OPEN MEDIA NETWORK PRIVATE LIMITED
Balance Sheet as at 31st March, 2019

(All amounts in Rs. ,unless otherwise stated)

Particulars	Notes	As at 31st March 2019	As at 31st March 2018
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	1,133,342	2,580,104
(b) Intangible assets	4	2,550,300	3,868,738
(C) Financial assets			
(i) Other financial assets	5	2,711,501	4,960,187
(d) Other non-current assets	6	763,530	523,068
Total non-current assets		**7,158,673**	**11,932,097**
(2) Current assets			
(a) Inventories	7	2,500,068	3,006,743
(b) Financial assets			
(i) Trade receivables	8.1	13,797,656	16,975,916
(ii) Cash and cash equivalents	8.2	11,678,208	10,675,816
(c) Current tax assets	9	11,236,074	8,362,381
(d) Other current assets	10	4,780,617	5,257,723
Total current assets		**43,992,623**	**44,278,579**
TOTAL ASSETS		**51,151,296**	**56,210,676**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11.1	10,756,000	10,756,000
(b) Other equity	11.2	(659,154,688)	(505,365,978)
Total equity		**(648,398,688)**	**(494,609,978)**
Liabilities			
(1) Non-current liabilities			
(a) Employee benefit obligations	12	3,800,192	3,632,780
Total non-current liabilities		**3,800,192**	**3,632,780**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13.1	666,914,628	494,869,856
(ii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	13.2	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	13.2	11,234,246	9,158,269
(iii) Other financial liabilities	13.3	5,518,302	7,388,110
(b) Other current liabilities	14	10,208,159	32,230,944
(c) Provisions	15	1,205,128	2,894,415
(d) Employee benefit obligations	16	669,329	646,280
Total current liabilities		**695,749,792**	**547,187,874**
TOTAL LIABILITIES		**699,549,984**	**550,820,654**
TOTAL EQUITY AND LIABILITIES		**51,151,296**	**56,210,676**

The accompanying notes 1 to 32 are an integral part of these financial statements
As per our report of even date attached

For **Vidya & Co.**
Chartered Accountants
Firm Registration No.308022E

VIDYA & CO. Kolkata Chartered Accountants

Jitendra Nagar
Partner
Membership No. 55659.

Place: Kolkata
Date: 2nd May, 2019

For and on behalf of the Board of Directors
Open Media Network Private Limited
CIN - U22100WB2008PTC124295

Vineet Garg
Director
DIN - 06935347

Place: Kolkata
Date: 2nd May, 2019

S.Chakrabarti
Director
DIN - 00175185

Place: Kolkata
Date: 2nd May, 2019

OPEN MEDIA NETWORK PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31st March, 2019

(All amounts in Rs ,unless otherwise stated)

	Particulars	Notes	Year ended 31st March 2019	Year ended 31st March 2018
I	Revenue from operations	17	7,38,83,744	6,82,51,549
II	Other income	18	1,47,08,482	9,42,843
III	**Total income**		**8,85,92,226**	**6,91,94,392**
IV	**Expenses**			
	Cost of materials consumed	19	99,84,544	92,90,139
	Employee benefits expense	20	11,52,75,964	10,59,89,346
	Finance costs	21	5,09,54,688	4,17,38,111
	Depreciation and amortisation expense	22	30,80,378	36,07,524
	Other expenses	23	6,33,43,265	7,20,19,622
	Total expenses (IV)		**24,26,38,839**	**23,26,44,742**
V	**Profit before tax**		**(15,40,46,613)**	**(16,34,50,349)**
VI	Income tax expense			
	- Current tax		(90,122)	(81,149)
	- Deferred tax [charge/(credit)]		-	-
	Total tax expense		**(90,122)**	**(81,149)**
VII	**Profit for the year**		**(15,39,56,491)**	**(16,33,69,201)**
	Other comprehensive income			
	Items that will not be reclassified to profit or loss :			
	Remeasurements of post-employment benefit obligations		2,57,903	2,34,480
	Income tax relating to these items		(90,122)	(81,149)
VIII	**Other comprehensive income for the year, net of tax**		**1,67,781**	**1,53,331**
IX	**Total comprehensive income for the period**		**(15,37,88,710)**	**(16,32,15,869)**
X	**Earnings per equity share: [Nominal value per share Rs.10 (Previous Year- Rs. 10)]**			
	Basic (Rs.)		(143.14)	(151.89)
	Diluted (Rs.)		(143.14)	(151.89)

The accompanying notes 1 to 32 are an integral part of these financial statements
As per our report of even date attached

