

**Independent Auditor's Report
To the Members of Red Pixels Ventures Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of **Red Pixels Ventures Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year 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 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 Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 ("the ICAI") 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

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

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. The Director's Report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. 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 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.

In preparing the 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 with reference to financial statements 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
 - (g) According to the information and explanations given to us, the Company has not paid any managerial remuneration during the current year and accordingly the requirements as stipulated by Section 197(16) of the Act are not applicable to the Company.
 - (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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

BHASKAR SEN Digitally signed by BHASKAR SEN
Date: 2022.05.17 22:10:47 +05'30'

Bhaskar Sen
Partner
Membership No.: 096985
UDIN: 22096985AJDDEQ8380

Place: New Delhi
Date: 17 May 2022

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of **Red Pixels Ventures Limited** on the financial statements as of and for the year ended 31 March 2022)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment and other intangible assets, under which property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us, the Company does not hold any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (d) The Company has not revalued its property, plant and equipment (including right-of-use assets) and intangible assets during the year. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.
- (e) There are no proceedings which have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder. Accordingly, the provisions of clause 3(i)(e) of the Order are not applicable.
- (ii) (a) According to the information and explanations given to us, the Company does not have any inventory. Accordingly, the provisions of clause 3(ii)(a) of the Order are not applicable.
- (b) In our opinion and according to the information and explanations given to us, during the year, the Company has not been sanctioned any working capital or working capital limits in excess of Rs. 50 million, in aggregate from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions of clause 3(ii)(b) of the Order are not applicable.
- (iii) According to the information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties. Further, the Company has not granted any loans or advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment. Accordingly, the provisions of clause 3(iii)(a) - (f) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction covered under Sections 185. Further, the Company has no investments or loans or guarantees or securities covered under Section 186.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year, had no unclaimed deposits at the beginning of the year and there are no amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

- (vii) (a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable. The operations of the Company during the year, did not give rise to any liability for sales-tax, service tax, duty of customs, duty of excise and value added tax.
- (b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) that have not been deposited with the appropriate authorities on account of any dispute except for the following cases:

(Amounts in INR millions)

Name of the statute	Nature of dues	Amount	Amount paid under protest*	Net outstanding dues	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	120.99	25.00	95.99	AY 2016-17	Commissioner of Income Tax (Appeals)
		2.39	-	2.39		

* includes the amounts adjusted against tax refunds by the authorities.

- (viii) In our opinion and according to the information and explanations given to us, there are no such transactions which were not recorded in the books of account earlier and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or other lender, government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the Company did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) (c) of the Order are not applicable.
- (d) According to the information and explanations given to us, and the procedures performed by us, the Company has not raised any funds on short term basis. Accordingly, the provisions of clause 3(ix) (d) of the Order are not applicable.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) In our opinion and according to the information and explanations given to us, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally). Accordingly, provisions of clause 3 (x) (b) of the order are not applicable.

- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) In our opinion and according to the information and explanations given to us, since no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit, accordingly, the provisions of clause 3(xi)(b) of the Order are not applicable.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors, or any person connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3(xv) of the Order are not applicable.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3(xvi)(a) of the Order are not applicable.
- (b) The Company has not conducted non-banking financial or housing finance activities during the year. Accordingly, provisions of clause 3(xvi)(b) of the Order are not applicable.
- (c) The Company is not a Core Investment Company ("CIC") as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) of the Order are not applicable.
- (d) Based on the information and explanations provided by the management, the Group does not have any CICs, which are part of the Group. Accordingly, provisions of clause 3(xvi)(d) of the Order are not applicable.
- (xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year. Accordingly, provisions of clause 3(xvii) of the Order are not applicable.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, provisions of clause 3(xviii) of the Order are not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) The Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, provision of clause 3(xx)(a) of the Order is not applicable.
- (b) The Company does not have any amount remaining unspent which is required to be transferred to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act. Accordingly, provision of clause 3(xx)(b) of the Order is not applicable.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment has been included in respect of said clause under this report.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

BHASKAR SEN Digitally signed by BHASKAR SEN
Date: 2022.05.17 22:12:13 +05'30'

