

**OPEN MEDIA NETWORK PRIVATE LIMITED**  
CIN - U22100WB2008PTC124295  
Balance Sheet as at 31st March, 2018

Particulars	Notes	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, plant and equipment	3	2,580,104	4,426,120	6,611,815
(b) Intangible assets	4	3,868,738	5,300,746	410,827
(c) Financial assets				
(i) Other financial assets	5	4,960,187	4,481,310	4,049,694
(d) Other non-current assets	6	523,068	931,484	7,625,950
<b>Total non-current assets</b>		<b>11,932,097</b>	<b>15,139,660</b>	<b>18,698,286</b>
<b>(2) Current assets</b>				
(a) Inventories	7	3,006,743	4,408,775	3,072,611
(b) Financial assets				
(i) Trade receivables	8.1	16,975,916	15,878,342	12,991,954
(ii) Cash and cash equivalents	8.2	10,675,816	7,989,217	9,225,365
(c) Current tax assets (net)	9	8,362,381	5,076,658	1,718,311
(d) Other current assets	10	5,257,723	3,155,825	3,621,654
<b>Total current assets</b>		<b>44,278,579</b>	<b>36,508,817</b>	<b>30,629,895</b>
<b>Total assets</b>		<b>56,210,675</b>	<b>51,648,476</b>	<b>49,328,181</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	11.1	10,756,000	10,756,000	10,756,000
(b) Other equity	11.2	(505,365,978)	(342,150,108)	(198,863,097)
<b>Total equity</b>		<b>(494,609,978)</b>	<b>(331,394,108)</b>	<b>(188,107,097)</b>
<b>Liabilities</b>				
<b>(1) Non-current liabilities</b>				
(a) Employee benefit obligations	12	3,632,780	3,026,130	3,174,666
<b>Total non-current liabilities</b>		<b>3,632,780</b>	<b>3,026,130</b>	<b>3,174,666</b>
<b>(2) Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	13.1	494,869,856	340,971,257	202,753,381
(ii) Trade payables	13.2	9,158,267	11,918,319	9,081,847
(iii) Other financial liabilities	13.3	7,388,110	5,086,375	3,663,830
(b) Other current liabilities	14	32,230,944	20,065,012	17,595,841
(c) Provisions	15	2,894,415	1,528,141	1,165,713
(d) Employee benefit obligations	16	646,280	447,350	-
<b>Total current liabilities</b>		<b>547,187,872</b>	<b>380,016,454</b>	<b>234,260,612</b>
<b>Total equity and liabilities</b>		<b>56,210,675</b>	<b>51,648,476</b>	<b>49,328,181</b>

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached  
For and on behalf of  
Vidya & Co.  
Chartered Accountants  
Firm Registration No.308022E

On behalf of the Board

Jitendra Nagar  
Partner  
Membership No. 55659.



Place : Kolkata  
Date : 3rd May, 2018

G.B.Aayeer  
Director  
DIN-00087760

S.Chakrabarti  
Director  
DIN- 00175185

**OPEN MEDIA NETWORK PRIVATE LIMITED**  
CIN - U22100WB2008PTC124295  
**Statement of Profit and Loss for the year ended 31st March, 2018**

Particulars	Notes	Year ended 31st March, 2018 Rs. In Lakhs	Year ended 31st March, 2017 Rs. In Lakhs
I Revenue from operations	17	68,251,549	73,805,716
II Other income	18	942,843	1,318,873
III <b>Total income</b>		<b>69,194,392</b>	<b>75,124,589</b>
IV <b>Expenses</b>			
Cost of materials consumed	19	9,290,139	10,455,236
Employee benefits expense	20	105,989,346	97,052,893
Finance costs	21	41,738,111	27,499,477
Depreciation and amortisation expense	22	3,607,524	3,613,929
Other expenses	23	72,019,622	80,129,575
<b>Total expenses (IV)</b>		<b>232,644,742</b>	<b>218,751,110</b>
V <b>Profit before tax</b>		<b>(163,450,350)</b>	<b>(143,626,521)</b>
VI Income tax expense			
- Current tax		(81,149)	(117,498)
- Deferred tax [charge/(credit)]		-	-
<b>Total tax expense</b>		<b>(81,149)</b>	<b>(117,498)</b>
VII <b>Profit for the year</b>		<b>(163,369,201)</b>	<b>(143,509,023)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss :			
Remeasurements of post-employment benefit obligations		234,480	339,510
Income tax relating to these items		(81,149)	(117,498)
VIII <b>Other comprehensive income for the year, net of tax</b>		<b>153,331</b>	<b>222,012</b>
IX <b>Total comprehensive income for the period</b>		<b>(163,215,870)</b>	<b>(143,287,011)</b>
X <b>Earnings per equity share: [Nominal value per share Rs.10 (Previous Year- Rs. 10)]</b>			
Basic (Rs.)		(151.89)	(133.42)
Diluted (Rs.)		(151.89)	(133.42)

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached  
For and on behalf of  
Vidya & Co.  
Chartered Accountants  
Firm Registration No.308022E

On behalf of the Board

*Jitendra Nagar*  
Jitendra Nagar  
Partner  
Membership No. 55659.



Place : Kolkata  
Date : 3rd May, 2018

*G.B. Aayeer*  
G.B. Aayeer  
Director  
DIN-00087760

*S. Chakrabarti*  
S. Chakrabarti  
Director  
DIN- 00175185



Statement of changes in equity

A. Equity share capital

Description	Number	Amount Rs.
As at 1st April, 2016	1,075,600	10,756,000
Changes in equity share capital	-	-
<b>As at 31st March, 2017</b>	<b>1,075,600</b>	<b>10,756,000</b>
Changes in equity share capital	-	-
<b>As at 31st March, 2018</b>	<b>1,075,600</b>	<b>10,756,000</b>

B. Other equity

Description	Retained Earnings Rs.	Total Other Equity Rs.
<b>Balance at 01 April 2016</b>	(198,863,097)	(198,863,097)
Profit/(Loss) for the year	(143,509,023)	(143,509,023)
Other comprehensive income (net of tax)	222,012	222,012
<b>Total comprehensive income for the year</b>	<b>(143,287,011)</b>	<b>(143,287,011)</b>
Others	-	-
<b>Balance at 31 March 2017</b>	<b>(342,150,108)</b>	<b>(342,150,108)</b>

Description	Retained Earnings Rs.	Total Other Equity Rs.
<b>Balance at 01 April 2017</b>	(342,150,108)	(342,150,108)
Profit/(Loss) for the year	(163,369,201)	(163,369,201)
Other comprehensive income (net of tax)	153,331	153,331
<b>Total comprehensive income for the year</b>	<b>(163,215,870)</b>	<b>(163,215,870)</b>
Others	-	-
<b>Balance as at 31 March, 2018</b>	<b>(505,365,978)</b>	<b>(505,365,978)</b>

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached  
For and on behalf of  
Vidya & Co.  
Chartered Accountants  
Firm Registration No.308022E

On behalf of the Board

Jitendra Nagar  
Partner  
Membership No. 55659.