For **Vidya & Co.**
Chartered Accountants
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S.Chakrabarti
Director
DIN - 00175185

Place: Kolkata
Date: 2nd May, 2019

OPEN MEDIA NETWORK PRIVATE LIMITED
Statement of changes in equity for the year ended 31st March, 2019
(All amounts in Rs ,unless otherwise stated)

A. Equity share capital

Description	Number of shares	Amount
As at 01 April 2017	1075600	1,07,56,000
Changes in equity share capital	-	-
As at 31 March 2018	1075600	1,07,56,000
Changes in equity share capital	-	-
As at 31 March 2019	**1075600**	**1,07,56,000**

B. Other equity

Description	Retained Earnings	Total Other Equity
Balance at 01 April 2017	(34,21,50,108)	(34,21,50,108)
Profit/(Loss) for the year	(16,33,69,201)	(16,33,69,201)
Other comprehensive income	1,53,331	1,53,331
Total comprehensive income for the year	**(16,32,15,869)**	**(16,32,15,869)**
Others	-	-
Balance as at 31 March, 2018	**(50,53,65,978)**	**(50,53,65,978)**

Description	Retained Earnings	Total Other Equity
Balance at 01 April 2018	(50,53,65,978)	(50,53,65,978)
Profit/(Loss) for the year	(15,39,56,491)	(15,39,56,491)
Other comprehensive income	1,67,781	1,67,781
Total comprehensive income for the year	**(15,37,88,710)**	**(15,37,88,710)**
Others	-	-
Balance as at 31 March, 2019	**(65,91,54,688)**	**(65,91,54,688)**

The accompanying notes 1 to 32 are an integral part of these financial statements
As per our report of even date attached

For **Vidya & Co.**
Chartered Accountants
Firm Registration No.308022E

Jitendra Nagar
Partner
Membership No. 55659.

Place: Kolkata
Date: 2nd May, 2019

VIDYA & CO. Kolkata Chartered Accountants

For and on behalf of the Board of Directors
Open Media Network Private Limited
CIN - U22100WB2008PTC124295

Vineet Garg
Director
DIN - 06935347

Place: Kolkata
Date: 2nd May, 2019

S.Chakrabarti
Director
DIN - 00175185

Place: Kolkata
Date: 2nd May, 2019

1 **Significant Accounting Policies**

The significant accounting policies applied by the Company in the preparation of its standalone financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements.

(a) **Basis of the Preparation of the Financial Statements**

(i) Compliance with Ind AS

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

(ii) Basis of measurement

(a) 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; and
- Net Defined benefit (assets)/Liability - Fair value of plan assets less present value of defined benefit obligations.

(b) 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 standalone financial statements are presented in Indian Rupee (Rs.), which is the Company's functional and presentation currency.

(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**

Effective 1 April 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method and applied the same to contracts that were not completed as of 1 April 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note 1 (b) "Revenue recognition" in the Company's financial statements for the year ended 31 March 2018 for the policies in effect for revenue prior to 1 April 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Publication Revenues

- Revenue from current affairs and features magazine is recognised in the period in which the magazines are published and are accounted for net of commission and discounts. Revenue from subscription to the Company's print publications is recognised as earned, prorata on a per issue basis over the subscription period.

Use of significant judgements in revenue recognition :

- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc. Judgement is also required to determine the transaction price for the contract.

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- current assets.

(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

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.

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(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.

(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.

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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 substantially 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.

(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.

(t) **Recent accounting pronouncements- Standard issued but not yet effective**

I Ind AS 116, Leases

~The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Company has completed an initial assessment of the potential impact on its standalone financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the standalone financial statements in the period of initial application is not reasonably estimable as at present.

i. Leases in which the Company is a lessee

The Company will recognise new assets and liabilities for its operating leases of offices, warehouse and factory facilities. The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

In addition, the Company will no longer recognise provisions for operating leases that it assesses to be onerous. Instead, the Company will include the payments due under the lease in its lease liability and apply Ind AS 36, Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment.

No significant impact is expected for the Companys`s finance leases.

ii. Leases in which the Company is a lessor

The Company will reassess the classification of sub-leases in which the Company is a lessor. Based on the information currently available, the Company expects that it will reclassify one sub-lease as a finance lease.

No significant impact is expected for other leases in which the Company is a lessor.

iii. Transition

The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

II Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

III Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

IV Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

V Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

VI Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

VII Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

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.

