

B S R & Associates LLP

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NDTV CONVERGENCE LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **NDTV Convergence Limited** ("the Holding Company"), its subsidiaries and associates (collectively referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31 March 2016, the Consolidated Statement of Profit and Loss, the consolidated Cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.



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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2016, their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matters

The consolidated financial statements of the Group for the year ended 31 March 2015 were audited by Price Waterhouse, Chartered Accountants who expressed an unmodified opinion on those statements on 2 May 2015.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the



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Directors of the Group companies incorporated in India is disqualified as on 31 March 2016 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group does not have any pending litigations as at 31 March 2016 which would impact its financial position.
 - ii. The Group has long-term contracts as at 31 March 2016 for which there were no material foreseeable losses. The Company has no outstanding derivative contracts as at 31 March 2016;
 - iii. The Group does not have any dues on account of Investor Education and Protection Fund.

For B S R & Associates LLP
Chartered Accountants
Firm registration number: 116231W/ W-100024



Rakesh Dewan
Partner

Membership number: 092212

Place: Gurgaon
Date: 5 May 2016

Annexure A to the Independent Auditor's Report of even date on the consolidated financial statements of NDTV Convergence Limited

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of NDTV Convergence Limited ("the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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



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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, 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 31 March 2016, 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 ICAI.

For B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/ W-100024



Rakesh Dewan

Partner

Membership number: 092212

Place: Gurgaon
Date: 5 May 2016

Consolidated Balance Sheet	Notes	As at March 31, 2016
Equity and liabilities		
Shareholders' funds		
Share capital	3	0.67
Reserves and surplus	4	526.29
		526.96
Minority Interest		82.76
Non-current liabilities		
Long-term borrowings	5	150.00
Other long-term liabilities	6	50.00
Long-term provisions	7	12.39
		212.39
Current liabilities		
Trade payables	8	
- total outstanding dues of micro enterprises and small enterprises		-
- total outstanding dues of creditors other than micro enterprises and small enterprises		280.53
Other current liabilities	9	247.04
Short-term provisions	7	0.48
		528.05
TOTAL		1,350.16
Assets		
Non-current assets		
Fixed assets		16.40
Tangible assets	10	34.47
Intangible assets	11	2.11
Capital work-in-progress		55.33
Non-current investments	12	6.07
Deferred tax assets (net)	13	386.53
Long-term loans and advances	14	14.26
Other non-current assets	15.2	515.17
		834.99
Current assets		
Current investments	16	-
Trade receivables	15.1	453.45
Cash and bank balances	17	320.10
Short-term loans and advances	14	50.27
Other current assets	15.2	11.17
		834.99
TOTAL		1,350.16

Significant accounting policies

2

The accompanying notes are an integral part of the financial statements.
As per our report of even date attached.

For BSR & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W /W-100024



Rakesh Dewan
Partner
Membership No. : 092212

For and on behalf of the Board of Directors of
NDTV Convergence Limited



Dr. Prannoy Roy
Director



Radhika Roy
Director



Vikramaditya Chandra
Group CEO & Director



Saurav Banerjee
Director, Finance & Group CFO

Place : Gurgaon
Date : May 5, 2016

Place: New Delhi
Date: May 4, 2016

Consolidated Statement of Profit and Loss		Year ended March 31, 2016
Income		
Revenue from operations	18	1,155.16
Other income	19	19.45
Total revenue		<u>1,174.61</u>
Expenses		
Cost of Services	20	283.07
Employee benefit expense	21	365.45
Operations and administration expenses	22	190.07
Marketing, distribution and promotion expenses	23	304.29
Depreciation and amortisation expense	24	12.47
Finance costs	25	36.19
Total		<u>1,191.54</u>
Loss before tax		(16.93)
Tax expenses		29.07
Current tax		(4.78)
Deferred tax		24.29
Total tax expense		<u>(41.22)</u>
Loss for the year before minority		<u>36.54</u>
Share in loss of minority		(76.03)
Share in loss of associates		(80.71)
Loss for the year		<u>(120.19)</u>
Earnings per equity share [nominal value of share Rs 10 per share] Basic and Diluted	28	(1,210.64)
Summary of significant accounting policies	2	

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

For **BSR & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

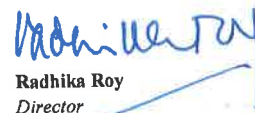


Rakesh Dewan
Partner
Membership No. : 092212

For and on behalf of the Board of Directors of
NDTV Convergence Limited



Dr. Prannoy Roy
Director



Radhika Roy
Director



Vikramaditya Chandra
Group CEO & Director



Saurav Banerjee
Director, Finance & Group CFO

Place : Gurgaon
Date : May 5, 2016

Place: New Delhi
Date: May 4, 2016

NDTV Convergence Limited
Consolidated Cash Flow Statements for the year ended March 31, 2016

(in Rs million)
Year ended
March 31, 2016

Cash flow from operating activities	(16.93)
Profit before tax from continuing operations	
Adjustments for :	12.47
Depreciation/ amortisation	0.41
Tangible assets written off	(0.03)
Profit on sale of fixed assets	(1.50)
Liabilities no longer required written back	0.43
Write Off of the value of investments in associates	15.41
Employee stock compensation expense	4.28
Provision for gratuity	0.18
Unrealised foreign exchange loss/profit	3.76
Bad debts written off	11.28
Provision for doubtful debts	0.19
Provision for doubtful Advances	36.19
Interest expenses	(12.03)
Interest income	54.11
Operating profit before working capital changes	
Movements in working capital :	113.15
Increase/ (decrease) in trade payables	(0.63)
Increase / (decrease) in long-term provisions	0.13
Increase / (decrease) in short-term provisions	86.00
Increase/ (decrease) in other current liabilities	(112.35)
Increase/ (decrease) in other long-term liabilities	(5.33)
Decrease / (increase) in trade receivables	(99.33)
Decrease / (increase) in long-term loans and advances	(10.59)
Decrease / (increase) in short-term loans and advances	(4.96)
Decrease / (increase) in other current assets	20.20
Cash generated from / (used in) operations	(64.99)
Income taxes (paid)/refunded	(44.79)
Net cash flow from/ (used in) operating activities (A)	
Cash flows from investing activities	(12.77)
Purchase of tangible assets	(12.21)
Purchase of intangible assets (including capital work in process)	3.02
Proceeds from sale of fixed assets	(0.43)
Purchase of non-current investments	(1.37)
Purchase of current investments	(271.04)
Investments/renewal of bank deposits	33.81
Redemption/ maturity of bank deposits	8.64
Interest received	(252.35)
Net cash flow from/ (used in) investing activities (B)	
Cash flows from financing activities	66.67
Proceeds from long-term borrowings	(50.00)
Repayment of current maturities of long term borrowings	73.33
Proceeds from short-term borrowings	273.56
Proceeds from issue of shared to Minority Share Holders	(32.87)
Interest paid	330.69
Net cash flow from/ (used in) in financing activities (C)	33.55
Net increase/(decrease) in cash and cash equivalents (A + B + C)	25.88
Cash and cash equivalents at the beginning of the year	59.43
Cash and cash equivalents at the end of the year	As at March 31, 2016
Components of cash and cash equivalents	0.12
Cash on hand	
Cheques/ drafts on hand	
With banks	35.74
in current account	23.57
in deposit account	59.43
Total cash and cash equivalents (Refer note 17)	

Significant accounting policies

Notes :

1. The above cash flow statement has been prepared under the indirect method set out in Accounting Standard-3 as notified under section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended].