G. B. Aayeer  
Director  
DIN-00087760

S.Chakrabarti  
Director  
DIN- 00175185

Place : Kolkata  
Date : 3rd May, 2018



Notes forming part of the Financial Statements

1 Significant Accounting Policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements and in preparing the opening Ind AS Balance Sheet as at April 1, 2016 for the purpose of transition to Ind AS, unless otherwise indicated.

(a) Basis of the Preparation of the Financial Statements

(I) Compliance with Ind AS

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

The financial statements up to year ended 31st March, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP).

The transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards", with April 1, 2016 being the transition date.

In accordance with Ind AS 101 "First time adoption of Indian Accounting Standard", the Company has presented a reconciliation from the presentation of financial statements under accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of total equity as at 1st April, 2016 and 31st March, 2017, total comprehensive income and cash flow for the year ended 31st March, 2017.

(II) Historical Cost Convention

The standalone financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value.
- Defined benefit plans - plan assets measured at fair value; and

(III) Current Versus Non-current Classification

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013 and Ind AS 1 - Presentation of financial statement based on the nature of products / service and the time between the acquisition of assets for processing / providing the services and their realisation in cash and cash equivalents. The Company has ascertained its operating cycle as 12 months for the purpose of current, non current classification of assets and liabilities.

(b) Revenue Recognition

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

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

**Advertising Revenues**

Advertising Revenue from Current Affairs & Features Magazine is recognised in the period in which the magazines are published and are accounted net of commission and discounts.

**Subscription Revenues**

Subscription Revenue recognition from subscription to the Company's print publications recognised as earned, prorata on a per issue basis over the subscription period.

**Circulation Revenues**

Circulation Revenue includes sales to retail outlets/newsstands, which are subject to returns. The Company records these retail sales upon delivery, net of estimated / actual returns. These estimated / actual returns are based on historical return rate and are revised as necessary based on actual returns realised.

**Interest Income**

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

(c) Property, Plant and Equipment - (PPE)

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation Method, Estimated Useful Lives And Residual Values

Depreciation is calculated on a pro-rata basis using the straight-line method to allocate their cost, net of their estimated residual values, over the estimated useful lives of the asset as prescribed under Schedule II to the Companies Act, 2013 which is in line with the technical evaluation carried out by the Company's expert.

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss within 'Other Income'/'Other Expenses'.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital Advances' under other non-

(d) Intangible Assets

Intangible assets (Computer Software) has a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

(i) Computer Software

Software for internal use, which is primarily acquired from third-party vendors is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of software includes license fees and cost of implementation/system integration services, where applicable.

Amortisation Method and Period

The Company amortises intangible assets with a finite useful lives using the straight-line method over the following periods:

Computer Software                      3-5 Years

Transition to Ind AS





**Notes forming part of the Financial Statements**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

**(e) Impairment of Non-financial Assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

**(f) Leases**

As a Lessee

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

**(g) Inventories**

Raw materials are stated at lower of cost and net realisable value. The cost is determined on weighted average basis.

**(h) Financial Assets**

(i) Classification

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

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

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

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

(ii) Measurement

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

(iii) Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note. 26 details how the Company determines whether there has been a significant increase in credit risk.

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

(iv) Derecognition of Financial Assets

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

(v) Fair Value of Financial Instruments

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

**(i) Offsetting Financial Instruments**

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

**(j) Trade Receivables**

Trade receivables are amounts due from customers for goods and services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**(k) Cash and Cash Equivalents**

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

**(l) Trade and Other Payables**

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





Notes forming part of the Financial Statements

(m) Borrowings

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

(n) Borrowing Costs

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

Other borrowing costs are expensed in the period in which they are incurred.

(o) Foreign Currency Transactions and Translation

(i) Functional and Presentation Currency

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

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year - end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(p) Employee Benefits

(i) Short-term Employee Benefits

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as 'Employee Benefits Payable' within 'Other Current Liabilities' in the Balance Sheet.

(ii) Other Long-term Employee Benefits

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

(iii) Post-employment Benefits

Defined Benefit Plans

The liability or asset recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

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

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. These are included in 'Retained Earnings' in the Statement of Changes in Equity and in the balance sheet.

Defined Contribution Plans

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

(q) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax credits and to unused tax losses, as applicable.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, if any, only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax credits and losses.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(r) Provisions and Contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.





**Notes forming part of the Financial Statements**

**(s) Earnings per Share**

**(i) Basic Earnings per Share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

**(ii) Diluted Earnings per Share**

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

- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares, if any.

**2 Critical Estimates and Judgements**

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these standalone financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

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

**The areas involving critical estimates or judgements are:**

**· Employee Benefits (Estimation of Defined Benefit Obligations) - Notes 2(p) and 24**

Post-employment benefits represent obligations that will be settled in future and require assumptions to estimate benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of benefit costs over the employees' approximate service period, based on the terms of the plans and the investment and funding decisions made. The accounting requires the Company to make assumptions regarding variables such as discount rate and salary growth rate. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

**· Impairment of Trade Receivables — Notes 2(h)(iii) and 26**

Impairment of trade receivables is primarily estimated based on prior experience with and the past due status of receivables, based on factors that include ability to pay and payment history. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically.

**· Estimation of Expected Useful Lives of Property, Plant and Equipment - Notes 2(c) and 3**

Management reviews its estimate of useful lives of property, plant and equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment.



## 3 Property, plant and equipment

(All amounts in Rs ,unless otherwise stated)

Description	Gross Block				Accumulated Depreciation				Net Block	
	Cost/ Deemed cost as at 01 April 2017	Addition/ Adjustments	Deductions/ Adjustments	Cost/ Deemed cost as at 31 March 2018	Upto 1st April, 2017	For the Year	Deductions/ Adjustments	Upto 31st March 2018	As at 31st March 2018	As at 31st March 2017
Furniture and Fixtures	3,035,942	-	-	3,035,942	1,054,527	1,056,133	-	2,110,660	925,282	1,981,415
Office Equipment	1,651,159	5,500	-	1,656,659	460,103	378,031	-	838,134	818,525	1,191,056
Computers	1,956,817	324,000	138,840	2,141,977	703,168	741,352	138,840	1,305,680	836,297	1,253,649
<b>Total</b>	<b>6,643,918</b>	<b>329,500</b>	<b>138,840</b>	<b>6,834,578</b>	<b>2,217,798</b>	<b>2,175,516</b>	<b>138,840</b>	<b>4,254,474</b>	<b>2,580,104</b>	<b>4,426,120</b>

## 3.1 Property, plant and equipment

Description	Gross Block				Accumulated Depreciation			Net Block
	Cost/ Deemed cost as at 1st April, 2016	Addition/ Adjustments	Deductions/ Adjustments	Cost/ Deemed cost as at 31 March, 2017	For the Year	Deductions/ Adjustments	Upto 31st March, 2017	As at 31st March, 2017
Furniture and Fixtures	3,016,029	19,913	-	3,035,942	1,054,527	-	1,054,527	1,981,415
Office Equipment	1,638,969	12,190	-	1,651,159	460,103	-	460,103	1,191,056
Computers	1,956,817	-	-	1,956,817	703,168	-	703,168	1,253,649
<b>Total</b>	<b>6,611,815</b>	<b>32,103</b>	<b>-</b>	<b>6,643,918</b>	<b>2,217,798</b>	<b>-</b>	<b>2,217,798</b>	<b>4,426,120</b>

3.2 Aggregate amount of depreciation has been included under 'Depreciation and Amortisation Expense' in the Statement of Profit and Loss (Refer Note 22).