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(All amounts in Rs ,unless otherwise stated)

3 Property, plant and equipment

Description	Gross carrying amount				Accumulated Depreciation				Carrying amount (net)	
	Cost as at 1 April 2018	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2019	As at 1 April 2018	Depreciation for the year	Deductions/ adjustments	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Furniture and Fixtures	30,35,942	-	-	30,35,942	21,10,660	8,75,363	-	29,86,023	49,919	9,25,282
Office Equipment	16,56,659	-	-	16,56,659	8,38,134	3,23,760	-	11,61,894	4,94,765	8,18,525
Computers	21,41,977	3,15,178	-	24,57,155	13,05,680	5,62,817	-	18,68,497	5,88,658	8,36,297
Total	68,34,578	3,15,178	-	71,49,756	42,54,474	17,61,940	-	60,16,414	11,33,342	25,80,104

3.1 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

Description	Gross carrying amount				Accumulated Amortisation				Carrying amount (net)	
	Cost as at 1 April 2018	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2019	Amortisation as at 1 April 2018	Amortisation for the year	Deductions /Adjustments	Amortisation as at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Computer Software	66,96,877	-	-	66,96,877	28,28,139	13,18,438	-	41,46,577	25,50,300	38,68,738
Total	66,96,877	-	-	66,96,877	28,28,139	13,18,438	-	41,46,577	25,50,300	38,68,738

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

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5 Other financial assets (non - current)

Particulars	As at 31st March 2019	As at 31st March, 2018
Security Deposits-Premises		
Unsecured, considered Good	26,83,501	48,52,187
Security Deposits-Others		
Unsecured, considered Good	28,000	1,08,000
Total other financial assets (non - current)	**27,11,501**	**49,60,187**

6 Other Non - Current assets

Particulars	As at 31st March 2019	As at 31st March, 2018
Capital Advances		
Unsecured, considered Good	6,50,000	-
Prepaid expenses		
Unsecured, considered Good	1,13,530	5,23,068
Total other non - current assets	**7,63,530**	**5,23,068**

7 Inventories [Refer Note:1(H)]

Particulars	As at 31st March 2019	As at 31st March, 2018
Raw Marerials : (Valued at Cost or Net Realisable Value)		
Papers	25,00,068	30,06,743
Total inventories	**25,00,068**	**30,06,743**

8 Financial assets (current)

8.1 Trade Receivables

Particulars	As at 31st March 2019	As at 31st March, 2018
Trade Receivables		
Unsecured, considered Good	1,37,97,656	1,69,75,916
Unsecured, considered Doubtful	14,09,256	16,06,410
Less: Provision for Doubtful Debts	(14,09,256)	(16,06,410)
Total trade receivables	**1,37,97,656**	**1,69,75,916**

8.2 Cash and Cash Equivalents

Particulars	As at 31st March 2019	As at 31st March, 2018
Cash in hand	69,244	61,498
Bank Balances		
Current Accounts	1,16,08,964	1,06,14,318
Total cash and cash equivalents	**1,16,78,208**	**1,06,75,816**

9 Current Tax Assets (net)

Particulars	As at 31st March 2019	As at 31st March, 2018
Tax Deducted at Source	1,12,36,074	83,62,381
Total Current Tax Assets (net)	**1,12,36,074**	**83,62,381**

10 Other Current Assets

Particulars	As at 31st March 2019	As at 31st March, 2018
(Unsecured,considered good unless otherwise stated)		
Advance given to Employees	2,62,873	3,52,659
Other Advances	7,26,811	19,08,869
Prepaid expenses	19,58,636	18,97,241
GST Credit Receivable	8,62,210	9,14,674
Gratuity	9,70,087	1,84,280
Total other current assets	**47,80,617**	**52,57,723**

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11 Equity Share Capital and Other Equity

11.1 Equity Share Capital

Particulars	As at 31st March 2019 Number of Shares	As at 31st March 2019	As at 31st March, 2018 Number of Shares	As at 31st March, 2018
Authorised				
Ordinary Shares of Rs.10 each	7,50,00,000.00	75,00,00,000	7,50,00,000	75,00,00,000
Issued				
Ordinary Shares of Rs.10 each	10,75,600.00	1,07,56,000	10,75,600	1,07,56,000
Subscribed and fully paid up				
Ordinary Shares of Rs.10 each	10,75,600.00	1,07,56,000	10,75,600	1,07,56,000

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

Particulars	As at 31st March 2019 Number of Shares	As at 31st March 2019	As at 31st March, 2018 Number of Shares	As at 31st March, 2018
As at the beginning of the year	10,75,600.00	1,07,56,000	10,75,600	1,07,56,000
As at the end of the year	10,75,600.00	1,07,56,000	10,75,600	1,07,56,000