Bhaskar Sen
Partner
Membership No.: 096985
UDIN: 22096985AJDDEQ8380

Place: New Delhi
Date: 17 May 2022

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of **Red Pixels Ventures Limited** on the financial statements as of and for the year ended 31st March 2022)

Independent Auditor's report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Red Pixels Ventures Limited** ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to financial statements 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 ('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 the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 the Institute of Chartered Accountants of India ("the ICAI") and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 over financial reporting.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2022, based on the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

BHASKAR SEN Digitally signed by BHASKAR SEN
Date: 2022.05.17 22:12:36 +05'30'

Bhaskar Sen
Partner
Membership No.: 096985
UDIN: 22096985AJDDEQ8380

Place: New Delhi
Date: 17 May 2022

Red Pixels Ventures Limited
Balance Sheet as at 31 March 2022

(All amounts in INR millions, unless otherwise stated)

	Note	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	3	2.35	0.67
Other Intangible assets	4 (a)	11.92	7.64
Intangible assets under development	4 (b)	-	6.22
Other non-current assets	10(b)	53.55	53.55
Income tax assets (net)	5	24.54	22.89
Deferred tax assets (net)	30	0.45	0.40
Total non-current assets		92.81	91.37
Current assets			
Financial assets			
Trade receivables	6	44.71	37.12
Cash and cash equivalents	7	7.87	28.63
Bank balances other than cash and cash equivalents mentioned above	8	129.36	72.83
Other financial assets	9	7.87	5.27
Other current assets	10(a)	27.59	27.01
Total current assets		217.40	170.86
Total assets		310.21	262.23
Equity and liabilities			
Equity			
Equity share capital	11	0.54	0.54
Other equity	12	284.81	232.82
Total equity		285.35	233.36
Liabilities			
Non-current liabilities			
Provisions	16(a)	1.30	1.82
Total non-current liabilities		1.30	1.82
Current liabilities			
Financial liabilities			
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	14	0.07	0.01
- total outstanding dues of creditors other than micro enterprises and small enterprises	14	16.43	20.40
Other financial liabilities	13	3.27	3.15
Provisions	16(b)	0.07	0.10
Other current liabilities	15	3.72	3.39
Total current liabilities		23.56	27.05
Total liabilities		24.86	28.87
Total equity and liabilities		310.21	262.23

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

For and on behalf of the Board of Directors of
Red Pixels Ventures Limited

BHASKAR SEN Digitally signed by BHASKAR SEN
Date: 2022.05.17 21:06:18 +05'30'

ASHVIN CHADHA Digitally signed by ASHVIN CHADHA
Date: 2022.05.17 17:49:39 +05'30'

CHANDER MOHAN CHADHA Digitally signed by CHANDER MOHAN CHADHA
Date: 2022.05.17 17:57:20 +05'30'

Bhaskar Sen
Partner
Membership No.: 096985
Place: New Delhi
Date: 17 May 2022

Ashvin Chadha
Director
DIN: 01962798
Place: New Delhi
Date: 17 May 2022

Chander Mohan Chadha
Director
DIN: 00066679
Place: New Delhi
Date: 17 May 2022

Red Pixels Ventures Limited
Statement of Profit and Loss for the year ended 31 March 2022

(All amounts in INR millions, unless otherwise stated)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	17	209.07	191.34
Other income	18	7.37	6.05
Total income		216.44	197.39
Expenses			
Cost of services	19	56.45	55.29
Employee benefits expense	20	50.37	41.92
Finance costs	21	0.89	-
Depreciation and amortisation expense	22	4.98	4.52
Operations and administration expenses	23	28.31	13.75
Marketing, distribution and promotion expenses		1.91	0.59
Total expenses		142.91	116.07
Profit / (Loss) before tax		73.53	81.32
Income tax expense			
Current tax	30	18.31	18.63
Tax for earlier years		1.62	-
Deferred tax credit	30	(0.05)	(0.40)
Total tax expenses		19.88	18.23
Profit / (Loss) for the year		53.65	63.09
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligations, net of taxes		(1.66)	0.73
Other comprehensive income/ (loss) for the year		(1.66)	0.73
Total comprehensive income / (loss) for the year		51.99	63.82
Earnings per share			
Basic earnings per share (INR)	27	993.74	1,168.58
Diluted earnings per share (INR)	27	993.74	1,168.58