As per our report of even date attached

For BSR & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W /W-100024

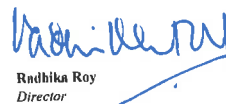


Rakesh Dewan
Partner
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For and on behalf of the Board of Directors of
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Dr. Prannoy Roy
Director



Rndhika Roy
Director



Vikramaditya Chandra
Group CEO & Director



Saurav Baherjee
Director, Finance & Group CFO

Place : Gurgaon
Date : May 5, 2016

Place: New Delhi
Date: May 4, 2016

NDTV Convergence Limited
Notes to the consolidated financial statements for the year ended March 31, 2016

1. Corporate information

NDTV Convergence Limited (the Company/holding Company) was incorporated on December 13, 2006 under the provisions of the Companies Act, 1956 and it commenced operations on January 1, 2007 with the purchase of existing website from New Delhi Television Limited, its ultimate parent company. The Company maintains and operates ndtv.com and other web sites. The Company is also a content provider to Mobile VAS operators. The Company has subsidiaries engaged into different E-commerce businesses on various platforms such as www.Gadgets360.com, www.carandbike.com and www.smartcooky.com.

2. Summary of significant accounting policies

2.1 Basis of preparation and principles of consolidation

(a) The consolidated financial statements ("CFS") of the Company comprise the Company, its subsidiaries and associates (collectively referred to as "the Group"). The CFS have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable and in particular Accounting Standard 21 (AS 21) - 'Consolidated Financial Statements' and Accounting Standard 23 (AS 23) - 'Accounting for Investments in Associates in Consolidated Financial Statements'. The Group follows the mercantile system of accounting and recognises income and expenditure on accrual basis and prepares its accounts on a going concern basis.

(b) The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra group balances and intra group transactions and resulting unrealised profits are eliminated in full. Unrealised losses resulting from intra group transactions are also eliminated unless cost cannot be recovered. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(c) The CFS include the share of profit/loss of the associate companies which has been accounted as per the 'Equity method', and accordingly, the share of profit / loss of each of the associate companies from the date of acquisition has been added to / deducted from the cost of investments. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture of the investor.

(d) The notes and significant policies to the CFS are intended to serve as a guide for better understanding of the Group's position. In this respect, the Group has disclosed such notes and policies, which represent the required disclosure.

(e) Reserves and surplus shown in the Consolidated Balance Sheet includes the Group's share in the respective reserves of subsidiaries. Reserve attributable to minority stakeholders is reported as part of minority interest in the consolidated Balance Sheet.

(f) Minority interests in the net assets of the consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which the investments are made by NDTV Convergence Limited in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

All assets and liabilities have been classified as current or non-current in accordance with the individual entities under the Group's operating cycle and other relevant criteria. Based on the nature of the product or services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

2.2 Goodwill /Capital reserve

Subsidiaries

Goodwill represents the difference between the cost of acquisition and the Group's share in the net worth of a subsidiary at each point of time of making the investment in the subsidiary. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of the respective acquisition. Negative goodwill is shown as capital reserve.

Associate

Goodwill / Capital reserve arising on the date of acquisition is included in the cost of investments.

2.3 Use of estimates

In the preparation of the financial statements, the management of the Company makes appropriate estimates and assumptions in conformity with the applicable accounting principles in India that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, and the useful lives of fixed assets and intangible assets.

Provisions: Provisions are recognised where there is a present obligation as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and where it is possible to make a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to their present value.

Contingent Liability: Contingent liabilities are disclosed 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 will be required to settle or a reliable estimate of the amount cannot be made.



2.4 Tangible assets

Tangible assets except in the cases mentioned below are stated at the cost of acquisition, which includes taxes, duties, freight, insurance and other incidental expenses incurred for bringing the assets to the working condition required for their intended use, less depreciation and impairment.

Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation on tangible assets is provided on a pro-rata basis on the straight line method over the estimated useful lives of the assets. The useful lives as estimated for tangible assets are in accordance with the useful lives as indicated in Schedule II of the Companies Act, 2013 except for the following class of assets where different useful lives have been used:

Asset head	Useful life (years)
Computers	3-6

The estimates of useful lives of the assets are based on technical evaluation.

Individual assets costing less than Rs. 5,000 are depreciated at the rate of 100% in the year of acquisition.

The useful lives are reviewed by the management at each financial year-end and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the revised remaining useful life.

Any loss arising from the retirement of and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

2.5 Intangible assets

Intangible assets are recognised if they are separately identifiable and the Company controls the future economic benefits arising from them. All other expenses on intangible items are charged to the Statement of Profit and Loss. Intangible assets are stated at cost less accumulated amortisation and impairment.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

Amortisation on intangible assets is provided using the Straight Line Method based on the useful lives as estimated by the management. Amortisation is charged on a pro-rata basis for assets purchased/sold during the year. Individual assets costing less than Rs. 5,000 are amortised at the rate of 100% in the year of acquisition. The management's estimates of useful lives for intangible assets are given below:

Asset head	Useful life (years)
Website	6
Computer Software	6

Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

2.6 Leases

Assets taken on leases where significant risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on a straight line basis over the lease term.

2.7 Impairment of tangible and intangible assets

The carrying values of assets are reviewed at each reporting date to determine if there is indication of any impairment, using external and internal sources. If any indication exists, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. Impairment occurs where the carrying value of the asset or its cash generating unit exceeds the present value of future cash flows expected to arise from the continuing use of the asset or its cash generating unit and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value of future cash flows from use of the assets as determined above. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.



NDTV Convergence Limited
Notes to the consolidated financial statements for the year ended March 31, 2016

2.8 Revenue recognition

Revenue from advertising is recognized in the period for which services have been provided.

The Company recognizes revenue from the display of graphical advertisements ("display advertising") on the website as "impressions" are delivered. An "impression" is delivered when an advertisement appears in pages viewed by users.