## 4 Intangible assets

(All amounts in Rs ,unless otherwise stated)

Description	Gross Block				Accumulated Amortisation				Net Block	
	Cost/ Deemed cost as at 1st April, 2017	Addition/ Adjustments	Deductions/ Adjustments	Cost/ Deemed cost as at 31 March 2018	upto 1st April, 2017	For the Year	Deductions /Adjustments	Upto 31st March 2018	As at 31st March 2018	As at 31st March, 2017
Computer Software	6,696,877	-	-	6,696,877	1,396,131	1,432,008	-	2,828,139	3,868,738	5,300,746
<b>Total</b>	<b>6,696,877</b>	<b>-</b>	<b>-</b>	<b>6,696,877</b>	<b>1,396,131</b>	<b>1,432,008</b>	<b>-</b>	<b>2,828,139</b>	<b>3,868,738</b>	<b>5,300,746</b>

## 4.1 Intangible assets

Description	Gross Block				Accumulated Amortisation			Net Block
	Cost/ Deemed cost as at 1st April, 2016	Addition/ Adjustments	Deductions/ Adjustments	Cost/ Deemed cost as at 31 March, 2017	For the Year	on Deductions /Adjustments	Upto 31st March, 2017	As at 31st March, 2017
Computer Software	410,827	6,286,050	-	6,696,877	1,396,131	-	1,396,131	5,300,746
<b>Total</b>	<b>410,827</b>	<b>6,286,050</b>	<b>-</b>	<b>6,696,877</b>	<b>1,396,131</b>	<b>-</b>	<b>1,396,131</b>	<b>5,300,746</b>

4.2 The amortization expense of intangible assets have been included under 'Depreciation and Amortization Expense' in the Statement of Profit and Loss. (Refer Note 22)





5 Other financial assets (non - current)

	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
Security Deposits-Premises Unsecured, considered Good	4,852,187	4,373,310	3,941,694
Security Deposits-Others Unsecured, considered Good	108,000	108,000	108,000
<b>Total other financial assets (non - current)</b>	<b>4,960,187</b>	<b>4,481,310</b>	<b>4,049,694</b>

6 Other Non - Current assets

	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
Capital Advances Unsecured, considered Good	-	-	6,286,050
Prepaid expenses Unsecured, considered Good	523,068	931,484	1,339,900
<b>Total other non - current assets</b>	<b>523,068</b>	<b>931,484</b>	<b>7,625,950</b>

7 Inventories [Refer Note:1(H)]

	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
Raw Materials : (Valued at Cost or Net Realisable Value) Papers	3,006,743	4,408,775	3,072,611
<b>Total inventories</b>	<b>3,006,743</b>	<b>4,408,775</b>	<b>3,072,611</b>

8 Financial assets (current)

8.1 Trade Receivables

	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
Trade Receivables Unsecured, considered Good	16,975,916	15,878,342	12,991,954
Unsecured, considered Doubtful	1,606,410	1,003,212	989,469
Less: Provision for Doubtful Debts	(1,606,410)	(1,003,212)	(989,469)
<b>Total trade receivables</b>	<b>16,975,916</b>	<b>15,878,342</b>	<b>12,991,954</b>

8.2 Cash and Cash Equivalents

	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
Cash in hand	61,498	20,511	112,916
Bank Balances Current Accounts	10,614,318	7,968,706	5,122,709
Demand Deposits with Banks	-	-	3,989,739
<b>Total cash and cash equivalents</b>	<b>10,675,816</b>	<b>7,989,217</b>	<b>9,225,365</b>

9 Current Tax Assets (net)

	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
Advance payment of Income Tax and Tax Deducted at Source	8,362,381	5,076,658	1,718,311
<b>Total Current Tax Assets (net)</b>	<b>8,362,381</b>	<b>5,076,658</b>	<b>1,718,311</b>

10 Other Current Assets  
(Unsecured, considered good unless otherwise stated)

	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
Advance given to Employees	352,659	341,698	360,967
Other Advances	1,908,869	137,515	405,152
Prepaid expenses	1,897,241	1,858,082	2,101,149
GST Credit Receivable	914,674	-	-
Gratuity	184,280	818,530	754,386
<b>Total other current assets</b>	<b>5,257,723</b>	<b>3,155,825</b>	<b>3,621,654</b>



**OPEN MEDIA NETWORK PRIVATE LIMITED**

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018

**11 Equity Share Capital And Other Equity**

**11.1 Equity Share Capital**

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number of Shares	Rs.	Number of Shares	Rs.	Number of Shares	Rs.
<b>Authorised</b>						
Ordinary Shares of Rs.10 each	75,000,000	750,000,000	75,000,000	750,000,000	75,000,000	750,000,000
<b>Issued</b>						
Ordinary Shares of Rs.10 each	1,075,600	10,756,000	1,075,600	10,756,000	1,075,600	10,756,000
<b>Subscribed and fully paid up</b>						
Ordinary Shares of Rs.10 each	1,075,600	10,756,000	1,075,600	10,756,000	1,075,600	10,756,000

Note :-There was a reduction of Share Capital to the extent of Rs 9.85/- per shares as per the H,ble High Court of Calcutta Order No.1098 date 03/03/2015 and subsequently consolidated @ Rs 10/- per Share vide same Order dated 03/03/2015.

There has been no change/movements in number of shares outstanding at the beginning and at the end of the reporting period.

Reconciliation of number of ordinary shares outstanding		As at 31st March, 2018		As at 31st March, 2017	
Particulars		Number of Shares	Rs.	Number of Shares	Rs.
As at the beginning of the year		1,075,600	10,756,000	1,075,600	10,756,000
As at the end of the year		1,075,600	10,756,000	1,075,600	10,756,000

**Rights, preferences and restrictions attached to shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation of the Company, the holder of equity shares are eligible to receive remaining assets of the Company in proportion to their shareholding.

**Shares held by holding company**

Name of the Shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number of shares held	Rs.	Number of shares held	Rs.	Number of shares held	Rs.
Saregama India Ltd	1,075,600	10,756,000	1,075,600	10,756,000	1,075,600	10,756,000

**Details of Shares held by Shareholders holding more than 5 % of the aggregate shares in the Company**

Name of the Shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number of shares held	Holding percentage	Number of shares held	Holding percentage	Number of shares held	Holding percentage
Saregama India Ltd	1,075,600	100%	1,075,600	100%	1,075,600	100%





**OPEN MEDIA NETWORK PRIVATE LIMITED**

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018

**11.2 Other Equity**

Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
Retained earnings	(505,365,978)	(342,150,108)
<b>Total Other Equity</b>	<b>(505,365,978)</b>	<b>(342,150,108)</b>

**Retained Earnings :** This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilised in accordance with the provisions of the Companies Act.

Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
Balance at the beginning of the year	(342,150,108)	(198,863,097)
Net profit /( Loss) for the year	(163,369,201)	(143,509,023)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	153,331	222,012
- Others	-	-
<b>Balance at the end of the year</b>	<b>(505,365,978)</b>	<b>(342,150,108)</b>



**OPEN MEDIA NETWORK PRIVATE LIMITED**  
Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018

**12 Employee Benefit Obligations (Non Current)**

Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
Leave encashment obligations	3,632,780	3,026,130	3,174,666
<b>Total Long term employee benefit obligation</b>	<b>3,632,780</b>	<b>3,026,130</b>	<b>3,174,666</b>

**13 Financial liabilities (Current)**

**13.1 Borrowings**

Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
Loan from Holding Company Unsecured, repayable on demand	494,869,856	340,971,257	202,753,381
<b>Total Borrowings</b>	<b>494,869,856</b>	<b>340,971,257</b>	<b>202,753,381</b>

**13.2 Trade Payables**

Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
Trade Payables	-	-	-
a) Total outstanding dues of micro enterprises and small enterprises	9,158,267	11,918,319	9,081,847
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
<b>Total Trade Payables</b>	<b>9,158,267</b>	<b>11,918,319</b>	<b>9,081,847</b>

There were no dues payable to Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act' 2006 as on 31.03.2018. This has been determined on the basis of information available with the Company.

**13.3 Other financial liabilities**

Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
Security Deposit from Dealers and Others	197,500	281,600	263,500
Liabilities for Expenses	6,331,530	4,344,673	2,982,406
Employee Benefits Payable	859,080	460,102	417,924
<b>Total Other Financial Liabilities</b>	<b>7,388,110</b>	<b>5,086,375</b>	<b>3,663,830</b>

**14 Other Current Liabilities**

Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
Income Received In Advance	1,640,014	1,870,223	2,133,015
Advance from Customers	23,709,268	13,642,128	13,206,425
Amount Payable to Government Authorities	6,881,661	4,552,661	2,256,401
<b>Total Other Current Liabilities</b>	<b>32,230,944</b>	<b>20,065,012</b>	<b>17,595,841</b>

**15 Short term employee benefit obligation**

Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
Leave encashment obligations	646,280	447,350	-
<b>Total Short Term Employee Benefit Obligations</b>	<b>646,280</b>	<b>447,350</b>	<b>-</b>

**16 Short Term Provisions**

Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
Other Provisions	2,894,415	1,528,141	1,165,713
Provision for Returns of Magazines	-	-	-
<b>Total Short Term Provisions</b>	<b>2,894,415</b>	<b>1,528,141</b>	<b>1,165,713</b>





## 17 Revenue From Operations

Particulars	Year ended 31st March, 2018 Rs.	Year ended 31st March, 2017 Rs.
<b>Sale of Services</b>		
- Advertising	51,114,550	62,359,723
- News Stand	6,089,113	4,487,693
- Subscription	1,856,941	2,039,468
- Institutional	4,450,946	4,918,832
- Commission	1,150,000	-
- Sponsorship Services	3,590,000	-
<b>Total Revenue from Operations</b>	<b>68,251,549</b>	<b>73,805,716</b>

## 18 Other Income

Particulars	Year ended 31st March, 2018 Rs.	Year ended 31st March, 2017 Rs.
<b>Interest Income (Gross)</b>		
- on Bank Deposits	-	46,301
- on Income Tax Refund	46,427	
- on unwinding of discount on financial assets	478,877	431,616
Profit on Sale of Property, Plant and Equipment	10,000	15,000
Provision for Doubtful Debts/ Advances no longer required written back	-	250,016
Net Gain on foreign currency transactions/ translation	-	-
Other Non-Operating Income	407,538	575,940
<b>Total Other Income</b>	<b>942,843</b>	<b>1,318,873</b>

## 19 Cost of Raw Material Consumed

Particulars	Year ended 31st March, 2018 Rs.	Year ended 31st March, 2017 Rs.
<b>Paper Consumption</b>		
Inventory at the beginning of the Year	4,408,775	3,072,611
Add: Purchases during the year	7,888,107	11,791,401
Less: Inventory at the end of the Year	3,006,743	4,408,775
<b>Total cost of material consumed</b>	<b>9,290,139</b>	<b>10,455,236</b>

## 20 Employee Benefits Expense

Particulars	Year ended 31st March, 2018 Rs.	Year ended 31st March, 2017 Rs.
Salaries and Wages	102,019,111	93,184,466
Contributions to:		
Provident Fund	2,959,478	2,731,296
Gratuity Fund	868,730	775,366
Staff Welfare Expenses	142,027	361,765
<b>Total Employee Benefits Expenses</b>	<b>105,989,346</b>	<b>97,052,893</b>



**OPEN MEDIA NETWORK PRIVATE LIMITED**  
Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018

**21 Finance Cost**

Particulars	Year ended 31st March, 2018 Rs.	Year ended 31st March, 2017 Rs.
Interest Expenses	41,738,111	27,499,477
<b>Total Finance Cost</b>	<b>41,738,111</b>	<b>27,499,477</b>

**22 Depreciation and Amortisation Expense**

Particulars	Year ended 31st March, 2018 Rs.	Year ended 31st March, 2017 Rs.
Depreciation on Tangible Asset	2,175,516	2,217,798
Amortisation on Intangible Asset	1,432,008	1,396,131
<b>Total Depreciation and Amortisation Expense</b>	<b>3,607,524</b>	<b>3,613,929</b>

**23 Other Expenses**

Particulars	Year ended 31st March, 2018 Rs.	Year ended 31st March, 2017 Rs.
Publishing Expenses	6,679,686	7,153,735
Rent	7,333,204	7,739,672
Power and Fuel	2,774,187	2,679,745
Editorial Expenses	11,814,190	12,195,923
Advertisement, Publicity & Promotion	8,425,736	16,124,858
Sales Expenses	1,405,213	2,516,990
Repairs and Maintenance	-	-
- Computers	1,322,359	1,565,306
- Website	1,508,990	1,671,387
- Others	422,355	336,231
Travel and Conveyance	4,970,623	6,443,759
Carriage, Freight and forwarding Charges	9,357,132	9,532,607
Subscription and Donations	300,660	227,380
Auditor's Remuneration	375,000	345,000
Legal Expenses	1,730,776	1,197,256
Consultancy Expenses	789,054	755,696
Printing and Stationery Expenses	112,233	144,788
Communication Expenses	2,152,188	2,167,218
Insurance Expenses	1,156,451	1,089,994
Office Expenses	851,136	1,092,082
GST Expenses	1,297,253	-
Housekeeping Expenses	2,460,657	2,046,530
Security Charges	1,230,608	1,116,947
Rates and Taxes	76,810	103,663
Exchange Fluctuation - Net	28,297	4,603
Bank Charges	59,424	77,630
Provision for Magazine Returns	2,617,881	1,186,801
Bad Debts Written Off	164,321	350,016
Provision for Doubtful Debts	603,198	263,759
<b>Total Other Expenses</b>	<b>72,019,622</b>	<b>80,129,575</b>





## (I) Post-employment Defined Benefit Plans:

## (A) Gratuity (Funded)

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Plan is funded with Aviva Life Insurance Company India Ltd, who make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Each year an Asset-Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 1(r)(iii) above, based upon which, the Company makes contributions to the Employees' Gratuity Funds.

