
Interest income on Bank deposits	924.73	1,953.68
Miscellaneous Income	-	12.58
Exchange differences (net)	-	5.73
Gain on disposal of Property, plant and equipment	5.00	-
Total	929.73	1,971.99

Note 18 : Employee benefits expense

Particulars	(INR '000)	
	March 31, 2017	March 31, 2016
Salaries, wages and bonus	15,038.56	20,604.13
Contribution to provident and other funds	640.32	778.28
Employee Stock Option Scheme	(345.86)	(695.20)
Gratuity expense (Refer Note 25)	202.98	267.30
Workmen and Staff welfare expenses	416.35	476.37
Total	15,952.35	21,430.88

Note 19 : Finance costs

Particulars	(INR '000)	
	March 31, 2017	March 31, 2016
Bank charges/ Interest expense	3.43	9.50
Total	3.43	9.50

Note 20 : Depreciation and amortization expense

Particulars	(INR '000)	
	March 31, 2017	March 31, 2016
Depreciation on property, plant and equipment (note 3)	178.84	147.47
Amortization on intangible assets (note 4)	2,943.50	5,020.45
Total	3,122.34	5,167.92

Note 21 : Other expenses

Particulars	(INR '000)	
	March 31, 2017	March 31, 2016
Advertising and sales promotion	12,358.87	14,786.16
Rent	1,302.48	1,299.17
Rates and taxes	1.55	13.53
Insurance	154.05	112.47
Repairs and maintenance:		
-Plant and machinery	19.60	48.92
Travelling and conveyance	782.31	382.45
Communication costs	110.08	114.07
Legal and professional fees	954.38	1,428.31
Payment to auditor (Refer note below)	334.94	631.60
Impairment for doubtful debts and advances (includes bad debts written off)	314.92	1,455.86
Service Charges	3,731.12	1,484.80
Miscellaneous expenses	37.29	75.54
Total	20,101.59	21,832.88

Payment to auditors

Particulars	(INR '000)	
	March 31, 2017	March 31, 2016
As auditor:		
-Audit fee	250.00	250.00
-Tax audit fee	75.00	75.00
-Other services	-	300.00
-Out of pocket expenses	9.94	6.60
Total	334.94	631.60



Topmovies Entertainment Limited
Notes to financial statements for the year ended March 31, 2017

Note 22 : Income Tax

The major components of income tax expense for the year ended March 31, 2017 and March 31, 2016 are :

Statement of profit and loss :

Particulars	(INR '000)	
	March 31, 2017	March 31, 2016
Current income tax	-	-
Deferred tax	-	-
Income tax expense reported in the statement of profit and loss	-	-

OCI section :

Deferred tax related to items recognized in OCI during in the year :

Particulars	(INR '000)	
	March 31, 2017	March 31, 2016
Net loss/(gain) on remeasurements of defined benefit plans	-	-
Income tax charged to OCI	-	-

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2016 and March 31, 2017:

Particulars	(INR '000)	
	March 31, 2017	March 31, 2016
Accounting profit before tax	(11,638.25)	(36,298.50)
Accounting profit before income tax	(11,638.25)	(36,298.50)
At India's statutory income tax rate of 30.90% (March 31, 2016: 30.90%)	(3,596.22)	(11,216.24)
Effects of		
Unrecognised deferred tax (net)	3,596.22	11,216.24
	-	-

Deferred tax

Deferred tax relates to the following:

Particulars	(INR '000)		
	March 31, 2017	March 31, 2016	1 st April, 2015
Temporary differences arising on:			
Unabsorbed brought forward losses	19,405.96	17,231.37	8,426.35
Provision for defined benefit obligation	166.54	204.86	126.00
Unabsorbed depreciation carried forward	3,177.89	2,557.07	1,703.34
Impairment of doubtful debts and advances	801.63	704.32	254.46
Difference in WDV of tangible and intangible fixed assets as per books of account and tax books	1,657.13	1,313.15	570.00
Other temporary differences	1,263.38	945.23	698.99
Deferred tax liabilities (net)	26,472.53	22,956.00	11,779.14

Deferred tax assets have not been recognised in respect of brought forward losses, unabsorbed depreciation and other deductible temporary differences, as they may not be used to offset taxable profits, they have arisen as the Company has been loss making up to previous year, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Note 23 : Other Comprehensive Income

The disaggregation of changes to OCI by each type of reserve in equity is shown below :