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

For and on behalf of the Board of Directors of
Red Pixels Ventures Limited

BHASKAR SEN Digitally signed by BHASKAR SEN
Date: 2022.05.17 21:06:56 +05'30'

ASHVIN CHADHA Digitally signed by
ASHVIN CHADHA
Date: 2022.05.17
17:51:38 +05'30'

CHANDER MOHAN CHADHA Digitally signed by CHANDER
MOHAN CHADHA
Date: 2022.05.17 17:57:53
+05'30'

Bhaskar Sen
Partner
Membership No.: 096985
Place: New Delhi
Date: 17 May 2022

Ashvin Chadha
Director
DIN: 01962798
Place: New Delhi
Date: 17 May 2022

Chander Mohan Chadha
Director
DIN: 00066679
Place: New Delhi
Date: 17 May 2022

Red Pixels Ventures Limited
Statement of Cash Flows for the year ended 31 March 2022

Particulars	(All amounts in INR millions, unless otherwise stated)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flow from operating activities		
Profit/ (Loss) before income tax	73.53	81.32
Adjustments for:		
Depreciation and amortisation expense	4.98	4.52
Finance costs	0.83	-
Loss allowance on doubtful advances	0.09	0.06
Interest income	(6.17)	(5.07)
Liabilities no longer required written back	(0.42)	(0.83)
Cash generated / (used in) from operations before working capital changes	72.84	80.00
Working capital adjustments		
Change in trade receivables	(7.59)	(18.83)
Change in other financial assets	(1.30)	0.57
Change in other assets	(0.67)	(26.26)
Change in other non-current assets	-	(53.55)
Change in trade payables	(3.49)	16.49
Change in other financial liabilities	0.12	(1.68)
Change in other liabilities	0.33	1.55
Change in provisions	(2.21)	1.01
Cash used in operating activities	58.03	(0.70)
Income tax paid (net)	(21.58)	(2.60)
Net cash used in operating activities (A)	36.45	(3.30)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2.11)	(0.67)
Purchase of Intangible assets	(2.61)	(1.70)
Investment in deposits with banks	(56.53)	(72.83)
Proceeds from sale of property, plant and equipment	-	0.01
Interest received	4.87	5.08
Net cash generated / (used in) from investing activities (B)	(56.38)	(70.11)
Cash flows from financing activities		
Finance cost paid	(0.83)	-
Net cash generated from / (used in) financing activities (C)	(0.83)	-
Net increase / (decrease) in cash and cash equivalents (A+B)	(20.76)	(73.41)
Cash and cash equivalents at the beginning of the year (refer note 7)	28.63	102.04
Cash and cash equivalents at the end of the year (refer note 7)	7.87	28.63
Notes to the statement of cash flows:		
Components of cash and cash equivalents:-		
Balance with banks:		
- in current accounts	7.87	28.63
Balances per statement of cash flows	7.87	28.63

The above Statement of Cash Flows 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 financial statements

As per our report of even date attached

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

BHASKAR SEN Digitally signed by BHASKAR SEN
Date: 2022.05.17 21:07:23 +05'30'

Bhaskar Sen
Partner
Membership No.: 096985
Place: New Delhi
Date: 17 May 2022

For and on behalf of the Board of Directors of
Red Pixels Ventures Limited

ASHVIN CHADHA Digitally signed by
ASHVIN CHADHA
Date: 2022.05.17
17:53:18 +05'30'

Ashvin Chadha
Director
DIN: 01962798
Place: New Delhi
Date: 17 May 2022

CHANDER MOHAN CHADHA Digitally signed by CHANDER
MOHAN CHADHA
Date: 2022.05.17 17:58:19
+05'30'