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 2019		As at 31st March, 2018	
	Number of shares held	Amount	Number of shares held	Amount
Saregama India Ltd	10,75,600	1,07,56,000	10,75,600	1,07,56,000

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 2019		As at 31st March, 2018	
	Number of shares held	Holding percentage	Number of shares held	Holding percentage
Saregama India Ltd	10,75,600	100%	10,75,600	100%

11.2 Reserves and Surplus

Particulars	As at 31st March 2019	As at 31st March, 2018
Retained earnings	(65,91,54,688)	(50,53,65,978)
Total reserves and surplus	**(65,91,54,688)**	**(50,53,65,978)**

Particulars	As at 31st March 2019	As at 31st March, 2018
Balance at the beginning of the year	(50,53,65,978)	(34,21,50,108)
Net profit /(Loss) for the year	(15,39,56,491)	(16,33,69,201)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	1,67,781	1,53,331
Others	-	-
Balance at the end of the year	**(65,91,54,688)**	**(50,53,65,978)**

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12 Employee benefit obligations (non-current)

Particulars	As at 31st March 2019	As at 31st March, 2018
Leave encashment obligations	38,00,192	36,32,780
Total long term employee benefit obligation	**38,00,192**	**36,32,780**

13 Financial liabilities (Current)

13.1 Borrowings

Particulars	As at 31st March 2019	As at 31st March, 2018
Loan from Holding Company		
Unsecured, considered Good	66,69,14,628	49,48,69,856
Total Borrowings (Current)	**66,69,14,628**	**49,48,69,856**

13.2 Trade payables

Particulars	As at 31st March 2019	As at 31st March, 2018
Trade payables		
a) Total outstanding dues of micro enterprises and small enterprises	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,12,34,246	91,58,269
Total trade payables	**1,12,34,246**	**91,58,269**

There were no dues payable to Micro , Small and Medium Enterprises as defined under Micro , Small and Medium Enterprises Development Act' 2006 as on 31.03.2019.This has been determined on the basis of information available with the Company.

13.3 Other financial liabilities

Particulars	As at 31st March 2019	As at 31st March, 2018
Security Deposit from Distributor / Retailers	2,02,500	1,97,500
Liabilities for Expenses	48,05,600	63,31,530
Employee Benefits Payable	5,10,202	8,59,080
Total other financial liabilities	**55,18,302**	**73,88,110**

14 Other current liabilities

Particulars	As at 31st March 2019	As at 31st March, 2018
Subscription Received In Advance	20,02,827	16,40,014
Advance from Customers	5,42,385	2,37,09,268
Amount Payable to Government Authorities		
(a) TDS Payable	76,30,581	68,46,198
(b) Professional Tax Payable	18,100	21,350
(C) GST Payable	14,266	14,114
Total other current liabilities	**1,02,08,159**	**3,22,30,944**

15 Short term provisions

Particulars	As at 31st March 2019	As at 31st March, 2018
Other Provisions		
Provision for Returns of Magazines	12,05,128	28,94,415
Total short term provisions	**12,05,128**	**28,94,415**

16 Short term employee benefit obligation

Particulars	As at 31st March 2019	As at 31st March, 2018
Leave encashment obligations	6,69,329	6,46,280
Total short term employee benefit obligation	**6,69,329**	**6,46,280**

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17 Revenue from operations

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Sale of Services		
Publication Revenue	73,883,744	68,251,549
Total revenue from operations	**73,883,744**	**68,251,549**

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is diaggregated by primary geography market and timing of revenue recognition. The Company believes that this disaggregation best depicts how the nature, amount, timing of our revenues and cash flows are affected by geography and other economic factors :

	Publication Revenue	
	Year ended 31st March, 2019	Year ended 31st March, 2018
Revenue by geography		
Domestic	73,316,368	67,583,060
International	567,376	668,489
	73,883,744	**68,251,549**
Timing of revenue recognition		
Products and services transferred at a point in time	72,096,165	66,394,608
Products and services transferred over time	1,787,579	1,856,941
Total revenue from contracts with customers	**73,883,744**	**68,251,549**

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	Year ended 31st March, 2019	Year ended 31st March, 2018
Receivables, which are included in 'trade and other receivables'	13,797,656	16,975,916
Contract assets	-	-
Contract liabilities	2,002,827	1,640,014

18 Other income

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest income (gross)		
- on Income tax refund	-	46,427
- on unwinding of discount on financial assets	531,315	478,877
Profit on sale of property, plant and equipment	-	10,000
Provision for doubtful debts and advances no longer required written back	197,154	-
Advances no longer Payable written back	13,500,000	-
Other Non-Operating Income	480,013	407,539
Total other income	**14,708,482**	**942,843**