Revenue from sale of licenses and services is recognized as per terms of contract when no significant uncertainty exists with respect to ultimate collection.

Revenue from content provided to Mobile VAS operators is recognized when services are rendered and no significant uncertainty exists with respect to ultimate collection.

The Company recognizes revenue from the display of text based links to the websites of its advertisers ("search advertising") which are placed on the website. Search advertising revenue is recognized as "click through" occur. A "click-through" occurs when a user clicks on an advertiser's listing.

Revenues from production arrangements are recognized when the contract period begins and the programming is available for telecast pursuant to the terms of the agreement. Typically the milestone is reached when the finished product has been delivered or made available to and accepted by the customer.

Commission from online booking of gadgets and its accessories under marketplace model is recognized when the product is delivered to the buyer.

2.9 Investment

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments".

Long-term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

2.10 Foreign currency transaction

Transactions in foreign currency are recorded at the rates of exchange in force at the time of the transactions are affected. All monetary assets and liabilities denominated in foreign currency are restated at the year-end exchange rate. All non-monetary assets and liabilities are stated at the rates prevailing on the dates of the transactions.

Gains/(losses) arising out of fluctuations in the exchange rates are recognized as income/expense in the period in which they arise.

2.11 Employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages and bonus. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Defined contribution plans

The Company's provident fund scheme is a defined contribution plan. The Company's contribution paid/payable under the scheme is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plans

The Company's gratuity benefit scheme is defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognized in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. The Company recognizes gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

2.12 Employee stock based compensation

The Company calculates the employee stock compensation expense based on the intrinsic value method wherein the excess of market price of underlying equity shares as on the date of the grant of options over the exercise price of the options given to employees under the Employee Stock Option Scheme of the Company is recognized as deferred stock compensation expense and is amortized over the vesting period in accordance with the accounting treatment.



2.13 Earnings per share (EPS)

Basic EPS

The earnings considered in ascertaining the Company's basic EPS comprise the net profit/ (loss) after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

Diluted EPS

The net profit/ (loss) after tax and the weighted average number of shares outstanding during the year are adjusted for all the effects of dilutive potential equity shares for calculating the diluted EPS, except when the results will be anti-dilutive.

2.14 Other income

Interest income : Interest income is recognised on a proportion of time basis taking into account the principal outstanding and the rate applicable.

2.15 Unamortised finance charges

Costs incurred in raising funds are amortized on straight line basis over the period for which the funds have been obtained, using time proportionate basis.

2.16 Taxes on income

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in profit or loss except that tax expense related to items recognised directly in reserves is also recognised in those reserves.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

2.17 Cash and cash equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, and other short-term highly liquid investments with original maturities of three months or less.



NDTV Convergence Limited
Notes to the consolidated financial statements for the year ended March 31, 2016

3. Share capital

	As at March 31, 2016	
	Numbers	in Rs million
Authorised		
Equity shares of Rs.10 each fully paid up	3,000,000	30
Preference shares of Rs.10 each fully paid up	23,000,000	230
Issued, subscribed and fully paid-up equity shares		
Equity shares of Rs.10 each, fully paid up	66,671	0.67
	66,671	0.67

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity share	As at March 31, 2016	
	Numbers	in Rs million
At the beginning of the year	66,671	0.67
Outstanding at the end of the year	66,671	0.67

(b) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Equity Shares	As at March 31, 2016	
	Numbers	in Rs million
Equity shares of Rs. 10 each fully paid up held by:		
NDTV Networks Limited, holding company	50,003	0.50
New Delhi Television Limited, ultimate holding company	11,334	0.11
	61,337	0.61

(c) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2016	
	Numbers	% holding
Equity shares of Rs. 10 each fully paid up held by:		
NDTV Networks Limited	50,003	75%
New Delhi Television Limited	11,334	17%

(d) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible to one vote per share held. On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

4. Reserves and surplus

	(in Rs Million)	
	As at March 31, 2016	
Securities premium account		236.35
Balance as at the beginning of the year		236.35
Balance as at the end of the year		
Employee stock options outstanding account (Refer note 29)		49.04
Compensation for options granted till date		(11.30)
Less: Deferred employee stock compensation		37.74
Balance as at the end of the year		
Capital Reserve		-
Balance as at the beginning of the year		154.26
Additions during the year		154.26
Balance as at the end of the year		
Deficit in the Statement of Profit and Loss		178.65
Balance as at the beginning of the year		(80.71)
Loss for the year		97.94
Balance as at the end of the year		
Total Reserves and surplus		526.29



NDTV Convergence Limited
Notes to the consolidated financial statements for the year ended March 31, 2016

5. Long-term borrowings (in Rs million)

	Non-current portion	Current portion
	As at March 31, 2016	As at March 31, 2016
Secured		
Term loan from bank	150.00	100.00
	150.00	100.00
Amount disclosed under the head "Other current liabilities" (refer note 9)	-	(100.00)
	150.00	-

The nature of security and key terms of repayment are as follows:

Nature of Security	Terms of Repayment
The term loan from bank amounting to Rs.250 million are secured by :	36 equal monthly instalments amounting to Rs.8.33 million each after moratorium of 12 months from the date of first disbursement. i.e. September 30, 2014 During the year, the Company has repaid 6 equal instalments starting 30th October 2015, amounting Rs.50 million.
1) Charge on all current and fixed assets of the Company, inter alia:	
a) Fixed Deposits of Rs.35 million under lien with bank.	
b) Fixed Deposit of Rs.9.45 million equivalent to 3 months interest on Term loan under lien with bank.	Rate of Interest is bank's base rate plus 1.75% per annum payable on monthly rests. Effective rate of interest as on March 31, 2016 is 12% per annum.
2) The ultimate holding company* and the holding company have issued an unconditional and irrevocable guarantees in favour of the Company to the extent of Rs.350 million and Rs.300 million respectively. These guarantees are valid till the tenure of the loan.	
3) The ultimate holding company has created a charge in favour of bank on its under construction properties of Rs.50 million.	