Chander Mohan Chadha
Director
DIN: 00066679
Place: New Delhi
Date: 17 May 2022

Red Pixels Ventures Limited
Statement of Changes in Equity for the year ended 31 March 2022
(All amounts in INR millions, unless otherwise stated)

I) Equity share capital

1) Current reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
0.54	-	0.54	-	0.54

2) Previous reporting period

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
0.54	-	0.54	-	0.54

II) Other equity

Particulars	Attributable to owners of the Company					Total
	Reserves and surplus				Items of OCI	Total
	Securities premium	General reserve	Share based payment reserve	Retained earnings	Remeasurements of defined benefit obligations	
Balance as at 1 April 2020	237.08	-	413.15	(482.64)	1.41	169.00
Loss for the year	-	-	-	63.09	-	63.09
Other comprehensive loss, net of tax	-	-	-	-	0.73	0.73
Total comprehensive loss for the year	-	-	-	63.09	0.73	63.82
Adjustment on account of surrender of share based awards (Refer note 24)	-	413.15	(413.15)	-	-	-
Balance as at 31 March 2021	237.08	413.15	-	(419.55)	2.14	232.82
Profit for the year	-	-	-	53.65	-	53.65
Other comprehensive income, net of tax	-	-	-	-	(1.66)	(1.66)
Total comprehensive income for the year	-	-	-	53.65	(1.66)	51.99
Balance as at 31 March 2022	237.08	413.15	-	(365.90)	0.48	284.81

The Company has not declared and paid any dividend during the year.

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

BHASKAR SEN Digitally signed by BHASKAR SEN
Date: 2022.05.17 21:07:50 +05'30'

Bhaskar Sen
Partner
Membership No.: 096985
Place: New Delhi
Date: 17 May 2022

For and on behalf of the Board of Directors of
Red Pixels Ventures Limited

ASHVIN CHADHA Digitally signed by ASHVIN CHADHA
Date: 2022.05.17 17:53:39 +05'30'

Ashvin Chadha
Director
DIN: 01962798
Place: New Delhi
Date: 17 May 2022

CHANDER MOHAN CHADHA Digitally signed by CHANDER MOHAN CHADHA
Date: 2022.05.17 17:58:45 +05'30'

Chander Mohan Chadha
Director
DIN: 00066679
Place: New Delhi
Date: 17 May 2022

Red Pixels Ventures Limited
Notes to the financial statements for the year ended 31 March 2022

Reporting entity

The Company was incorporated on 1 September, 2015 under the provisions of the Companies Act, 2013. The Company maintains and operates online platform Gadgets360.com, which keeps its users updated with the latest information and reviews about gadgets. Through which it generates advertisement revenue.

Note 1 Basis of preparation

a. Statement of compliance

Financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 ("Act") read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on 17 May 2022.

b. Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest million, unless otherwise indicated.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets	Fair value

d. Use of estimates and judgements

In preparing the financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

i. Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management exercises judgement in applying the Company's accounting policies.

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 financial statements.

ii. Assumptions and estimation uncertainties

The areas involving critical estimates are:

- Recognition and measurement of provisions and contingencies;
- Estimation of defined benefit obligation;
- Estimated useful life of intangible assets;
- Impairment test of non-financial assets; and
- Impairment of trade receivables and other financial assets.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

e. Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on the current/non current classification.

An asset is treated as current when:

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

The Company classifies all other assets as non-current.

A liability is treated as current when:

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

The Company classifies all other liabilities as non-current

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current / non-current classification of assets and liabilities.

f. Measurement of fair values

A number of accounting policies and disclosures require measurement of fair value for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Board.

Red Pixels Ventures Limited
Notes to the financial statements for the year ended 31 March 2022

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further the information about the assumptions made in measuring fair values is included in the financial instruments.
- financial instruments.

Note 2: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of standalone financial statements. The accounting policies adopted are consistent with those of the previous financial year, except if mention otherwise.

a. Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of Company at the exchange rate at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

b. Financial instruments

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

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- fair value through other comprehensive income (FVOCI) – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income (FVOCI) as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. **Derecognition:**

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its Balance Sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c. **Property, plant and equipment**

i. **Recognition and measurement:**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Red Pixels Ventures Limited
Notes to the financial statements for the year ended 31 March 2022

ii. Subsequent expenditure:

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation:

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the Statement of Profit and Loss.