During the year ended March 31, 2017

Particulars	(INR '000)	
	Retained earnings	Total
Re- measurement gains/(losses) on defined benefit plans	257.92	257.92
Total	257.92	257.92

During the year ended March 31, 2016

Particulars	(INR '000)	
	Retained earnings	Total
Re- measurement gains/(losses) on defined benefit plans	127.39	127.39
Total	127.39	127.39

Note 24 : Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	(INR '000 except earnings per share)	
	March 31, 2017	March 31, 2016
Profit/ (loss) attributable to equity holders for basic earnings	(11,638.25)	(36,298.50)
Weighted average number of Equity shares for basic EPS	5,550.00	3,800.00
Weighted average number of Equity shares adjusted for the effect of dilution	5,550.00	3,800.00
Earnings/ (loss) per share		
Basic EPS	(2.10)	(9.55)
Diluted EPS	(2.10)	(9.55)



Topmovies Entertainment Limited
Notes to financial statements for the year ended March 31, 2017

Note 25 : Gratuity

Particulars	(INR '000)		
	March 31, 2017	March 31, 2016	April 1, 2015
Gratuity Plan	393.25	451.96	277.02
Total	393.25	451.96	277.02
Current	4.84	3.87	2.00
Non- Current	388.41	448.09	275.02

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of services gets a gratuity on separation at 15 days salary (last drawn salary) for each completed year of service. The liability is provided as per actuarial valuation.

The gratuity plan is governed by the Payment of Gratuity Act, 1972.

The following tables summarise the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet:

Defined Gratuity Plan

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2017 :

Present value of Obligation Particulars	(INR '000)	
	March 31, 2017	March 31, 2016
Opening Balance	451.96	277.02
Current Service Cost	168.27	243.06
Interest Expense or cost	34.71	24.24
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	17.04	-
- experience variance (i.e. Actual experience vs assumptions)	(274.96)	(127.39)
Benefits Paid	-	-
Inter group transfers/ adjustments	(3.77)	35.04
Total	393.25	451.96

The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	March 31, 2017		March 31, 2016	
Discount Rate	7.50%		7.75%	
Salary Growth Rate	7.50%		7.50%	
Withdrawal Rate				
Up to 30 years	3%		3%	
31 - 44 years	2%		2%	
Above 44 years	1%		1%	

A quantitative sensitivity analysis for significant assumption is as shown below:



Defined Gratuity Plan		(INR '000)	
Particulars	March 31, 2017	March 31, 2016	
Defined Benefit Obligation (Base)	393.25	451.96	

Particulars	March 31, 2017		March 31, 2016	
	Decrease	Increase	Decrease	Increase
Assumptions				
Discount Rate (-/+ 1%)		78.32	(62.76)	99.64
Salary Growth Rate (-/+ 1%)		(61.82)	75.43	(77.33)
Withdrawal Rate (-/+ 1%)		7.31	(7.12)	8.65
				(78.18)
				96.42
				(8.75)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following represents the maturity profile of the defined benefit plan in future years:

	March 31, 2017	March 31, 2016
Within the next 12 months (next annual reporting period)	4.84	2.94
Between 2 and 5 years	33.60	32.93
Between 6 and 10 years	55.82	67.32
Beyond 10 years	1,777.41	2,234.19
Total expected payments	1,871.67	2,337.38

Average duration of the defined benefit plan obligation is 19 years (March 31, 2016- 19 years)

Defined Contribution Plan

Particulars	March 31, 2017	March 31, 2016
Contribution to Provident and Other funds		
Charged to Statement of Profit and Loss	640.32	778.28

Leave Encashment (unfunded)

The Company recognizes the leave encashment expenses in the Statement of Profit and Loss based on actuarial valuation. The expenses recognized in the Statement of Profit and Loss and the Leave encashment liability at the beginning and at the end of the year :

Particulars	March 31, 2017	March 31, 2016
Liability at the beginning of the year	211.03	130.76
Re-measurement (or Actuarial) (gain) / loss	(136.35)	(77.88)
Acquisition Adjustment during the year	(2.78)	30.18
Provided during the year	73.81	127.97
Liability at the end of the year	145.71	211.03



Topmovies Entertainment Limited
Notes to financial statements for the year ended March 31, 2017

Note 26 : Share-based payments

The Company provides share-based payment schemes to its employees and employees of HT Media Limited (ultimate holding company) and employees of Hindustan Media Ventures limited (a fellow subsidiary), during the year ended 31st March 2017 an employee stock option plan (ESOP) was in existence.