The following table sets forth the particulars in respect of the Gratuity Plan (Funded) of the Company:

	(All amounts in Rs ,unless otherwise stated)	
	2017-18	2016-17
<b>(a) Reconciliation of Opening and Closing Balances of the Present Value of the Defined Benefit Obligation:</b>		
Present Value of Obligation at the beginning of the year	3,291,216	2,550,990
Current Service Cost	928,490	858,206
Interest Cost	240,000	196,210
<b>Remeasurements Losses</b>		
Actuarial (Gain)/ Loss arising from Changes in Financial Assumptions	(155,970)	230,660
Actuarial (Gain)/ Loss arising from Changes in Experience Adjustments	(144,500)	(410,510)
Benefits Paid	-	(134,340)
<b>Present Value of Obligation at the end of the year</b>	<b>4,159,236</b>	<b>3,291,216</b>
<b>(b) Reconciliation of the Opening and Closing Balances of the Fair Value of Plan Assets:</b>		
Fair Value of Plan Assets at the beginning of the year	4,109,746	3,305,320
Interest Income	299,760	279,050
<b>Remeasurements Gains</b>		
Return on Plan Assets (excluding amount included in Net Interest Cost)	(65,990)	156,160
Contributions by Employer	-	500,000
Benefits Paid	-	(130,784)
<b>Fair Value of Plan Assets at the end of the year</b>	<b>4,343,516</b>	<b>4,109,746</b>
<b>(c) Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets:</b>		
Present Value of Obligation at the end of the year	4,159,236	3,291,216
Fair Value of Plan Assets at the end of the year	4,343,516	4,109,746
<b>Liabilities Recognised in the Balance Sheet</b>	<b>(184,280)</b>	<b>(818,530)</b>
	<b>233,770</b>	<b>435,210</b>
<b>(d) Actual Return on Plan Assets</b>		
<b>(e) Re-measurements Losses/(Gains) Recognised in the Other Comprehensive Income</b>		
Return on Plan Assets (excluding amount included in Net Interest Cost)	65,990	(156,160)
Effect of Changes in Financial Assumptions	(155,970)	230,660
Effect of Changes in Experience Adjustments	(144,500)	(410,510)
<b>Total re-measurement included in Other Comprehensive Income</b>	<b>(234,480)</b>	<b>(339,510)</b>
<b>(f) Expense Recognised in Profit or Loss:</b>		
Current Service Cost	928,490	858,206
Net Interest Cost	(59,760)	(82,840)
<b>Total Expense recognised in Statement of Profit and Loss (Refer Note 20)</b>	<b>868,730</b>	<b>775,366</b>
<b>(g) Category of Plan Assets:</b>	In %	In %
(a) Fund with Aviva Life Insurance Company India Ltd	100%	100%



**OPEN MEDIA NETWORK PRIVATE LIMITED****Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018****(h) Maturity Profile of Defined Benefit Obligation:**

Within 1 year	23,860	20,480
1-2 year	34,370	24,120
2-5 years	6,383,180	233,390
Over 5 years	46,639,230	2,654,880

**(i) Principal Actuarial Assumptions:**

	<b>31st March, 2018</b>	<b>31st March, 2017</b>	<b>1st April, 2016</b>
Discount Rate	7.60%	7.30%	7.90%
Salary Growth Rate	7.00%	7.00%	7.00%

Assumptions regarding future mortality experience are based on mortality tables of 'Indian Assured Lives Mortality (2006-2008)' published by the Institute of Actuaries of India.

The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

**(j) Sensitivity Analysis**

	<b>Change in Assumption</b>	<b>Impact on defined benefit obligation (2017-18)</b>	<b>Impact on defined benefit obligation (2016-17)</b>
Discount Rate	Increase by 1%	Decrease by Rs. 4,35,830	Decrease by Rs. 3,72,590
	Decrease by 1%	Increase by Rs. 5,09,590	Increase by Rs. 4,38,460
Salary Growth Rate	Increase by 1%	Increase by Rs. 5,07,620	Increase by Rs. 4,35,440
	Decrease by 1%	Decrease by Rs. 4,41,970	Decrease by Rs. 376,840

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(k) The Company expects to contribute Rs. NIL (Previous Year - Rs. 9,28,480) to the funded gratuity plans during the next financial year.

(l) The weighted average duration of the defined benefit obligation as at 31st March, 2018 is 12 years (31st March, 2017 – 12 years).

**(II) Post-employment Defined Contribution Plans****(A) Provident Fund**

Certain categories of employees of the Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer make monthly contributions to a government administered fund at specified percentage of the covered employee's qualifying salary. The Company has no further obligations under the plan beyond its monthly contributions.

During the year, an amount of Rs. 29,59,478/- (Previous Year- Rs.27,31,296) has been recognised as expenditure towards above defined contribution plans of the Company.





**OPEN MEDIA NETWORK PRIVATE LIMITED****Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018****(III) Leave Obligations**

The Company provides for accumulation of leave by certain categories of its employees. These employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash (only in case of earned leave) in lieu thereof as per the Company's policy. The Company records a provision for leave obligations in the period in which the employee renders the services that increases this entitlement.

The total provision recorded by the Company towards this obligation was Rs. 42,79,060, Rs 34,73,480 and Rs. 31,74,666 as at 31st March, 2018, 31st March, 2017 and 1st April, 2016 respectively. The amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	31st March, 2018	31st March, 2017	1st April, 2016
Leave provision not expected to be settled within the next 12 months	3,632,780	3,026,130	3,174,666

**(IV) Risk Exposure**

Through its defined benefit plans, the Company is exposed to some risks, the most significant of which are detailed below:

Discount Rate Risk

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of the liability.

Salary growth risks

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Demographic Risk

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.



## 25 Capital Management

### (a) Risk Management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of net debt to equity ratio and maturity profile of overall debt portfolio of the Company.

Net debt implies total borrowings of the Company as reduced by Cash and Cash Equivalent and Equity comprises all components attributable to the owners of the Company

The following table summarises the capital of the Company:

	(All amounts in Rs ,unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Total Borrowings	494,869,856	340,971,257	202,753,381
Less: Cash and Cash Equivalents	(10,675,816)	(7,989,217)	(9,225,365)
<b>Net Debt</b>	<b>484,194,040</b>	<b>332,982,040</b>	<b>193,528,016</b>
Equity	(494,609,978)	(331,394,108)	(188,107,097)
<b>Total Capital (Equity+ Net Debt)</b>	<b>(10,415,938)</b>	<b>1,587,931</b>	<b>5,420,919</b>
<b>Net Debt to Equity Ratio</b>	<b>-97.89%</b>	<b>-100.48%</b>	<b>-102.88%</b>

No changes were made to the objectives, policies or processes for managing capital during the years ended 31st March, 2018 and 31st March, 2017.