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 classes of assets where difference useful lives have been used:

Asset Class	Useful life (in years)
Computers	3-6

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

d. **Intangible assets**

i. Recognition and measurement:

Intangible assets including those acquired by the Company in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure:

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on subsequent date is recognised in profit or loss as incurred.

iii. Amortisation:

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful lives are as follows:

Asset Class	Useful life (In years)
Computer Software	6
Website	6

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

e. **Impairment**

i. *Impairment of financial instruments*

The Company recognise loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and
- financial assets measured at FVOCI.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 180 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

Red Pixels Ventures Limited
Notes to the financial statements for the year ended 31 March 2022

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses:

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the Balance Sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. *Impairment of non-financial assets*

The Company's non-financial assets, deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or Company of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made 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.

f. **Employee benefits:**

i. *Short-term employee benefits:*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. *Defined contribution plan*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

iii. *Defined benefit plan*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised in OCI. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. *Termination benefits*

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

Red Pixels Ventures Limited
Notes to the financial statements for the year ended 31 March 2022

v. *Employee share based payments*

The fair value of options granted under the Employee share based payment plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share prices)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and including the impact of any non-vesting conditions (e.g., the requirement for employees to save or hold share for a specific period of time).

The total expenses is recognised over the vesting period, which is the period over which specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the service conditions. It recognises the impact of revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

g. **Provisions:**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

h. **Revenue from contracts with customers**

The Company earns revenue primarily from advertisement, technical support and commission from online booking of gadgets and its accessories under marketplace model.

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

- Advertisement revenue is recognized as “click through” occur. A “click-through” occurs when a user clicks on an advertiser’s listing.
- Technical support revenue is recognised once the services are rendered as per the terms of the contract with customers.
- Commission from online booking of gadgets and its accessories under marketplace model is recognized when the product is delivered to the buyer.

Revenue is measured based on the transaction price, which is the consideration and excludes taxes collected from customers.

Revenue from related party is recognised based on transaction price which is at arm's length.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liabilities primarily relate to the consideration received from customers in advance for the Company's performance obligations which is classified as income received in advance and deferred revenue which is recognised when there is billings in excess of revenues.

i. **Lease:**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. An arrangement is, or contains, a lease if the arrangement conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether an arrangement conveys the right to control the use of an identified asset, the Company assesses whether: (i) the arrangement involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company’s lease asset classes primarily consist of leases for office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

j. **Recognition of interest income or expense**

Interest income or expense is recognised using the effective interest method.

The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

k. **Income tax**

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Red Pixels Ventures Limited
Notes to the financial statements for the year ended 31 March 2022

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

I. Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

m. Earnings per share

i. Basic earnings / (loss) per share

Basic earnings per share is calculated by dividing:

- the profit / (loss) attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

ii. Diluted earnings / (loss) per share

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

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

n. Contingent liabilities and contingent assets

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.

Contingent assets are not recognised however are disclosed in the financial statements where an inflow of economic benefit is probable. Contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

o. Recent accounting pronouncements

Ministry of corporate affairs ("MCA") notifies new standards or amendment to the existing standard under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the companies (Indian Accounting standards) Amendment Rules, 2022 as below.

Ind As-16 – Property plant and equipment- The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind As-37 – Provisions, Contingent Liabilities and Contingent Assets- The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can be either be incremental costs of fulfilling that contract (examples would be direct labour, material) or an allocation of other costs that relate directly to fulfilling contract (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract) The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The company has evaluated the amendment and the impact is not expected to be material.