19 Cost of materials consumed

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Paper consumption		
Inventory at the beginning of the Year	3,006,743	4,408,775
add: purchases during the year	9,477,869	7,888,107
less: inventory at the end of the Year	2,500,068	3,006,743
Total cost of material consumed	**9,984,544**	**9,290,139**

20 Employee benefits expense

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries and Wages	111,070,154	102,019,111
Contributions to:		
Provident Fund	3,046,640	2,959,478
Gratuity Fund	972,096	868,730
Staff Welfare Expenses	187,074	142,027
Total employee benefits expense	**115,275,964**	**105,989,346**

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21 Finance costs

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest Expenses	5,09,54,688	4,17,38,111
Total finance cost	**5,09,54,688**	**4,17,38,111**

22 Depreciation and amortisation expense

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Depreciation on property, plant and equipments	17,61,940	21,75,516
Amortisation on intangible assets	13,18,438	14,32,008
Total depreciation and amortisation expense	**30,80,378**	**36,07,524**

23 Other expenses

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Printing Expenses	63,11,475	66,79,686
Rent	71,29,796	73,33,204
Power and Fuel	20,03,448	27,74,187
Editorial Expenses	1,00,48,279	1,18,14,190
Advertisement, Publicity & Promotion	61,63,412	84,25,736
Sales Expenses	16,21,769	14,05,213
Repairs and Maintenance :		
- Computers	8,98,062	13,22,359
- Website	12,85,101	15,08,990
- Others	3,68,221	4,22,355
Travel and Conveyance	57,80,091	49,70,623
Carriage, Freight and forwarding Charges	73,91,906	93,57,132
Subscription and Donations	2,72,497	3,00,660
* Auditor's Remuneration	4,25,000	3,75,000
Legal Expenses	13,14,000	17,30,776
Consultancy Expenses	9,62,015	7,89,054
Printing and Stationery Expenses	1,14,104	1,12,233
Communication Expenses	21,57,201	21,52,188
Insurance Expenses	13,47,731	11,56,451
Office Expenses	11,74,414	8,51,136
GST Expenses	13,19,905	12,97,253
Housekeeping Expenses	24,03,833	24,60,657
Security Charges	11,60,955	12,30,608
Rates and Taxes	4,14,070	76,810
Exchange Fluctuation - Net	38,542	28,297
Bank Charges	28,233	59,424
Provision for Magazine Returns	10,72,717	26,17,881
Bad Debts Written Off	1,36,488	1,64,321
Provision for Doubtful Debts	-	6,03,198
Total other expenses	**6,33,43,265**	**7,20,19,622**

* Auditor's Remuneration

	Year ended 31st March, 2019	Year ended 31st March, 2018
(i) Statutory Audit Fees	3,00,000	3,00,000
(ii) Tax Audit Fees	75,000	75,000
(iii) GST Audit	50,000	-
	4,25,000	**3,75,000**

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24 Assets and liabilities relating to employee benefits

(I) Post-employment Defined Benefit Plans:

(A) Gratuity (Funded)

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. Tha 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:

	2018-19	2017-18
(a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation:		
Present value of obligation at the beginning of the year	4,155,680	3,287,660
Current service cost	986,091	928,490
Interest cost	315,607	240,000
Remeasurements (gains) / losses		
Actuarial (gain)/ loss arising from changes in financial assumptions	(49,223)	(155,970)
Actuarial (gain)/ loss arising from changes in experience adjustments	(262,904)	(144,500)
Benefits paid	(617,805)	-
Present value of obligation at the end of the year	**4,527,446**	**4,155,680**
(b) Reconciliation of the opening and closing balances of the fair value of plan assets:		
Fair value of plan assets at the beginning of the year	4,339,960	4,106,190
Interest Income	329,602	299,760
Remeasurements gains / (losses)		
Return on plan assets (excluding amount included in net interest cost)	(54,224)	(65,990)
Contributions by employer	1,500,000	-
Benefits paid	(617,805)	-
Fair value of plan assets at the end of the year	**5,497,533**	**4,339,960**
(c) Reconciliation of the present value of the defined benefit obligation and the fair value of plan assets:		
Present value of obligation at the end of the year	4,527,446	4,159,236
Fair value of plan assets at the end of the year	5,497,533	4,343,516
Liabilities/(Assets) recognised in the balance sheet	**(970,087)**	**(184,280)**
(d) Actual return on plan assets	**275,378**	**233,770**
(e) Re-measurements losses/(gains) recognised in the Other Comprehensive Income		
Return on plan assets (excluding amount included in net interest cost)	54,224	65,990
Effect of changes in financial assumptions	(49,223)	(155,970)
Effect of changes in experience adjustments	(262,904)	(144,500)
Total re-measurement included in Other Comprehensive Income	**(257,903)**	**(234,480)**
(f) Expense recognised in Statement of Profit or Loss:		
Current service cost	986,091	928,490
Net interest cost	(13,995)	(59,760)
Total expense recognised in Statement of Profit and Loss (refer note 20)	**972,096**	**868,730**
(g) Category of plan assets:	**In %**	**In %**
(a) Fund with aviva life insurance company India ltd	100%	100%
(h) Maturity profile of defined benefit obligation:		
Within 1 year	537,942	20,480
2-5 years	1,031,586	24,120
6-10 years	1,678,067	233,390
Over 10 years	9,271,830	2,654,880