The scheme detailed below is managed and administered, compensation benefits in respect of the scheme is assessed and accounted by the Company in accordance with Ind AS 102 (Share based payments).

The relevant details of the scheme and the grant are as below:

Employee Stock Options

Stock options gives an employee, the right to purchase equity shares of the Company at a fixed price within a specified period of time. The grant price (or strike price) shall be the fair market value on the date of grant or face value of share, whichever is higher.

A. Details of Options granted as on March 31, 2017 are given below:

Type of Arrangement	Date of Grant	Number of options granted	Fair Value on the date of Grant (INR)	Vesting conditions	Weighted average remaining contractual life (in years)	Method of Settlement
Employee Stock Option	September 13, 2014	3,56,200	4.28	33% on the date of grant, 33% 12 month from the date of grant, 34% 24 months from the date of grant.	10.00	Equity

Summary of Activities under the plan for the year ended March 31, 2017 and March 31, 2016 is given below:

	Year ended 31 March 2017				Year ended 31 March 2016			
	Number of options	Weighted-average exercise price	Weighted-average remaining contractual life	Number of options	Weighted-average exercise price	Weighted-average remaining contractual life	Number of options	Weighted-average exercise price
Employee Stock Options								
Outstanding at the beginning of the year	80,808	10.00	10.00	2,43,240	10.00	11.00	-	-
Granted during the year	-	-	-	-	-	-	-	-
Forfeited/ expired during the year	80,808	10.00	-	1,62,432	10.00	-	-	-
Exercised during the year	-	-	-	-	-	-	-	-
Outstanding at the end of the year	-	-	-	80,808	10.00	10.00	-	-

Weighted average fair value of the options outstanding is Rs. 10 per option. Since no options have been exercised during the period, thus weighted average share price has not been disclosed. The estimated fair value of each stock option granted on each date was made using the Black-Scholes option pricing model with the following assumptions:

Grant Date	Expected volatility for stock options	Contractual life in years	Dividend yield	Risk-free interest rate	Exercise price of options	Fair Value of options granted
February 13, 2014	0%	12.00	0%	8.97%	10.00	4.28

The employee compensation cost (accounting reversal) calculated using the fair value of stock options is INR 345.86 Thousands (March 31, 2016: INR 695.20 Thousands)



Topmovies Entertainment Limited
Notes to financial statements for the year ended March 31, 2017

Note 27 : Related party transactions

i) List of Related Parties and Relationships:-

Name of related parties where control exists whether transactions have occurred or not.	HT Media Limited (Holding Company)
	The Hindustan Times Limited #
	Earthstone Holding (Two) Limited ##
Fellow Subsidiaries (with whom transactions have occurred during the year)	Hindustan Media Ventures Limited
	Firefly e-Ventures Limited
	HT Mobile Solutions Limited
	HT Digital Streams Limited

The Hindustan Times Limited (HTL) does not hold any direct investment in the Company. However, HTL's subsidiary HT Media Limited holds shares in the Company.

Earthstone Holding (Two) Limited is the holding Company of The Hindustan Times Limited.

ii) Transactions with related parties

Refer Note 27 A

iii) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. . This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

iv) Transactions with key managerial personnel or their relatives

No transactions with key management personnel or their relatives have occurred during the year



Topmovies Entertainment Limited
Notes to financial statements for the year ended March 31, 2017

Note 27A: Transactions during the year with related parties

(INR '000)

Particulars	Holding Company HT Media Limited		Fellow subsidiaries						Total	
	HT Media Limited		Hindustan Media Ventures Limited		Firefly e-Ventures Limited		HT Mobile Solutions Limited		HT Digital Streams Limited	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Revenue transactions:										
Income										
Revenue from operations- [Share of revenue received]	13,126.00	483.00	-	-	-	-	5,752.40	-	18,878.40	483.00
Expense										
Advertising and Sales Promotion	3,276.84	3,474.00	-	-	1.20	-	9,824.06	-	13,102.10	3,474.00
Rent Expenses- [Infrastructure Support Services (Seats Taken)]	1,296.00	1,389.00	-	-	-	-	-	-	1,296.00	1,389.00
Others										
Reimbursement of expenses incurred on behalf of the company by parties	2,671.00	2,583.00	-	-	3,071.00	3,375.85	-	2,609.25	8,351.25	59,68,495.00
Issue of Equity Shares	30,000.00	-	-	-	-	-	-	-	30,000.00	-

Note - The transactions above do not include service tax, VAT, etc.