Red Pixels Ventures Limited

Notes to the financial statements for the year ended 31 March 2022

(All amounts in INR millions, unless otherwise stated)

Note 3 : Property, plant and equipment

Particulars	Computers	Office equipment	Furniture and fixtures	Total
Gross block as at 1 April 2020	2.91	0.46	0.03	3.40
Additions	0.67	-	-	0.67
Disposals	(0.04)	-	-	(0.04)
Balance as at 31 March 2021	3.54	0.46	0.03	4.03
Additions	2.11	-	-	2.11
Balance as at 31 March 2022	5.65	0.46	0.03	6.14
Accumulated depreciation				
As at 1 April 2020	2.29	0.46	0.03	2.78
Depreciation for the year	0.61	-	-	0.61
Deletion / Adjustments	(0.03)	-	-	(0.03)
Balance as at 31 March 2021	2.87	0.46	0.03	3.36
Depreciation for the year	0.43	-	-	0.43
Balance as at 31 March 2022	3.30	0.46	0.03	3.79
Balance as at 31 March 2021	0.67	-	-	0.67
Balance as at 31 March 2022	2.35	-	-	2.35

Benami Property -

The Company does not have any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

Red Pixels Ventures Limited
Notes to the financial statements for the year ended 31 March 2022
(All amounts in INR millions, unless otherwise stated)

Note 4 (a). Other Intangible assets

Particulars	Computer software	Website	Total
Gross block as at 1 April 2020	1.90	21.24	23.14
Balance as at 31 March 2021	1.90	21.24	23.14
Additions	-	8.83	8.83
Balance as at 31 March 2022	1.90	30.07	31.97
Accumulated amortisation			
As at 1 April 2020	1.27	10.32	11.59
Amortisation for the year	0.33	3.58	3.91
Balance as at 31 March 2021	1.60	13.90	15.50
Amortisation for the year	0.29	4.26	4.55
Balance as at 31 March 2022	1.89	18.16	20.05
Balance as at 31 March 2021	0.30	7.34	7.64
Balance as at 31 March 2022	0.01	11.91	11.92

Note 4 (b) Intangible assets under development

Particulars	Total
Balance as at 1 April 2020	4.52
Additions	1.70
Balance as at 31 March 2021	6.22
Balance as at 1 April 2021	6.22
Additions	2.61
Capitalised during the year	8.83
Balance as at 31 March 2022	-

Red Pixels Ventures Limited
Notes to the financial statements for the year ended 31 March 2022
 (All amounts in INR millions, unless otherwise stated)

Note 5 : Income tax assets (net)

Non current

Particulars	As at	As at
	31 March 2022	31 March 2021
Income tax assets {net of provision of income tax INR 19.14 millions (31 March 2021: INR 18.63 millions)}	24.54	22.89
	<u>24.54</u>	<u>22.89</u>

Note 6: Trade receivables

(Unsecured and considered good, unless stated otherwise)

Particulars	As at	As at
	31 March 2022	31 March 2021
Trade Receivables considered good - Unsecured	44.71	37.12
	<u>44.71</u>	<u>37.12</u>

Trade receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment as at 31 March 2022					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables -considered good	44.71	-	-	-	-	44.71
	<u>44.71</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44.71</u>

Particulars	Outstanding for following periods from due date of payment as at 31 March 2021					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables -considered good	37.12	-	-	-	-	37.12
	<u>37.12</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37.12</u>

Of the above, trade receivables from related parties are as below:

Particulars	As at	As at
	31 March 2022	31 March 2021
NDTV Convergence Limited	38.20	-
	<u>38.20</u>	<u>0.01</u>

Note 7: Cash and cash equivalents

Particulars	As at	As at
	31 March 2022	31 March 2021
Balances with banks		
- In current accounts	7.87	28.63
Cash and cash equivalents in balance sheet	<u>7.87</u>	<u>28.63</u>
Cash and cash equivalents in the statement of cash flows	<u>7.87</u>	<u>28.63</u>

Note 8: Bank balances other than cash and cash equivalents

Particulars	As at	As at
	31 March 2022	31 March 2021
Deposits with banks due to mature within 12 months of the reporting date	129.36	72.83
	<u>129.36</u>	<u>72.83</u>

Note 9: Current - other financial assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at	As at
	31 March 2022	31 March 2021
Contract asset	6.52	5.22
Interest accrued on fixed deposits	1.35	0.05
	<u>7.87</u>	<u>5.27</u>