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(i) Principal actuarial assumptions:	31st March, 2019	31st March, 2018
Discount rate	7.70%	7.60%
Salary growth rate	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	Change in Assumption	Impact on defined benefit obligation (2018-19)	Impact on defined benefit obligation (2017-18)
Discount Rate	Increase by 1%	Decrease by Rs.452,442	Decrease by Rs.372,590
	Decrease by 1%	Increase by Rs.531,616	Increase by Rs.438,460
Salary Growth Rate	Increase by 1%	Increase by Rs.530,015	Increase by Rs.435,440
	Decrease by 1%	Decrease by Rs.459,132	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.80,903 (Previous Year - Rs. 928,480) to the funded gratuity plans during the next financial year.

(l) The weighted average duration of the defined benefit obligation as at 31st March, 2019 is 11 years (31st March, 2018 – 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.30,46,640 (Previous Year- Rs.29,59,478) has been recognised as expenditure towards above defined contribution plans of the Company.

(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.44,69,521 and Rs. 42,79,060 as at 31st March, 2019 and 31st March, 2018 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, 2019	31st March, 2018
Leave provision not expected to be settled within the next 12 months	3,800,192	3,632,780

(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 inrease 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.

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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
- 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

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

The following table summarises the capital of the Company:

	As at 31st March, 2019	As at 31st March, 2018
Total Borrowings	66,69,14,628	49,48,69,856
Less: Cash and Cash Equivalents	(1,16,78,208)	(1,06,75,816)
Net Debt	**65,52,36,420**	**48,41,94,040**
Equity	**(64,83,98,688)**	**(49,46,09,978)**
Total Capital (Equity+ Net Debt)	**68,37,732**	**(1,04,15,938)**
Net Debt to Equity Ratio	**-101.05%**	**-97.89%**

No changes were made to the objectives, policies or processes for managing capital during the years ended 31st March, 2019 and 31st March, 2018.

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26 Fair Value Measurements

(i) Financial Instruments by Category

	Particulars	Note No	As at 31st March, 2019 Carrying Amount / Fair Value	As at 31st March, 2018 Carrying Amount / Fair Value
A.	**Financial Assets**			
(a)	**Measured at Amortised Cost**			
	Trade receivables	8.1	1,37,97,656	1,69,75,916
	Cash and cash equivalents	8.2	1,16,78,208	1,06,75,816
	Sub total		**2,54,75,864**	**2,76,51,732**
	Total Financial Assets		**2,54,75,864**	**2,76,51,732**
B.	**Financial Liabilities**			
	Measured at Amortised Cost			
	Borrowings	13.1	66,69,14,628	49,48,69,856
	Trade payables	13.2	1,12,34,246	91,58,266
	Other financial liabilities	13.3	55,18,302	73,88,110
	Total Financial Liabilities		**68,36,67,176**	**51,14,16,232**

(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.

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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.1,37,97,656 (31 March, 2018 – Rs.1,69,75,916).

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, 2019	**As at March 31, 2018**
Opening Balance	16,06,410	10,03,212
Add: Provision Made (net)	(1,97,154)	6,03,198
Less: Utilisation for impairment/de-recognition	-	-
Closing Balance	**14,09,256**	**16,06,410**

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, 2019 and 31st March, 2018 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, 2019**	**As at March 31, 2018**
(i) Borrowings including interest obligation	66,69,14,628	49,48,69,856
(ii) Trade payables	1,12,34,246	91,58,269
(iii) Other financial liabilities	55,18,302	73,88,110
	68,36,67,176	**51,14,16,235**

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

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(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:

	31st March, 2019	31st March, 2018
Financial liabilities	66,69,14,628	49,48,69,856

Increase/ decrease of 50 basis points (holiding 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.33,34,573 and Rs. 24,74,349 on profit before tax for the year ended 31st March 2019 and 31st March, 2018 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.