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Topnovies Entertainment Limited
Notes to financial statements for the year ended March 31, 2017

Note 27A: Transactions during the year with related parties (cont'd)

(INR '000)

Particulars	Holding Company HT Media Limited		Fellow subsidiaries						Total		
	HT Media Limited		Hindustan Media Ventures Limited		Firefly e-Ventures Limited		HT Mobile Solutions Limited		HT Digital Streams Limited		
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	April 1, 2015
Balance outstanding:											
Trade Payables	5,927.00	1,549.00	-	-	832.10	-	-	-	-	-	-
Trade Receivables	2,661.00	542.00	-	-	-	-	-	2,723.88	-	-	28.00
Equity Share Capital	68,000.00	38,000.00	-	-	-	-	-	17,780.62	-	-	2,302.00
Preference Share Capital	470.00	470.00	-	-	-	-	-	-	-	-	38,000.00
									470.00	470.00	470.00

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Topmovies Entertainment Limited
Notes to financial statements for the year ended March 31, 2017

Note 28 : Segment information

The Company's operations comprise of only one segment i.e. "Rendering of digital Service". The management also reviews and measures the operating results taking the whole business as one segment and accordingly make decision about the resources allocation. In view of the same, separate segment information is not required to be given as per the requirement of Ind-AS 108 on "Operating Segments".

The analysis of geographical segment is based on the geographical location of the customers. The Company renders its services primarily within India with insignificant export income and does not have any operations in economic environments with different risks and returns and hence, it has been considered as to be operating in a single geographical segment.

Note 29A : Fair values

The management assessed that cash and cash equivalents, trade receivables, trade payables, other financial liabilities and current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Note 29B : Capital management

For the purpose of the companies capital management, capital includes issued equity capital, share premium and all other equity reserves. The primary objective of the companies capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio ,which is net debt divided by total capital plus net debt. The company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Particulars	(INR '000)		
	March 31, 2017	March 31, 2016	April 1, 2015
Trade payables (Note 13)	18,891.28	8,021.61	3,145.63
Other financial liabilities (Note 14)	-	-	222.50
Less: cash and cash equivalents (Note 7)	-	-	(20,000.00)
Net debt	18,891.28	8,021.61	(16,631.87)
Equity & Other Equity	29,328.38	11,054.57	47,920.88
Total capital	29,328.38	11,054.57	47,920.88
Capital and net debt	48,219.66	19,076.18	31,289.01
Gearing ratio	39%	42.05%	-53.16%

In order to achieve this overall objective, the companies capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016.

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Topmovies Entertainment Limited
Notes to financial statements for the year ended March 31, 2017

Note 30: Going Concern

The Company is having accumulated losses of INR 85,671.62 thousands as of March 31, 2017 (March 31, 2016: INR 74,291.29 thousands; April 1, 2015: INR 38,120.18 thousands). During the current year, the Company has incurred losses of INR 11,638.25 thousands (March 31, 2016: INR 36,298.50 thousands) and a cash operating loss of INR 8,515.91 thousands (March 31, 2016: INR 31,130.58 thousands). These matters raise doubts regarding the Company's ability to continue as a going concern, which is dependent on continuing financial support from its parent company.

The Parent Company has committed to provide continuous financial and operational support to the Company for its continued operations in the foreseeable future. Also, as per business plan, the Company expects an increase in sales and cash flows in subsequent years.

Based on the above factors, management is of the view that the financial statements should continue to be prepared on going concern basis, and accordingly no adjustments have been made to the carrying values or classification of assets and liabilities in the financial statements.

Note 31: Specified Bank Notes (SBNs)

Ministry Of Corporate Affairs issued an amendment to Schedule III of the Companies Act, 2013, regarding general instructions for preparation of Balance Sheet, to disclose the details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016.

The aforesaid disclosure is as follows:

(INR '000)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand - November 8, 2016	-	-	-
+ Permitted receipts	-	-	-
- Permitted payments	-	-	-
- Amount deposited into banks	-	-	-
Closing cash in hand - December 30, 2016	-	-	-

Explanation: For the purposes of this clause, the term 'Specified Bank Notes'(SBN) shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November, 2016.