6. Other long-term liabilities (in Rs million)

	As at March 31, 2016
Security deposit	50.00
	50.00

7. Provisions (in Rs million)

	Long term	Short term
	As at March 31, 2016	As at March 31, 2016
Provision for employee benefits		
Provision for gratuity (Refer note 26)	12.39	0.48
	12.39	0.48

8. Trade payables (in Rs million)

	As at March 31, 2016
Trade Payable	
-total outstanding dues of micro enterprises and small enterprises (refer note 32)	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	280.53
	280.53

9. Other current liabilities (in Rs million)

	As at March 31, 2016
Current maturities of long term borrowings (refer note 5)	100.00
Statutory dues	15.46
Interest accrued on borrowings (refer note 5)	2.63
Employee benefits payable	49.41
Income received in advance/deferred income	55.32
Advance from customers	0.67
Payables to sellers	22.50
Payable against purchase of fixed assets	1.05
	247.04

NDTV Convergence Limited
Notes to the consolidated financial statements for the year ended March 31, 2016

10. Tangible assets						(in Rs million)
	Computers	Office equipment	Plant and machinery	Furnitures and fixtures	Vehicles	Total
Gross Block						
As at April 01, 2015	22.71	3.33	2.25	-	0.69	28.98
Additions	8.28	1.44	2.46	0.20	-	12.38
Disposals	4.49	0.65	0.11	0.07	-	5.32
As at March 31, 2016	26.50	4.12	4.60	0.13	0.69	36.04
Depreciation						
As at April 01, 2015	13.43	1.99	1.06	-	0.16	16.64
Charge for the year	3.20	0.96	0.53	0.10	0.13	4.92
Disposals	1.43	0.49	0.00	0.00	-	1.92
As at March 31, 2016	15.20	2.46	1.59	0.10	0.29	19.64
Net Block						
As at March 31, 2016	11.30	1.66	3.01	0.03	0.40	16.40

11. Intangible assets			(in Rs million)
	Computer softwares	Websites	Total
Gross block			
As at April 01, 2015	29.96	22.52	52.48
Additions	3.29	12.74	16.03
As at March 31, 2016	33.25	35.26	68.51
Amortisation			
As at April 01, 2015	13.65	12.84	26.49
Charge for the year	4.67	2.88	7.55
As at March 31, 2016	18.32	15.72	34.04
Net block			
As at March 31, 2016	14.93	19.54	34.47

12. Non-current investments			(in Rs million)
			As at March 31, 2016
Trade investments (valued at cost unless stated otherwise)			
Unquoted			
Investment in Associates			129.95
NDTV Ethnic Retail Limited			
-32,314 equity shares of Rs.4,021.22 each fully paid up			(74.62)
Less : Share of loss for the year			55.33
Fifth Gear Ventures Limited			0.21
-21,000 equity shares of Rs.10 each fully paid up			(0.21)
Less : Share of loss for the year			-
On Demand Transportation Technologies Limited			0.25
- 25,000 equity shares of Rs.10 each fully paid up			(0.25)
Less : Share of loss for the year			-
Special Occasions Limited			0.25
- 25,000 equity shares of Rs.10 each fully paid up			(0.25)
Less : Share of loss for the year			-
Brick Buy Brick Projects Limited			0.22
- 20,000 equity shares of Rs.10 each fully paid up			(0.22)
Less : Share of loss for the year			-
Redster Digital Limited			0.27
- 20,000 equity shares of Rs.10 each fully paid up			(0.27)
Less : Share of loss for the year			-
OnArt Quest Limited			0.21
- 21,250 equity shares of Rs.10 each fully paid up			(0.21)
Less : Share of loss for the year			-
			55.33
Aggregate amount of unquoted investments			55.33



NDTV Convergence Limited
Notes to the consolidated financial statements for the year ended March 31, 2016

		(in Rs million)
		As at
		March 31, 2016
13.	Deferred tax asset (net)	
	Deferred tax liability	(8.17)
	Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged as per the books	(8.17)
	Gross deferred tax liability (A)	
	Deferred tax asset	3.82
	Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	1.13
	Carried forward losses	9.29
	Provision for doubtful debts and advances	14.24
	Gross deferred tax asset (B)	6.07
	Net deferred tax asset (A+B)	

		(in Rs million)	
		Long term	Short term
		As at	As at
		March 31, 2016	March 31, 2016
14.	Loans and advances		
	Security deposit		
	Unsecured, considered good	1.57	-
	Unsecured, considered doubtful	0.69	-
		2.26	-
	Provision for doubtful security deposit	(0.69)	-
		1.57	-
	Capital Advances		0.31
	Unsecured, considered good	-	0.31
	Loans and advances to related parties		
	Security deposit*	300.00	-
	Advances recoverable	-	1.30
	Unsecured considered good**	-	7.49
		300.00	8.79
	Advances recoverable in cash or kind		0.54
	Unsecured considered good	-	0.54
	Other loans and advances (Unsecured, considered good)		
	Advance income-tax (net of provision of income tax of Rs 153.64 million)	84.96	-
	Prepaid expenses	-	8.20
	Advances and imprest to employees	-	2.14
	Due from government authorities	-	21.62
	Recoverable from logistics partners	-	8.13
	Other receivables	-	0.54
		386.53	50.27

* represent amount recoverable from New Delhi Television Limited on account of Security Deposit

** represent advance given to New Delhi Television Limited

		(in Rs million)
		As at
		March 31, 2016
15.1	Trade receivables	
	Unsecured, considered good unless stated otherwise	
	Outstanding for a period exceeding six months from the date they are due for payment	
	Unsecured, considered good	17.87
	Unsecured, considered doubtful	27.41
		45.28
	Provision for doubtful receivables	(27.41)
		17.87
	Others	
	Unsecured, considered good	435.58
		435.58
		453.45



NDTV Convergence Limited
Notes to the consolidated financial statements for the year ended March 31, 2016

15.2. Other assets

	(in Rs million)	
	Non current	Current
	As at March 31, 2016	As at March 31, 2016
Bank deposits(due to mature after 12 months from the reporting date*) [Refer note 5]	10.37	-
Unamortised finance charges	3.57	2.39
Interest accrued on fixed deposits	0.32	3.82
Unbilled Revenue	-	4.96
	14.26	11.17

* Includes deposits amounting to Rs.9.45 million held as lien by bank against long term borrowings.

16. Current investments

	(in Rs million)	
	As at March 31, 2016	
Valued at cost unless stated otherwise		
Unquoted		
Investment in Associate		
BrickbuyBrickVentures Ltd *		-
-19,000 Equity Shares of Rs.10 each fully paid up		
Fifth Gear Auto Ltd *		-
-23,750 Equity Shares of Rs.10 each fully paid up		
		-

* On account of internal rearrangement of the group companies, new companies were incorporated to carry on business activities which would have otherwise been carried on by these companies. Since, these companies would not be carrying on any business activities the Board of Directors of these companies in their meeting held on December 2, 2015 approved the proposal to make an application to the Registrar of Companies (ROC) for striking off the name of these companies from the Register of Companies maintained by the ROC under the "Fast Track Exit Scheme". After the approval of ROC, these companies will cease to exist. The aforementioned investments have been completely written off during the year.

17. Cash and bank balances

	(in Rs million)	
	As at March 31, 2016	
Cash and cash equivalents		0.12
Cash in hand		
Balances with banks:		35.74
Current accounts		23.57
Deposits with original maturity of less than three months*(Refer Note 5)		59.43
Other bank balances		225.67
Deposits due to mature within 12 months of the reporting date.**(Refer Note 5)		35.00
Margin money deposit (Refer note 5)		320.10

* Includes deposits amounting to Rs.16.33 million held as lien by bank against long term borrowings.