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OPEN MEDIA NETWORK PRIVATE LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2019
(All amounts in Rs ,unless otherwise stated)

28 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.

29 Additional information :-

A. Expenditure in Foreign Exchange :

	Year ended 31st March, 2019	**Year ended 31st March, 2019**
Travelling	3,13,821	2,05,632
Editorial Expenses (Net of TDS)	17,40,854	21,33,225
Digital Platform Expenses	5,35,493	-
	25,90,168	**23,38,857**

B. Value of imports calculated on CIF basis

	Year ended 31st March, 2019	**Year ended 31st March, 2019**
Raw Materials - Papers	**76,63,718**	**64,73,548**

C. Earning in Foreign Exchnage

	Year ended 31st March, 2019	**Year ended 31st March, 2019**
Export		
- Advertisements	3,08,302	4,20,952
- Subscription	1,27,161	61,401
- Others (Syndication)	1,31,913	1,86,136
	5,67,376	**6,68,489**

31 Related Party Disclosures in keeping with Ind AS 24

Name of the Related Party	**Nature of Relationship**
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 FZE	Fellow Subsidiary Company

Related Party Transactions

Transaction with Holding Company	**Year Ended 31st March, 2019**	**Year Ended 31st March, 2018**
Interest Expenses	5,08,67,763	4,17,38,111
Sales Expense	1,54,720	66,885
Receipt towards borrowing	17,20,44,772	15,38,99,599
Balance outstanding at year end.	**As at 31st March, 2019**	**As at 31st March, 2018**
Trade payables		1,55,085
Short-term borrowing	66,69,14,628	49,48,69,856

32 Previous years figures have been regrouped/reclassified to conform to current year's presentation.

As per our report of even date attached
For **Vidya & Co.**
Chartered Accountants
Firm Registration No.308022E

Jitendra Nagar
Partner
Membership No. 55659.

Place: Kolkata
Date: 2nd May, 2019

For and on behalf of the Board of Directors
Open Media Network Private Limited
CIN - U22100WB2008PTC124295

Vineet Garg
Director
DIN - 06935347

Place: Kolkata
Date: 2nd May, 2019

S.Chakrabarti
Director
DIN - 00175185

Place: Kolkata
Date: 2nd May, 2019

OPEN MEDIA NETWORK PRIVATE LIMITED
CIN - U22100WB2008PTC124295
Statement of Cash Flows for the year ended 31st March, 2019

	Year Ended 31st March, 2019 Rs.		Year Ended 31st March, 2018 Rs.	
A. Cash Flow from Operating Activities				
Profit/(Loss) before tax		(154,046,613)		(163,450,349)
Adjustment for:				
Depreciation and amortization expenses	3,080,378		3,607,524	
Finance Expenses	50,954,688		41,738,111	
Provision for Doubt Debts / Advances written back	(197,154)		-	
Liability no longer required written back	(13,500,000)		-	
Profit on sale of tangible assets (net)	-		(10,000)	
Remeasuremt of post employment benefit obligation	257,903		234,480	
Provision for Magazine Return	1,072,717		2,617,881	
Bad Debts Written Off	136,488		164,321	
Provision for Provision for Doubtful debts	-		603,198	
		41,805,020		48,955,515
Operating profit before changes in operating assets and liabilities		**(112,241,593)**		**(114,494,834)**
Changes in operating assets and liabilities				
Increase / (Decrease) in Trade Payables	2,075,976		(2,760,051)	
Increase / (Decrease) in Provisions	(1,689,287)		1,366,274	
Increase in Employee benefit obligations	190,461		805,580	
Increase / (Decrease) in Other financial liabilities	(1,869,808)		2,301,735	
Increase / (Decrease) in Other current liabilities	(22,022,785)		12,165,931	
(Increase) / Decrease in trade receivables	2,166,209		(4,482,974)	
(Increase) / Decrease in inventories	506,675		1,402,032	
(Increase) (Decrease in Other financial assets	2,248,686		(478,877)	
Decrease in Other non-current assets	13,259,538		408,416	
(Increase) / Decrease in Other current assets	477,106		(2,101,898)	
		(4,657,228)		8,626,168
Cash used in Operations		**(116,898,821)**		**(105,868,666)**
Direct Taxes (net of refund)		(2,873,693)		(3,285,722)
Net cash used in Operating Activities		**(119,772,514)**		**(109,154,388)**
B. Cash Flow from Investing Activities				
Purchase of tangible/intangible assets	(315,178)		(329,500)	
Sale of tangible assets	-		10,000	
		(315,178)		(319,500)
Net Cash used in Investing Activities		**(315,178)**		**(319,500)**
C. Cash Flow from Financing Activities				
Proceeds from borrowings		121,090,084		112,160,487
Net cash from Financing Activities		**121,090,084**		**112,160,487**
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)		**1,002,392**		**2,686,599**
Cash and Cash Equivalents at the beginning of the year (Refer Note 8.2)		10,675,816		7,989,217
Cash and Cash Equivalents at the end of the year (Refer Note 8.2)		**11,678,208**		**10,675,816**

Notes:

1. 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

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

Jitendra Nagar
Partner
Membership No. 55659.