26 Fair Value Measurements

(i) Financial Instruments by Category

(All amounts in Rs ,unless otherwise stated)

	Particulars	Note No	As at 31st March, 2018 Carrying Amount / Fair Value	As at 31st March, 2017 Carrying Amount / Fair Value	As at 1st April, 2016 Carrying Amount / Fair Value
<b>A.</b>	<b>Financial Assets</b>				
<b>(a)</b>	<b>Measured at Amortised Cost</b>				
	Trade receivables	8.1	16,975,916	15,878,342	12,991,954
	Cash and cash equivalents	8.2	10,675,816	7,989,217	9,225,365
	<b>Sub total</b>		<b>27,651,732</b>	<b>23,867,559</b>	<b>22,217,319</b>
	<b>Total Financial Assets</b>		<b>27,651,732</b>	<b>23,867,559</b>	<b>22,217,319</b>
<b>B.</b>	<b>Financial Liabilities</b>				
	<b>Measured at Amortised Cost</b>				
	Borrowings	13.1	494,869,856	340,971,257	202,753,381
	Trade payables	13.2	9,158,267	11,918,319	9,081,847
	Other financial liabilities	13.3	7,388,110	5,086,375	3,663,830
	<b>Total Financial Liabilities</b>		<b>511,416,233</b>	<b>357,975,951</b>	<b>215,499,058</b>

(ii) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows below.

**Level 1:** Quoted prices (unadjusted) in active market for identical assets or liabilities.

**Level 2:** Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.





**OPEN MEDIA NETWORK PRIVATE LIMITED**

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018

(All amounts in Rs ,unless otherwise stated)

**27 Financial Risk Management**

The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities.

Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

This Note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

**(A) Credit Risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk from its operating activities (primarily Trade Receivables) and from its investing activities (primarily Deposits with Banks).

**Trade Receivables**

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed subject to the Company's policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company's customer base is large and diverse limiting the risk arising out of credit concentration. Further, credit is extended in business interest in accordance with business-specific credit policies. The Company's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at Rs. 1,69,75,916 (2017 – Rs.1,58,78,342).

All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience with customers.

The movement of the expected loss provision (allowance for bad and doubtful receivables) made by the Company are as under:

**Particulars**

	Expected Loss Provision	
	As at March 31, 2018	As at March 31, 2017
Opening Balance	1,003,212	989,469
Add: Provision Made (net)	603,198	13,743
Less: Utilisation for impairment/de-recognition	-	-
<b>Closing Balance</b>	<b>1,606,410</b>	<b>1,003,212</b>

**Other Financial Assets**

Credit risk from balances with banks, term deposits and investments is managed by Company's finance department. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements. The Company monitors ratings, credit spreads and financial strength of its counterparties. As these counter parties are Government institutions, public sector undertakings with investment grade credit ratings and taking into account the experience of the Company over time, the counter party risk attached to such assets is considered to be insignificant.

The Company's maximum exposure to credit risk for the components of the Balance Sheet as of 31st March, 2018, 31st March, 2017, and 1st April, 2016 is the carrying amounts as disclosed in Note 5.

**(B) Liquidity Risk**

Liquidity risk refers to the risk that the Company fails to honour its financial obligations in accordance with terms of contract. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the company's liquidity position (including the undrawn credit facilities extended by banks and financial institutions) and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Company's non-derivative financial liabilities on an undiscounted basis (all payable within 12 months), which therefore does not differ from their carrying value as the impact of discounting is not significant.

**Non-derivative financial liabilities**

	As at March 31, 2018	As at March 31, 2017	As at 1st April, 2016
(i) Borrowings including interest obligation	494,869,856	340,971,257	202,753,381
(ii) Trade payables	9,158,267	11,918,319	9,081,847
(iii) Other financial liabilities	7,388,110	5,086,375	3,663,830
	<b>511,416,233</b>	<b>357,975,951</b>	<b>215,499,058</b>

The Company does not have Derivative Financial Liabilities as at the end of above mentioned reporting periods.





**(C) Market Risk**

**(i) Foreign Currency Risk**

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Majority of the Company's business transactions are in local currency and only in-significant (less than 1%) transactions are in foreign currencies. Further, the Company has no foreign currency trade receivables and trade payables as at the balance sheet date and is therefore not exposed to foreign currency risk.

**(ii) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market interest rates relates primarily to the Company's debt interest obligation. Further the Company engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings. To manage this, the Company may enter into interest rate swaps.

The Company's investments in term deposits with bank are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

The exposure of the Company's borrowings to interest rate changes at the end of reporting period are as follows ::

	<b>31st March, 2018</b>	<b>31st March, 2017</b>
Financial liabilities	494,869,856	340,971,257

Increase/ decrease of 50 basis points (holding all other variables constant) in interest rates at the balance sheet date would result in an impact (decrease/increase in case of net income) of Rs. 2474349 and Rs. 17,04,856 on profit before tax for the year ended 31st March 2018 and 31st March, 2017 respectively.

**(iii) Securities Price Risk**

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices. The Company is not an active investor in equity markets Accordingly not exposed to security price risk. The Company invests its surplus funds in fixed deposits. Fixed deposits are held with highly rated banks and companies and have a short tenure and are not subject to interest rate volatility.



## **28 First-time Adoption of Ind AS**

These are the Company's first standalone financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the standalone financial statements for the year ended 31st March, 2018, the comparative information presented in these standalone financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS standalone balance sheet at 1st April, 2016 (the Company's date of transition). In preparing its opening Ind AS standalone balance sheet, the Company has adjusted the amounts reported previously in the standalone financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP or Indian GAAP). An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

### **A Exemptions and Exceptions availed**

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

#### **A.1 Ind AS Optional Exemptions**

##### **A.1.1 Deemed Cost for Property, Plant and Equipment and Intangible Assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the standalone financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Asset.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment properties at their previous GAAP carrying value. The Company does not have any de-commissioning liabilities as on the date of transition and accordingly no adjustment have been made for the same.

#### **A.2 Ind AS mandatory Exceptions**

##### **A.2.1 Estimates**

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

On assessment of estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise such estimates under Ind AS, as there is no objective evidence of an error in those estimates.

##### **A.2.2 De-recognition of Financial Assets and Liabilities**

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

##### **A.2.3 Classification and Measurement of Financial Assets**

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





OPEN MEDIA NETWORK PRIVATE LIMITED

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent reconciliation from previous GAAP to Ind AS.