** Includes deposits amounting to Rs.18.67 million held as lien by bank against long term borrowings.



NDTV Convergence Limited
Notes to the consolidated financial statements for the year ended March 31, 2016

		(in Rs million)
18. Revenue from operations	Year ended March 31, 2016	
Revenue from operations	819.55	
Advertisement revenue	211.14	
Mobile VAS revenue	9.51	
Commission income	39.53	
Event revenue	48.89	
Consultancy	1.25	
Sale of license	23.79	
Other business income		
Other operating revenue	1.50	
Liabilities for operating expenses written back	<u>1,155.16</u>	
		(in Rs million)
19. Other income	Year ended March 31, 2016	
	12.03	
Interest income on bank deposits	5.18	
Foreign exchange fluctuation (net)	0.03	
Profit on sale of fixed assets	2.21	
Miscellaneous income	<u>19.45</u>	
		(in Rs million)
20. Cost of services	Year ended March 31, 2016	
	18.61	
Consultancy and professional fee	49.42	
Subscription , footage and news service	125.00	
Website hosting and streaming	71.41	
Production expenses	6.94	
Travelling	11.69	
Trade mark/License fee	<u>283.07</u>	
		(in Rs million)
21. Employee benefits expense	Year ended March 31, 2016	
	330.24	
Salaries, wages and other benefits	15.90	
Contribution to provident fund	3.90	
Staff welfare	15.41	
Employee stock compensation expenses	<u>365.45</u>	



NDTV Convergence Limited
Notes to the consolidated financial statements for the year ended March 31, 2016

		(in Rs million)
22. Operations and administration expenses		
		Year ended March 31,2016
Rent		20.19
Rates and taxes		1.95
Electricity and water		6.57
Printing and stationery		0.21
Postage and courier		0.12
Books, periodicals and news papers		5.30
Local conveyance , travelling and taxi hire		5.33
Business promotion		2.19
- Plant and machinery		1.15
Expenditure towards corporate social responsibility		2.26
Auditors remuneration*		1.20
Bank charges		0.69
Insurance		6.55
Communication		9.32
Vehicle running and maintenance		26.74
Staff training		1.11
Provision for doubtful debts		11.28
Provision for doubtful advances		0.19
Bad debt and doubtful advances written off	4.27	-
Less: Adjusted with provision	(0.51)	3.76
Legal, professional and consultancy		74.59
Loss on sale of fixed assets		0.41
Provision for diminution of investment (refer note.16)		0.43
Freight and octroi charges		2.68
Miscellaneous		5.85
		<u>190.07</u>
		(in Rs million)
* Auditors Remuneration		
		Year ended March 31,2016
As auditor:		1.06
Audit fee		0.14
Reimbursement of expenses		<u>1.20</u>
		(in Rs million)
23. Marketing, distribution and promotion expenses		
		Year ended March 31,2016
WEB, WAP and APP marketing		88.76
Mobile VAS marketing		127.27
Others		88.26
Total		<u>304.29</u>
		(in Rs million)
24. Depreciation and amortisation expense		
		Year ended March 31,2016
Depreciation of tangible assets		4.92
Amortisation of intangible assets		7.55
		<u>12.47</u>
		(in Rs Million)
25. Finance costs		
		Year ended March 31,2016
Interest		33.72
-Long term borrowings (refer note 5)		0.08
-Others		2.39
Amortisation of finance charges		<u>36.19</u>



NDTV Convergence Limited

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

26. Post-employment benefit plan(Gratuity)

The Company provides for long term defined benefit schemes of gratuity on the basis of actuarial valuation on the Balance Sheet date based on the Projected Unit Credit Method. The Company recognizes the actuarial gains and losses in the Statement of Profit & Loss as income and expense in the period in which they occur .

The reconciliation of opening and closing balances of the present value of the defined benefit obligations are as below:

	(in Rs million)
Particulars	As at March 31,2016
Changes in the Present value of the Obligation:	
Obligations at year beginning	9.09
Service cost – current	2.37
Acquisition adjustment	1.00
Interest cost	0.72
Actuarial (gain) / loss	1.19
Benefit paid	(1.50)
Obligations at year end	12.87

Particulars	Year ended March 31, 2016
Expense incurred in the statement of profit and loss	
Service cost – current	2.37
Acquisition adjustment	1.00
Interest cost	0.72
Actuarial (gain) / loss	1.19
Total cost incurred in employee benefits	5.28

Particulars	Year ended March 31, 2016
The principal assumptions used in determining post-employment benefit obligations are shown below:	
Discount rate	7.70%
Future salary increases (NDTV Convergence Limited)	20% for 1st year, 15% for 2nd year, 10% for 3rd year, 7.5% for 4th year and 5% thereafter.
Future salary increases (Smart Cooky Internet Limited)	5%
Future salary increases (Red Pixels Ventures Limited)	7.7% for 1st year, 8.08% for 2nd year, 8.49% for 3rd year, 8.91% for 4th year and 9.36% thereafter.

Experience adjustments

Particulars	Year ended March 31, 2016
(Gain) / Loss on Plan Liabilities	1.27
% of Opening plan liabilities	14%
Gain /(loss) on plan assets	

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The demographic assumptions were as per the published rates of "Life Insurance Corporation of India (2006-08) Mortality Table (ultimate), which is considered a standard table. Expected contribution to gratuity fund for next financial year is Rs.3.22 million.



NDTV Convergence Limited
Notes to the Consolidated Financial Statements for the year ended 31 March 2016

27. Related party disclosures

a) The following companies are considered in the consolidated financial statements:

Name of the Company	Status	Country of Incorporation	Date of becoming a part of Group	Shareholding s as on March 31, 2016 (Directly or indirectly)
Red Pixel Gadgets Limited	Subsidiary	India	24-Jun-15	57%
Red Pixels Ventures Limited	Subsidiary	India	1-Sep-15	56%
SmartCooky Internet Limited	Subsidiary	India	1-Sep-15	60%
Smart Cooky Ventures Limited	Subsidiary	India	24-Jun-15	57%
BrickbuyBrick Ventures Limited	Associate	India	24-Jun-15	38%
Fifth Gear Ventures Limited	Associate	India	1-Sep-15	40%
Fifth Gear Auto Limited	Associate	India	24-Jun-15	48%
Special Occasions Limited	Associate	India	6-Oct-15	48%
On Demand Transportation Technologies Limited	Associate	India	5-Oct-15	50%
BrickbuyBrick Projects Limited	Associate	India	1-Oct-15	40%
Redster Digital Limited	Associate	India	26-Nov-15	50%
OnArt Quest Limited	Associate	India	22-Dec-15	43%
NDTV Ethnic Retail Limited	Associate	India	26-Mar-13	23%

b.) Additional Information as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiary, Associates and Joint Ventures.