Place : Kolkata
Date : 2nd May, 2019

On behalf of the Board

Vineet Garg
Director
DIN - 06935347

S.Chakrabarti
Director
DIN- 00175185

VIDYA & CO.
CHARTERED ACCOUNTANTS

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To the Members of Open Media Network Private Limited

Report on the Audit of the standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Open Media Network Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013("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, 2019, its profit, including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs),as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

VIDYA & CO. Chartered Accountants Kolkata

VIDYA & CO.

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Responsibility of Management for the standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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 the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going

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concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss [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 standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019;

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(h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. There were no pending litigations which would impact the financial position of the Company;

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.

For **VIDYA & CO.**
Firm Registration no.: 308022E
Chartered Accountants

VIDYA & CO. Kolkata Chartered Accountants

(JITENDRA NAGAR)
Partner
Membership No: 055659

Kolkata , the 2nd day of May,2019

VIDYA & CO.

CHARTERED ACCOUNTANTS

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ANNEXURE "1" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory requirements' section of our report of even date)

i) In respect of its fixed assets:

(a) The Company has maintained proper records to show full particulars including quantitative details and situation of the fixed assets.

(b) The fixed assets were physically verified during the year by the management which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company does not hold any immovable properties as on 31 March 2019 .Accordingly, the provisions of Clause 3(i) (c) of the Order are not applicable to the Company.

ii) As explained to us, inventories were physically verified by the management during the year. In our opinion, the frequency of the verification is reasonable. During the year the Company has not noticed any materials discrepancies in inventories.

iii) The Company has not granted any loan to parties covered in the register maintained under section 189 of Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.

iv) In our opinion and according to the information and explanations given to us, the company has not given any loans, investments, guarantees and security. Therefore, this clause is not applicable to the company.

v) In our opinion and according to the information and explanations given to us, the Company did not receive any deposits covered under sections 73 to 76 of the Companies Act and the rules framed there under with regard to deposits accepted from the public during the year.

vi) The company is not required to maintain cost records as prescribed by Central Government under section 148 (1) (d) of the Companies Act 2013.

vii) In respect of statutory and other dues:

a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of customs, GST, cess and any other statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the books and account, the Company has generally been regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of customs, GST, cess and any other statutory dues during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed dues as above were outstanding as at 31st March 2019 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, wealth tax, duty of customs, GST, and cess as at 31st March, 2019 which have not been deposited on account of dispute.

viii) The company has not taken any loan from any bank, financial institution or debenture holders during the year. Accordingly paragraph – 3 (viii) of the order is not applicable.

Kolkata Chartered Accountants

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ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year and no term loan has been raised by the company during the year. Therefore, this clause is not applicable for the company.

x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi) The company did not have any whole time director or manager during the financial year. Accordingly paragraph 3(xi) of the order is not applicable to the company.

xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, this clause is not applicable to the company.

xv) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

For **VIDYA & CO.**
Firm Registration no.: 308022E
Chartered Accountants

VIDYA & CO. Kolkata Chartered Accountants

(JITENDRA NAGAR)
Partner
Membership No: 055659

Kolkata , the 2nd day of May,2019

VIDYA & CO.
CHARTERED ACCOUNTANTS

50, WESTON STREET, ROOM - 404
KOLKATA - 700 012
PHONE : 40085450
E-Mail : jnagar@gmail.com

ANNEXURE "2" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 ` ("the Company") as of 31st March, 2019 in conjunction with our audit of the Ind AS 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 (the" Guidance Note")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 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 and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Kolkata
Chartered Accountants

VIDYA & CO.
CHARTERED ACCOUNTANTS

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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, to the best of our information and according to the explanations given to us, 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 31st March, 2019, 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 **VIDYA & CO.**
Firm Registration no.: 308022E
Chartered Accountants

VIDYA & CO. ★ Kolkata ★ Chartered Accountants

(JITENDRA NAGAR)
Partner
Membership No: 055659

Kolkata , the 2nd day of May,2019