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Note 32: First-time adoption of Ind-AS

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

Accordingly, the company has prepared financial statements which comply with Ind-AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the company's opening balance sheet was prepared as at April 1, 2015, the company's date of transition to Ind-AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

2 Exemptions and exceptions availed

Set out below are the applicable Ind-AS 101 optional exemptions and mandatory exceptions applied in the transition from Indian GAAP to Ind-AS.

A Ind AS optional exemptions

I Deemed Cost

- The company has elected to regard the carrying value of PPE and intangible assets as per Indian GAAP as its deemed cost at the date of the transition to Ind-AS. This exemption is also used for intangible assets covered by Ind-AS 38.

II Leases

The company has been applied the transitional provision in Appendix C of Ind-AS 17 Determining whether an arrangement contains a Lease and has assessed all arrangements based upon the conditions in place as at the date of transition .

III Fair value measurement of financial assets and liabilities

Under Indian GAAP, the financial assets and liabilities were being carried at the transaction value.

First-time adopters may apply Ind-AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind-AS. Therefore, unless a first-time adopter elects to apply Ind-AS 109 retrospectively to day one gain or loss transaction, transactions that occurred prior to the date of transition to Ind-AS do not need to be retrospectively restated.

IV Share Based Payment Transactions

The Company has availed exemption under Ind-AS 101 in respect of Share-based payments that had been vested before the transition date. The Company has elected to avail this exemption and accordingly, vested options have been measured at intrinsic value .

B Ind AS mandatory exemptions

Estimates

- a) The company's estimates in accordance with Ind-AS at the date of transition to Ind-AS are consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies) apart from the following items where application of Indian GAAP did not require estimation :

- Impairment of financial assets based on expected credit loss model

The estimates used by the company to present these amounts in accordance with Ind-AS reflect conditions as at the transition date and as of March 31, 2016

- b) Ind AS-101 treats the information received after the date of transition to Ind-AS as non-adjusting events. The entity shall not reflect that new information in its opening Ind-AS Balance Sheet (unless the estimates need adjustment for any differences in accounting policies or there is objective evidence that the estimates were in error).

- c) The presentation requirements under Indian GAAP differs from Ind-AS, and hence, Indian GAAP information has been regrouped for ease of reconciliation with Ind-AS. The Regrouped Indian GAAP information is derived from the Financial Statements of the Company prepared in accordance with Indian GAAP

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Topmovies Entertainment Limited
Notes to financial statements for the year ended March 31, 2017

Note 32A: Reconciliation of equity as at April 1, 2015 (date of transition to Ind-AS)

(INR '000)

Particulars	Footnotes	Regrouped Previous GAAP	Ind-AS Adjustments	Ind-AS
Assets				
Non-current assets				
Property, plant and equipment		265.52	-	265.52
Intangible assets		8,259.00	-	8,259.00
Income Tax assets		220.79	-	220.79
Current assets				
Financial assets				
Trade receivables		4,281.19	-	4,281.19
Cash and cash equivalents		37,605.15	(20,000)	17,605.15
Other financial assets		1,147.56	-	1,147.56
Other current assets		247.58	-	247.58
Total assets		52,026.79	(20,000)	32,026.79
Equity and liabilities				
Equity				
Equity share capital		38,000.00	-	38,000.00
Instruments entirely equity in nature		470.00	-	470.00
Other equity	2	9,450.88	-	9,450.88
Total equity		47,920.88	-	47,920.88
Liabilities				
Non-current liabilities				
Provisions		275.02	-	275.02
Current liabilities				
Financial liabilities				
Trade payables		3,145.63	-	3,145.63
Other financial liabilities		222.50	-	222.50
Other current liabilities		330.00	-	330.00
Provisions		132.76	-	132.76
Total liabilities		4,105.91	-	4,105.91
Total equity and liabilities		52,026.79	-	52,026.79

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Reconciliation of equity as at March 31, 2016

(INR '000)