Name of the Entity	As at March 31,2016		Year ended March 31,2016	
	Net Assets (Total Assets - Total Liabilities)		Share in Profit or Loss	
	As a % of consolidated net assets	Amount in Rs million	As a % of consolidated profit or loss	Amount in Rs million
Parent Company				
NDTV Convergence Limited	70%	366.55	-57%	45.79
Subsidiaries				
Red Pixel Gadgets Limited	0%	0.02	1%	(0.46)
Red Pixels Ventures Limited	33%	172.55	81%	(65.06)
SmartCooky Ventures Limited	0%	0.02	1%	(0.46)
SmartCooky Internet Limited	3%	15.25	26%	(20.90)
Associates				
NDTV Ethnic Retail Limited	10%	55.33	92%	(74.62)
Fifth Gear Auto Limited	0%	-	0%	(0.21)
Fifth Gear Ventures Limited	0%	-	0%	(0.22)
BrickbuyBrick Ventures Limited	0%	-	0%	(0.38)
BrickbuyBrick Projects Limited	0%	-	0%	(0.25)
On Demand Transportation Technologies Limited	0%	-	0%	(0.21)
Special Occasions Limited	0%	-	0%	(0.27)
OnArt Quest Limited	0%	-	0%	(36.54)
Redster Digital Limited	0%	-	-	
Minority Interests in all subsidiaries	-16%	(82.76)	-45%	
Total	100%	526.96	100%	(80.71)



NDTV Convergence Limited
Notes to the consolidated financial statements for the year ended March 31, 2016

c) Names of related parties, where control exists or with whom transactions were carried out during each year and description of relationship as identified and certified by the Group as per the requirements of Accounting Standard-18 issued by the Institute of Chartered Accountants of India.

New Delhi Television Limited
Ultimate Holding Company
NDTV Networks Limited
Holding Company
NDTV Media Limited
Fellow Subsidiary
NDTV Labs Limited
Fellow Subsidiary
NDTV Lifestyle Limited
Fellow Subsidiary
NDTV Worldwide Limited
Fellow Subsidiary
NDTV Lifestyle Holdings Limited
Fellow Subsidiary
BrickbayBrick Ventures Limited
Associate
Fifth Gear Ventures Limited
Associate
Fifth Gear Auto Limited
Associate
Special Occasions Limited
Associate
On Demand Transportation Technologies Limited
Associate
BrickbayBrick Projects Limited
Associate
Redster Digital Limited
Associate
OnArt Quest Limited
Associate
NDTV Ethnic Retail Limited
Associate

Key management Personnel ("KMP") and their relatives

Dr. Pranjoy Roy
Director
Radhika Roy
Director
K.V.L. Narayan Rao
Group CEO and Executive Director
Vikramaditya Chandra
Director, Finance & Group Chief Financial Officer
Saurav Banerjee
Additional Director Red Pixels Ventures Limited
Suparna Singh
CEO SmartCooky Internet Limited (w.e.f. February 17, 2016)
Sumoet Singh
Managing Director Red Pixels Ventures Limited (w.e.f. February 1, 2016)
Kawaljit Singh Bedi
CEO Red Pixels Ventures Limited (w.e.f. November 16, 2015)
Bhavna Agarwal
CFO Red Pixels Ventures Limited (w.e.f. February 1, 2016)
Ranish Mohan Sharma
Managing Director Fifth Gear Ventures Limited (w.e.f. February 1, 2016)
Anjit Chatterjee
CFO Fifth Gear Ventures Limited (w.e.f. November 17, 2015)
Ashu Kansal
Managing Director of SmartCooky Internet Limited (w.e.f. February 1, 2016) and Spouse of Group CEO of NDTV Group
Seema Chandra

Disclosure of Related Party Transactions :

Nature of relationship / transaction	Year ended March 31, 2016						Total
	Ultimate holding company	Holding company	Fellow Subsidiaries	Associate	Relatives	KMP	
Rendering of services	-	-	0.34	-	-	-	0.34
NDTV Lifestyle Limited	-	-	0.34	-	-	-	0.34
Reimbursement of expenses incurred on our behalf	-	-	2.35	-	-	-	2.35
NDTV Lifestyle Limited	-	-	2.35	-	-	-	2.35
NDTV Media Limited	-	-	0.07	-	-	-	0.07
Special Occasions Limited	-	-	-	3.69	-	-	3.69
OnArt Quest Limited	-	-	-	0.51	-	-	0.51
NDTV Lifestyle Limited	-	-	-	0.51	-	-	0.51
NDTV Worldwide Limited	-	-	0.27	-	-	-	0.27
Share Capital	-	-	3.51	-	-	-	3.51
New Delhi Television Limited	0.78	-	-	-	-	-	0.78



Nature of relationship / transaction	Year ended March 31, 2016						
	Ultimate holding company	Holding company	Fellow Subsidiaries	Associate	Relatives	KMP	Total
Rent Paid							
New Delhi Television Limited	18.54	-	-	-	-	-	18.54
Shared service cost							
New Delhi Television Limited	52.15	-	-	-	-	-	52.15
Programs purchased							
New Delhi Television Limited	21.64	-	-	-	-	-	21.64
Sale of fixed asset				9.16			9.16
Investment							
BrickbyBrick Ventures Limited	-	-	-	0.19	-	-	0.19
Fifth Gear Ventures Limited	-	-	-	0.21	-	-	0.21
Fifth Gear Auto Limited	-	-	-	0.24	-	-	0.24
Special Occasions Limited	-	-	-	0.25	-	-	0.25
On Demand Transportation Technologies Limited	-	-	-	0.25	-	-	0.25
BrickbyBrick Projects Limited	-	-	-	0.20	-	-	0.20
Reorder Digital Limited	-	-	-	0.25	-	-	0.25
OnArt Quest Limited	-	-	-	0.21	-	-	0.21
Security Deposit received							
New Delhi Television Limited	15.00	-	-	-	-	-	15.00
Security Deposit paid							
New Delhi Television Limited	140.00	-	-	-	-	-	140.00
Income Received in Advance							
NDTV Ethnic Retail Limited	-	-	-	55.32	-	-	55.32
Advances for Advertisement Sales							
New Delhi Television Limited	7.49	-	-	-	-	-	7.49
Professional consultancy fees							
Seema Chandra	-	-	-	-	3.46	-	3.46
K V L Narayan Rao	-	-	-	-	-	5.02	5.02
Remuneration to key managerial personnel							
Kawaljit Singh Bedi	-	-	-	-	-	0.11	0.11
Bhawna Agarwal	-	-	-	-	-	0.30	0.30
Ranish Mohan Sharma	-	-	-	-	-	0.04	0.04
Seema Chandra	-	-	-	-	-	0.63	0.63
Sunset Singh	-	-	-	-	-	0.90	0.90
Balances at year end							
Ultimate holding company							
Holding company							
Fellow Subsidiaries							
Associate							
Relatives							
KMP							
Total							
Receivable							
Trade receivables	118.43	2.43	24.19	-	-	-	145.05
Loans and advances	7.49	-	-	-	-	-	7.49
Security deposit	300.00	-	-	-	-	-	300.00
Payable							
Trade payable	109.00	12.12	0.02	-	-	-	121.14
Security deposit received	50.00	-	-	-	-	-	50.00