Unbilled receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment as at 31 March 2022					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Unbilled receivables -considered good	6.52	-	-	-	-	6.52
	<u>6.52</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6.52</u>

Red Pixels Ventures Limited

Notes to the financial statements for the year ended 31 March 2022

(All amounts in INR millions, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment as at 31 March 2021					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Unbilled receivables -considered good	5.05	0.07	0.10	-	-	5.22
	5.05	0.07	0.10	-	-	5.22

Note 10(a): Other current assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
Advances recoverable		
Advance to supplier - considered good*	26.77	26.77
Advance to sellers - considered doubtful	-	0.03
Less: Loss allowance	-	(0.03)
	26.77	26.77
Prepaid expenses	0.82	0.24
	27.59	27.01

* This amount is paid to New Delhi Television Limited (refer note 28).

Advances recoverable ageing schedule

Particulars	Outstanding for following periods from due date of payment as at 31 March					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Advance receivables -considered good	-	-	80.33	-	-	80.33
	-	-	80.33	-	-	80.33

Particulars	Outstanding for following periods from due date of payment as at 31 March					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Advance receivables -considered good	80.33	-	-	-	-	80.33
	80.33	-	-	-	-	80.33

Note 10(b): Other non-current assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance to supplier - considered good*	53.55	53.55
	53.55	53.55

* This amount is paid to New Delhi Television Limited (refer note 28).

Note :- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries .

Red Pixels Ventures Limited
Notes to the financial statements for the year ended 31 March 2022
(All amounts in INR millions, unless otherwise stated)

Note 11: Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised		
100,000 (31 March 2021: 100,000) equity shares of INR 10 each	1.00	1.00
	1.00	1.00
Issued		
68,000 (31 March 2021: 68,000) equity shares of INR 10 each fully paid	0.68	0.68
	0.68	0.68
Subscribed and fully paid up		
53,992 (31 March 2021: 53,992) equity shares of INR 10 each fully paid	0.54	0.54
	0.54	0.54

A. Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	No. of shares	Amount
Balance at 31 March 2021	53,992	0.54
Balance at 31 March 2022	53,992	0.54

B. Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company in proportion of the number of equity shares held.

C. Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	No. of shares	% holding	No. of shares	% holding
NDTV Convergence Limited*	23,850	44.17%	23,850	44.17%
A R Chadha And Co India Pvt Ltd	26,150	48.44%	26,150	48.44%

* The Company ceased to be a subsidiary and has become an associate of NDTV Convergence Limited w.e.f. 26 March 2021, pursuant to transfer of 6,150 shares to A R Chadha And Co India Pvt Ltd.

D. Details of shareholding of promoters as given below:

Promoter name	Shares held by promoters as at 31 March 2022		Shares held by promoters as at 31 March 2021		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
A R Chadha And Co India Pvt Ltd	26150	48.44%	26150	48.44%	0.00%

Red Pixels Ventures Limited**Notes to the financial statements for the year ended 31 March 2022**

(All amounts in INR millions, unless otherwise stated)

Note 12: Other equity

Particulars	As at 31 March 2022	As at 31 March 2021
General reserve ^a	413.15	413.15
Retained earnings ^b	(365.42)	(417.41)
Securities premium ^c	237.08	237.08
	284.81	232.82

a) General reserve

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	413.15	-
Additions during the year	-	413.15
Closing balance	413.15	413.15

General reserve is created on account of share based option rights surrendered by ESOP holders of the Company during the period, and the entire amount outstanding in share based payment reserve has been transferred to general reserve (refer note no. 24).

b) Retained earnings

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	(417.41)	(481.23)
Net profit / (loss) for the year	51.99	63.82
Closing balance	(365.42)	(417.41)

Retained earnings are the profits / (loss) that the Company till date and it includes remeasurements of defined benefit obligations.

c) Securities premium

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	237.08	237.08
Closing balance	237.08	237.08

Securities premium is used to record the premium received on issue of shares. It can be utilised in accordance with the provisions of the Companies Act, 2013.