Reconciliation of Equity

Particulars	Notes to First Time Adoption	As at the date of transition 1st April, 2016			(All amounts in Rs ,unless otherwise stated) As at 31st March, 2017		
		Previous GAAP*	Adjustment on Transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on Transition to Ind AS	Ind AS
<b>ASSETS</b>							
<b>(1) Non-current assets</b>							
(a) Property, plant and equipment		6,611,815		6,611,815	4,426,120		4,426,120
(b) Intangible assets		410,827		410,827	5,300,746		5,300,746
(c) Financial assets							
(i) Other financial assets		6,239,500	(2,189,806)	4,049,694	6,239,500	(1,758,190)	4,481,310
(d) Other non-current assets		6,286,050	1,339,900	7,625,950	-	931,484	931,484
<b>Total non-current assets</b>		<b>19,548,192</b>	<b>(849,906)</b>	<b>18,698,286</b>	<b>15,966,366</b>	<b>(826,706)</b>	<b>15,139,660</b>
<b>(2) Current assets</b>							
(a) Inventories		3,072,611	-	3,072,611	4,408,775	-	4,408,775
(b) Financial assets							
(i) Trade receivables		12,991,954	-	12,991,954	15,878,342	-	15,878,342
(ii) Cash and cash equivalents		9,225,365	-	9,225,365	7,989,217	-	7,989,217
(c) Current Tax Assets (net)		1,718,311	-	1,718,311	5,076,658	-	5,076,658
(d) Other current assets		3,213,237	408,417	3,621,654	2,747,409	408,416	3,155,825
<b>Total current assets</b>		<b>30,221,478</b>	<b>408,417</b>	<b>30,629,895</b>	<b>36,100,401</b>	<b>408,416</b>	<b>36,508,817</b>
<b>Total assets</b>		<b>49,769,670</b>	<b>(441,489)</b>	<b>49,328,181</b>	<b>52,066,767</b>	<b>(418,290)</b>	<b>51,648,477</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
(a) Equity share capital		10,756,000	-	10,756,000	10,756,000	-	10,756,000
(b) Other equity		(198,421,608)	(441,489)	(198,863,097)	(341,731,819)	(418,290)	(342,150,109)
<b>Total equity</b>		<b>(187,665,608)</b>	<b>(441,489)</b>	<b>(188,107,097)</b>	<b>(330,975,819)</b>	<b>(418,290)</b>	<b>(331,394,109)</b>
<b>Liabilities</b>							
<b>(1) Non-current liabilities</b>							
(a) Employee benefit obligations		3,174,666	-	3,174,666	3,026,130	-	3,026,130
<b>Total non-current liabilities</b>		<b>3,174,666</b>	<b>-</b>	<b>3,174,666</b>	<b>3,026,130</b>	<b>-</b>	<b>3,026,130</b>
<b>(2) Current liabilities</b>							
(a) Financial liabilities							
(i) Borrowings		202,753,381		202,753,381	340,971,257		340,971,257
(ii) Trade payables		9,081,847		9,081,847	11,918,321		11,918,321
(iii) Other financial liabilities		3,663,830		3,663,830	5,086,375		5,086,375
(b) Other current liabilities		17,595,841		17,595,841	20,065,012		20,065,012
(c) Provisions		1,165,713		1,165,713	1,528,141		1,528,141
(d) Employee benefit obligations		-		-	447,350		447,350
<b>Total current liabilities</b>		<b>234,260,612</b>	<b>-</b>	<b>234,260,612</b>	<b>380,016,456</b>	<b>-</b>	<b>380,016,456</b>
<b>Total equity and liabilities</b>		<b>49,769,670</b>	<b>(441,489)</b>	<b>49,328,181</b>	<b>52,066,767</b>	<b>(418,290)</b>	<b>51,648,477</b>

\* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



OPEN MEDIA NETWORK PRIVATE LIMITED

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018

B. Reconciliation of Total Comprehensive Income for the Year Ended 31st March, 2017

(All amounts in Rs ,unless otherwise stated)				
Particulars	Notes to First Time Adoption	Previous GAAP*	Adjustment on Transition to Ind AS	Ind AS
Revenue from operations		73,805,716	-	73,805,716
Other income	c	887,257	431,616	1,318,873
<b>Total income</b>		<b>74,692,973</b>	<b>431,616</b>	<b>75,124,589</b>
<b>Expenses</b>				
Cost of materials consumed		10,455,236	-	10,455,236
Employee benefits expense	a	96,713,383	339,510	97,052,893
Finance costs		27,499,477	-	27,499,477
Depreciation and amortisation expense		3,613,929	-	3,613,929
Other expenses	c	79,721,159	408,416	80,129,575
<b>Total expenses</b>		<b>218,003,184</b>	<b>747,926</b>	<b>218,751,110</b>
<b>Profit before tax</b>		<b>(143,310,211)</b>	<b>(316,310)</b>	<b>(143,626,521)</b>
Income tax expense				
- Current tax		-	(117,498)	(117,498)
- Excess Provision of Earlier Years Written Back		-	-	-
- Deferred tax [charge/(credit)]		-	-	-
<b>Total tax expense</b>		<b>-</b>	<b>(117,498)</b>	<b>(117,498)</b>
<b>Profit for the year</b>		<b>(143,310,211)</b>	<b>(198,812)</b>	<b>(143,509,023)</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified to profit or loss				
Remeasurements of post-employment benefit obligations		-	339,510	339,510
Income tax relating to these items		-	(117,498)	(117,498)
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>222,012</b>	<b>222,012</b>
<b>Total comprehensive income for the period</b>		<b>(143,310,211)</b>	<b>23,200</b>	<b>(143,287,011)</b>
<b>Earnings per equity share: [Nominal value per share Rs.10 (Previous Year- Rs. 10)]</b>				
Basic (Rs.)		(133.24)		133.42
Diluted (Rs.)		(133.24)		133.42

\* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.





**EDIA NETWORK PRIVATE LIMITED**

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

**Reconciliation of total equity as at 31st March 2017 and 1st April 2016**

(All amounts in Rs ,unless otherwise stated)

	Notes to first-time adoption	As at 31st March 2017	As at 1st April 2016
Total equity (shareholder's funds) as per previous GAAP		(330,975,819)	(187,665,608)
<b>Adjustments:</b>			
Effect of fair valuation and Unwinding of discount on security deposit (asset)	c	(9,873)	(441,489)
Effect of additional expenses on account of discounting	c	(408,416)	-
<b>Total Adjustments</b>		<b>(418,289)</b>	<b>(441,489)</b>
<b>Total Equity as per Ind AS</b>		<b>(331,394,108)</b>	<b>(188,107,097)</b>

**Reconciliation of total comprehensive income for the year ended 31st March 2017**

	Notes to first-time adoption	Year Ended 31st March, 2017
Net Profit as reported under previous GAAP		(143,310,211)
<b>Adjustments:</b>		
Effect of reclassification of remeasurement of employee benefit obligation to Other comprehensive income	a	(339,510)
Effect of unwinding of discount on financial assets	c	431,616
Effect of additional rental expense	c	(408,416)
Tax effects of above adjustments		117,498
<b>Total Adjustments</b>		<b>(198,813)</b>
<b>Profit after tax as per Ind AS</b>		<b>(143,509,023)</b>
<b>Other Comprehensive Income</b>		<b>222,012</b>
<b>Total comprehensive Income as per Ind AS</b>		<b>(143,287,011)</b>

**Impact of Ind AS adoption on the statements of cash flows for the year ended 31st March, 2017**

There were no material differences between the Cash Flow statement presented under Ind AS and the previous GAAP.



28 First-time Adoption of Ind AS (Contd.)

**C Notes to First-time Adoption**

**a Remeasurements on Post-employment Benefit Obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on net defined benefit obligations are recognised in other comprehensive income instead of profit or loss. Under the Previous GAAP, these remeasurements were forming part of the profit or loss for the year. However, this has no impact on the total comprehensive income and total equity as on 1st April, 2016 or as on 31st March, 2017.

**b Deferred Tax**

Under the Previous GAAP, deferred tax was accounted using the income statement approach, on timing differences between the taxable profit and accounting profit for the year. Under Ind AS, deferred tax is recognised following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base.