NDTV Convergence Limited
Notes to the consolidated financial statements for the year ended March 31, 2016

28. Loss per share (LPS)

(in Rs million Except per share data)

	Year ended March 31, 2016
Profit attributable to equity shareholders	(80.71)
Number of equity shares outstanding at the beginning of the year (Nos.)	-
Number of equity shares outstanding at year end (Nos.)	66,671
Weighted average number of equity shares outstanding during the year for Basic EPS (Nos.)	66,671
Weighted average number of equity shares outstanding during the year for Diluted EPS (Nos.)	66,671
Basic Earnings per equity share (Rs.)	(1,210.64)
Diluted Earnings per equity share (Rs.)	(1,210.64)
Nominal Value per share (Rs)	10

29. Employee stock based compensation plans

As at March 31, 2016, the Group has the following share-based payment arrangement for the employees of the Group

(a) NDTV Convergence Limited -Employee Stock Option Plan
Employee Stock Option Plan - ESOP (CONVERGENCE) - 2007

This plan entitles certain employees and directors of the group to purchase the common shares of NDTV Convergence (a subsidiary) at the exercise price, subject to compliance with vesting conditions. All exercised options shall be settled by allotment of shares. Upon vesting, the employees can acquire one common share of NDTV Convergence for every option.

The terms and conditions related to the grant of the share options are as follows:

Grant date/employees entitled	Number of options granted	Vesting conditions	Contractual life of options
Opening outstanding options as of April 1, 2015 granted to the employees.	3,029	Refer notes	4-12 years
Total share options as of March 31, 2016	3,029		

Note:

For the options granted, total vesting period is 48 months. 50% of the options granted will vest after the completion of 24 months of the continuous service from the grant date and the balance 50% will vest after the completion of 48 months of the continuous service from the grant date.

Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under employee stock option plans are as follows:

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of options	Weighted average exercise price (Amount in Rs)	No. of options	Weighted average exercise price (Amount in Rs)
Outstanding at the beginning of the year	3,029	10	1,934	10
Granted during the year	-	-	1,095	10
Outstanding at the end of the year	3,029	10	3,029	10
Exercisable at the end of the year	967	10	-	-

The options outstanding as at March 31, 2016 have an exercise price of Rs.10 and a weighted average contractual life of 9.98 years.

The inputs used in the measurement of grant-date fair values are as follows:

Particulars	Year ended March 31, 2015
Share price (in Rs)	13,865
Exercise price (in Rs)	10
Expected volatility	0.00%
Expected life	6 - 8 years
Expected dividend	0.00%
Risk-free interest rate	7.86% - 8.0%



NDTV Convergence Limited

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

(b) Red Pixels Ventures Limited-Employee Stock Option Plan

Red Pixels Ventures Limited - Employee Stock Option Plan 2016 ('the 2016 plan')

In 2016, the Red Pixels Ventures Limited (a subsidiary) approved the 2016 Plan. The plan entitles key management personnel and senior employees of the group to purchase the common shares of Red Pixels Ventures Limited at the exercise price on the grant date, subject to compliance with vesting conditions. All exercised options shall be settled by allotment of shares. Upon vesting, the employees can acquire one common share of Red Pixels Ventures Limited for every option.

The terms and conditions related to the grant of the share options are as follows:

Grant date/employees entitled

Options granted to the employees during the year ended March 31, 2016
Total share options as of March 31, 2016

Number of options granted	Vesting conditions	Contractual life of options
17,940	Refer notes	13 years
17,940		

Note:
 For options granted total vesting period is 36 months. 50% of the options granted will vest after the completion of 24 months of the continuous service from the grant date and the balance 50% will vest after the completion of 36 months of the continuous service from the grant date.

Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under employee stock option plans are as follows:

Particulars	As at 31 March 2016	
	No. of options	Weighted average exercise price (Amount in Rs)
Granted during the year	17,940	59,400
Outstanding at the end of the year	17,940	59,400
Exercisable at the end of the year	-	-

The options outstanding at March 31, 2016 have an exercise price of Rs. 59,400 and a weighted average contractual life of 12.91 years.

The inputs used in the measurement of grant-date fair values are as follows:

Particulars	Year ended March 31, 2016
Share price (in Rs)	59,400
Exercise price (in Rs)	59,400
Expected volatility	0.00%
Expected life	6 - 8 years
Expected dividend	0.00%
Risk-free interest rate	7.8% - 8.0%

(c) SmartCooky Internet Limited - Employee Stock Option

Smart Cooky Internet Limited - Employee Stock Option Plan 2016 ('the 2016 plan')

In 2016, the Smart Cooky Internet Limited (a subsidiary) approved the 2016 Plan. The plan entitles key management personnel and senior employees of the group to purchase the common shares of the Smart Cooky Internet Limited at the exercise price on the grant date, subject to compliance with vesting conditions. All exercised options shall be settled by allotment of shares. Upon vesting, the employees can acquire one common share of the Smart Cooky Internet Limited for every option.

The terms and conditions related to the grant of the share options are as follows:

Grant date/employees entitled

Options granted to the employees during the year ended March 31, 2016
Total share options as of March 31, 2016

Number of options granted	Vesting conditions	Contractual life of options
14,150	Refer notes	13 years
14,150		

Note:
 For options granted total vesting period is 36 months. 50% of the options granted will vest after the completion of 24 months of the continuous service from the grant date and the balance 50% will vest after the completion of 36 months of the continuous service from the grant date.



NDTV Convergence Limited
Notes to the consolidated financial statements for the year ended March 31, 2016

Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under employee stock option plans are as follows:

Particulars	As at March 31, 2016	
	No. of options	Weighted average exercise price (Amount in Rs)
Granted during the year	14,150	15,840
Outstanding at the end of the year	14,150	15,840
Exercisable at the end of the year	-	-

The options outstanding at March 31, 2016 have an exercise price of Rs. 15,840 and a weighted average contractual life of 12.91 years.