Particulars	Footnotes	Regrouped Previous GAAP	Ind-AS Adjustments	Ind-AS
Assets				
Non-current assets				
Property, plant and equipment		408.07	-	408.07
Intangible assets		3,238.55	-	3,238.55
Income tax assets		587.84	-	587.84
Current assets				
Financial assets				
Trade receivables		1,618.93	-	1,618.93
Cash and cash equivalents		10,104.15	-	10,104.15
Other financial assets		2,969.50	-	2,969.50
Other current assets		1,417.50	-	1,417.50
Total assets		20,344.54	-	20,344.54
Equity and liabilities				
Equity				
Equity share capital		38,000.00	-	38,000.00
Instruments entirely equity in nature		470.00	-	470.00
Other equity	2	(27,415.43)	-	(27,415.43)
Total equity		11,054.57	-	11,054.57
Liabilities				
Non-current liabilities				
Provisions		448.09	-	448.09
Current liabilities				
Financial liabilities				
Trade payables		8,021.61	-	8,021.61
Other current liabilities		605.37	-	605.37
Provisions		214.90	-	214.90
Total liabilities		9,289.97	-	9,289.97
Total equity and liabilities		20,344.54	-	20,344.54

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32B. Reconciliation of Total Comprehensive Income for the year ended March 31, 2016

(INR '000)

Particulars	Footnotes	Indian GAAP	Ind-AS Adjustment	Ind-AS
Income				
Revenue from operations		10,170.69	-	10,170.69
Other Income		1,971.99	-	1,971.99
Total Income		12,142.68	-	12,142.68
Expenses				
Employee benefits expense	1,2	21,998.43	(567.55)	21,430.88
Finance costs		9.50	-	9.50
Depreciation and amortization expense		5,167.92	-	5,167.92
Other expenses		21,833.15	-	21,832.88
Total expenses		49,008.99	(567.55)	48,441.18
Profit/(loss) before tax		(36,866.31)	567.81	(36,298.50)
Earnings before interest, tax, depreciation and amortization (EBITDA)		(31,688.89)	(567.81)	(31,121.08)
Tax expense:				
(1) Current tax		-	-	-
(2) Deferred tax		-	-	-
Total Tax expense		-	-	-
Profit/ (loss) for the year after tax		(36,866.31)	567.81	(36,298.50)
Other Comprehensive Income				
<u>Items that will not to be reclassified to profit and loss</u>				
Remeasurement gain/ (loss) on defined benefit plans	1,3	-	127.39	127.39
Income tax effect		-	-	-
Other comprehensive income for the year, net of tax		-	127.39	127.39
Total Comprehensive Income for the year, net of tax		(36,866.31)	(695.20)	(36,171.11)

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Topmovies Entertainment Limited
Notes to financial statements for the year ended March 31, 2017

Footnotes to the reconciliation of equity as at April 1, 2015 and March 31, 2016 and profit and loss for the year ended March 31, 2016

1. Remeasurements of post-employment benefit obligations

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit and loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the remeasurement gains/ losses on defined benefit plans amounting to Rs 127.39 thousands has been recognized in the OCI.

2. Share based payments

Under Indian GAAP, the Group recognised only the intrinsic value for the employee stock based compensation plans as an expense. The Group is allowed to apply Ind AS 102 Share-based payment to equity instruments that remain unvested as of transition date. The Company has elected to avail this exemption and apply the requirements of Ind AS 102 to all employee stock options remaining unvested as of the transition date. Accordingly, the unvested options as on the date of transition have been measured at fair value as against intrinsic value previously under Indian GAAP. Accordingly share based payment expense of INR 695.20 thousands has been credited to Statement of Profit and Loss for the year ended March 31, 2016.

3. Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit and loss to profit and loss as per Ind AS. Further, Indian GAAP profit and loss is reconciled to total comprehensive income as per Ind AS.

4. Statement of cash flows

The transition from Indian GAAP to Ind-AS has not had a material impact on the statement of cash flows.

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Topmovies Entertainment Limited
Notes to financial statements for the year ended March 31, 2017

Note 33 : Based on the information available with the Company, there are no dues to Micro and Small Enterprises as defined under the MSMED Act, 2006.

Note 34 : Standards issued but not yet effective

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

Amendment to Ind AS 7:

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

Amendment to Ind AS 102 :

The amendment to Ind AS 102 provides specific guidance to measurement of cash settled awards, modification of cash settled awards and awards that include a net settlement feature in respect of withholding taxes.

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

As per our report of even date

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005



per Vishal Sharma
Partner
Membership No. 096766



Place: New Delhi
Date: May 16, 2017

For and on behalf of the Board of Directors of Topmovies Entertainment Limited



Poojai Mittal
Director
(DIN: 00105769)

Shantanu Bhanja
Director
(DIN: 07682150)