In addition, various transitional adjustments have also led to recognition of deferred taxes on new temporary differences.

**c Security Deposits**

Under the previous GAAP, interest free security deposits (that are refundable in cash on completion of the agreement term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, Company has fair valued lease security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid expense. Consequent to this change, the amount of security deposit decreased by Rs.1,758,190 as at 31st March, 2017 (1st April, 2016 - Rs.2,189,806). The prepaid Expense increased by Rs.1,339,900 as at 31st March, 2017 (1st April, 2016 - Rs.1,748,317). The Loss for the year and total equity as at 31st March, 2017 decreased by Rs.23,200 due to amortisation of prepaid expense of Rs. 408,416 which is partially off-set by the notional interest income of Rs. 431,616 recognised on security deposit.

**d Retained Earnings**

Retained earnings as at 1st April, 2016 has been adjusted consequent to the above Ind AS transition adjustment.

**e Other Comprehensive Income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as "Other Comprehensive Income" includes remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached

For and on behalf of

Vidya & Co.

Chartered Accountants

Firm Registration No.308022E

On Behalf of the Board

*Jitendra Nagar*  
Jitendra Nagar  
Partner  
Membership No. 55659.



G.B.Aayeer  
Director  
DIN-00087760

S.Chakrabarti  
Director  
DIN- 00175185

Place : Kolkata  
Date : 3rd May, 2018



29 In view of the ongoing business restructuring initiatives undertaken by the Company for improvement in revenue and reduction in cost, on-going financial support as required from time to time from the Parent Company and the future business projections of the Company, the management considers it appropriate to prepare the Company's accounts on a 'going concern basis' inspite of losses incurred by the Company and erosion of its net worth.

**30 Additional information :-**

**A. Expenditure in Foreign Exchange :**

	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Travelling	205,632	405,720
Editorial Expenses (Net of TDS)	2,133,225	1,914,009
Others	-	-
	<b>2,338,857</b>	<b>2,319,729</b>

**B. Value of imports calculated on CIF basis**

	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Raw Materials - Papers	6,473,548	10,068,131

**C. Earning in Foreign Exchange**

	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Export		
- Advertisements	420,952	335,449
- Subscription	61,401	90,444
- Others	186,136	-
	<b>668,489</b>	<b>425,893</b>

**31 Related Party Disclosures in keeping with Ind AS 24**

Name of the Related Party	Nature of Relationship
Rainbow Investments Limited	Ultimate Holding Company ( upto 28th March 2017)
Composuer Services Pvt. Ltd.	Ultimate Holding Company ( w.e.f. 29th March 2017)
Saregama India Limited	Holding Company
RPG Global Music Limited	Fellow Subsidiary Company
Saregama Plc.	Fellow Subsidiary Company
Kolkata Metro Networks Limited	Fellow Subsidiary Company
Saregama Inc.(SINC)	Fellow Subsidiary Company
Saregama Regency Optimedia Private limited	Joint Venture of Holding Company ( Saregama India Ltd. )

**Related Party Transactions**

Transaction with Holding Company	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Interest Expenses	41,738,111	27,499,477
Sales Expense	66,885	88,200
Receipt towards borrowing	153,899,599	138,217,886
<b>Balance outstanding at year end.</b>	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>
Trade payables	155,085	88,200
Short-term borrowing	494,869,856	340,971,257

32 Previous year's figures are reclassified, where necessary, to conform to the current year's classification.

In terms of our report attached

For and on behalf of  
Vidya & Co.  
Chartered Accountants  
Firm Registration No.308022E

On Behalf of the Board

Jitendra Nagar  
Partner  
Membership No. 55659.



G.B.Aayeer  
Director  
DIN-00087760

S.Chakrabarti  
Director  
DIN- 00175185

Place : Kolkata  
Date : 3rd May, 2018

**OPEN MEDIA NETWORK PRIVATE LIMITED**  
CIN - U22100WB2008PTC124295  
**Statement of Cash Flows for the year ended 31st March, 2018**

	Year Ended 31st March, 2018 Rs.		Year Ended 31st March, 2017 Rs.	
<b>A. Cash Flow from Operating Activities</b>		(163,450,350)		(143,626,521)
Profit/(Loss) before tax			3,613,929	
<b>Adjustment for:</b>				
Depreciation and amortization expenses	3,607,524		27,499,477	
Finance Expenses	41,738,111		(15,000)	
Profit on sale of tangible assets (net)	(10,000)		339,510	
Remeasurement of post employment benefit obligation	234,480		1,186,801	
Provision for Magazine Return	2,617,881		350,016	
Bad Debts Written Off	164,321		263,759	
Provision for Provision for Doubtful debts	603,198			
		48,955,515		33,238,492
<b>Operating profit before changes in operating assets and liabilities</b>		(114,494,835)		(110,388,029)
<b>Changes in operating assets and liabilities</b>				
Increase / (Decrease) in Trade Payables	(2,760,051)		2,836,474	
Increase in Provisions	1,366,274		362,428	
Increase in Employee benefit obligations	805,580		298,814	
Increase in Other financial liabilities	2,301,735		1,422,545	
Increase in Other current liabilities	12,165,931		2,469,171	
(Increase) in trade receivables	(4,482,974)		(4,686,964)	
(Increase) / Decrease in inventories	1,402,032		(1,336,165)	
(Increase) in Other financial assets	(478,877)		(431,616)	
Decrease in Other non-current assets	408,416		408,416	
(Increase) / Decrease in Other current assets	(2,101,898)		465,830	
		8,626,168		1,808,934
<b>Cash used in Operations</b>		(105,868,667)		(108,579,095)
Direct Taxes (net of refund)		(3,285,722)		(3,358,349)
<b>Net cash used in Operating Activities</b>		(109,154,389)		(111,937,444)
<b>B. Cash Flow from Investing Activities</b>				
Purchase of tangible/intangible assets	(329,500)		(32,103)	
Sale of tangible assets	10,000		15,000	
		(319,500)		(17,103)
<b>Net Cash used in Investing Activities</b>		(319,500)		(17,103)
<b>C. Cash Flow from Financing Activities</b>				
Proceeds from borrowings		112,160,488		110,718,399
<b>Net cash from Financing Activities</b>		112,160,488		110,718,399
<b>Net Increase/(Decrease) in cash and cash equivalents (A+B+C)</b>		2,686,599		(1,236,148)
Cash and Cash Equivalents at the beginning of the year (Refer Note 8.2)		7,989,217		9,225,365
Cash and Cash Equivalents at the end of the year (Refer Note 8.2)		10,675,816		7,989,217

**Notes:**

- The above Statement of Cash Flow has been prepared under the Indirect Method as set out in Ind AS -7 " Statement of Cash Flows".  
The accompanying notes are an integral part of these Standalone Statement of Cash Flows

This is the Standalone Cash Flow Statement referred to in our report of even date attached

On behalf of the Board

For and on behalf of  
Vidya & Co.  
Chartered Accountants  
Firm Registration No.308022E

Jitendra Nagar  
Partner  
Membership No. 55659.

Place : Kolkata  
Date : 3rd May, 2018



  
G.B. Aayeer  
Director  
DIN-00087760

  
S. Chakrabarti  
Director  
DIN- 00175185