The inputs used in the measurement of grant-date fair values are as follows:

Particulars	Year ended March 31, 2016
Share price (in Rs)	15,840
Exercise price (in Rs)	15,840
Expected volatility	0.00%
Expected life	6-8 years
Expected dividend	0.00%
Risk-free interest rate	7.8% - 8.0%

in Rs million except per share data

Particulars	Year ended March 31, 2016
Net loss as reported	(80.71)
Add: Employee stock option compensation expense as per intrinsic value method [includes Rs 15.41 million related to previous period]	15.41
Less: Employee stock option compensation expense as per fair value [includes Rs 1.81 million related to previous period]	(37.29)
Adjusted proforma net loss	(102.60)
Loss per share	
As reported - basic	(1,210.64)
As reported - diluted	(1,210.64)
Adjusted proforma - basic	(1,538.90)
Adjusted proforma - diluted	(1,538.90)



NDTV Convergence Limited
Notes to the consolidated financial statements for the year ended March 31, 2016

30. Operating Lease

The company has taken a commercial premises under non-cancellable operating lease. The rental expense for the current year, in respect of operating lease was Rs.0.47 million.

	(in Rs million Except per share data)
	Year ended March 31, 2016
Within one year	2.82
After one year and not more than five years	0.94
	<u>3.76</u>

31. Contingent liabilities

Bank guarantees for Rs 0.10 million in favour of government authorities towards VAT registration.

32. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

	As at March 31, 2016
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year	
- Principal	Nil
- Interest	Nil
(b) The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006	Nil
(c) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	Nil
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006	Nil
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the Micro Small and Medium Enterprises Development Act, 2006	Nil

33. Segment information

The company and its subsidiaries are organised into two business segments which are 1) Online/Digital Broadcast Media 2) Retail/E-commerce. However, there is no separate reportable segment other than the primary segment, i.e. Online/Digital Broadcast Media.



NDTV Convergence Limited
Notes to the consolidated financial statements for the year ended March 31, 2016

34. Unhedged foreign currency exposure

The foreign currency exposures that are not hedged by a derivative instrument or otherwise are as follows:

	Year ended March 31, 2016		
	Amount in foreign currency in million	Exchange rate	Amount in Rs Million
Receivables			
GBP	0.00*	95.09	0.08
USD	0.62	66.33	41.39
LKR	0.92	0.45	0.42
Payables			
USD	0.83	66.33	55.20

* Below the rounding off norm adopted by the Company

35. Previous year figures

The consolidated financial statements of the Company have been prepared for the first time Considering the transition provision of Accounting standard 21- Consolidated Financials Statement, comparative figures of previous year have not been presented.

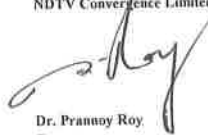
For B S R & Associates LLP
 Chartered Accountants
 ICAI Firm Registration Number: 116231W /W-100024



Rakesh Dewan
 Partner
 Membership No. : 092212

Place : Gurgaon
 Date : May 5, 2016

For and on behalf of the Board of Directors of
 NDTV Convergence Limited



Dr. Pranoy Roy
 Director



Radhika Roy
 Director



Vilaranjalya Chandra
 Group CEO & Director



Saurav Banerjee
 Director, Finance & Group CFO

Place: New Delhi
 Date: May 4, 2016

in Rs million

S.No	Name of the subsidiary	Red Pixel Ventures Limited	Red Pixel Gadgets Limited*	SmartCooky Internet Limited	SmartCooky Ventures Limited*
1	Capital	0.54	0.48	0.52	0.48
2	Reserves	172.01	(0.46)	14.73	(0.46)
3	Total Assets	224.97	0.37	32.29	0.37
4	Total Liabilities	224.97	0.37	32.29	0.37
5	Investments	-	-	-	-
6	Turnover	13.13	-	0.23	-
7	Profit before Taxation	(65.07)	(0.46)	(20.90)	(0.46)
8	Provision for Taxation	-	-	-	-
9	Profit after Taxation	(65.07)	(0.46)	(20.90)	(0.46)
10	Dividend	-	-	(20.90)	(0.46)
11	% of Shareholding	55.57% held by Company, 37.04% held by New Delhi Television Limited	57% held by Company, 38% held by New Delhi Television Limited	57.42% held by Company, 38.27% held by New Delhi Television Limited	57% held by Company, 38% held by New Delhi Television Limited

* Yet to commence business operations

Part 'B': Associates and Joint Venture
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

Name of Associates / Joint Venture	Last audited Balance Sheet Date	NDTV Ethnic Retail Limited	Brickbybrick Projects Limited*	Brickbybrick Ventures Limited*	Fifth Gear Ventures Limited	Fifth Gear Auto Limited*	Special Occasions Limited	On Demand Transportation Technology*	Redster Digital Limited*	OHART Guest Limited
1.	No.	32,314 @ Rs.4021.22	20,000 @ Rs. 10	19,000 @ Rs.10	21,000 @ Rs. 10	23,750 @ Rs.10	25,000 @ Rs. 10	25,000 @ Rs. 10	25,000 @ Rs. 10	21,250 @ Rs. 10
2.	Share of Associate/Joint Venture held by the company on the year end	05-May-16	05-May-16	05-May-16	05-May-16	05-May-16	05-May-16	05-May-16	05-May-16	05-May-16
3.	Amount of Investment in Associates/Joint Venture	55.33	40.00%	38%	39.58%	47.50%	47.50%	50%	50%	42.50%
4.	Extent of Holding %	22.78%	40.00%	38%	39.58%	47.50%	47.50%	50%	50%	42.50%
5.	Description of how there is significant influence	-	-	-	-	-	-	-	-	-
6.	Reason of why the associates/joint venture is not consolidated	68.75	0.18	0.01	28.51	0.01	22.94	(0.13)	0.73	(5.38)
7.	Networth attributable to Shareholding as per latest audited Balance Sheet	(33.15)	(0.02)	(0.18)	(0.21)	(0.21)	(0.25)	(0.25)	(0.02)	(0.21)
8.	Profit / Loss for the year	(107.32)	(0.04)	(0.29)	(37.42)	(0.24)	(16.77)	(0.51)	(0.02)	(12.94)
9.	i. Considered in Consolidation	-	-	-	-	-	-	-	-	-
10.	ii. Not considered in Consolidation	-	-	-	-	-	-	-	-	-

* Yet to commence business operations

For and on behalf of Board



Dr. Pranav Roy
 Director



Radhika Roy
 Director



Saurav Banerjee
 Director, Finance & Group CFO



Vikramaditya Chandra
 Group CEO & Director

Place of Signing: New Delhi
Date: May 5 2016