Red Pixels Ventures Limited

Notes to the financial statements for the year ended 31 March 2022

(All amounts in INR millions, unless otherwise stated)

Note 13 : Current- other financial liabilities

Particulars	As at	As at
	31 March 2022	31 March 2021
Payable to employees	3.27	3.01
Payable to sellers	-	0.14
	3.27	3.15

Note 14: Trade payables

Particulars	As at	As at
	31 March 2022	31 March 2021
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (see note below)	0.07	0.01
- total outstanding dues of creditors other than micro enterprises and small enterprises	16.43	20.40
	16.50	20.41

Trade Payable ageing schedule

Actual

Particulars	Outstanding for following periods from due date of payment as at 31 March 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.07	-	-	-	0.07
(ii) Others	15.01	-	-	-	15.01
	15.08	-	-	-	15.08

Provision

Particulars	Provision for following periods from due date of payment as at 31 March 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	1.42	-	-	-	1.42
	1.42	-	-	-	1.42

Actual

Particulars	Outstanding for following periods from due date of payment as at 31 March 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.01	-	-	-	0.01
(ii) Others	18.83	-	-	-	18.83
	18.84	-	-	-	18.84

Provision

Particulars	Provision for following periods from due date of payment as at 31 March 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	1.49	0.04	0.04	-	1.57
	1.49	0.04	0.04	-	1.57

Red Pixels Ventures Limited**Notes to the financial statements for the year ended 31 March 2022**

(All amounts in INR millions, unless otherwise stated)

Note:**Disclosures in relation to Micro enterprises and Small enterprises "Suppliers" as defined in Micro, Small and Medium Enterprises Development Act, 2006**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro enterprises and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum Number as allocated after filing of the said Memorandum. Accordingly, the disclosures in below respect of the amounts payable to such enterprises as at the year end has been made based on information received and available with the Company.

(All amounts in INR millions, unless otherwise stated)

Particulars	As at	As at
	31 March 2022	31 March 2021
(i) the principal amount remaining unpaid to any supplier as at the end of the year	0.07	0.01
(ii) the interest due on the principal remaining outstanding as at the end of the year	-	-
(iii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iv) the amount of the payment made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
(v) 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 the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(vi) the amount of interest accrued and remaining unpaid at the end of the year	-	-
(vii) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Of the above, trade payable to related parties are as below:

Particulars	As at	As at
	31 March 2022	31 March 2021
New Delhi Television Limited	2.65	1.87
NDTV Convergence Limited	12.34	16.82
	14.99	18.69

Note 15 : Other current liabilities

Particulars	As at	As at
	31 March 2022	31 March 2021
Statutory dues payable	3.72	3.38
Advances from customers	-	0.01
	3.72	3.39

Note : Wilful Defaulter

The Company is not declared a wilful defaulter by any bank or financial institution or other lender.

Note : No funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 16 (a): Provisions- non current

Particulars	As at	As at
	31 March 2022	31 March 2021
Gratuity (refer note no. 29)	1.30	1.82
	1.30	1.82

Note 16 (b): Provisions- current

Particulars	As at	As at
	31 March 2022	31 March 2021
Gratuity (refer note no. 29)	0.07	0.10
	0.07	0.10

Red Pixels Ventures Limited

Notes to the financial statements for the year ended 31 March 2022

(All amounts in INR millions, unless otherwise stated)

Note 17: Revenue from operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations		
Advertisement	208.84	187.32
Technical support services	0.23	4.02
Total revenue from operations	209.07	191.34

Revenue disaggregation by geography is as follow:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
India	208.55	189.32
United States of America	0.41	1.90
Others (UAE & UK)	0.11	0.12
	209.07	191.34

Information about major customers:

Following is the list of customers representing 10% or more of the Company's total revenue during the year ended 31 March 2022 and 31 March 2021

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
Amazon Seller Services Private Limited	68.82	33%	67.75	35%
NDTV Convergence Limited	134.86	65%	119.99	63%
	203.68	97%	187.74	98%

Change in contract assets are as follow:

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	5.22	5.79
Revenue recognised during the year	(6.52)	(6.36)
Invoices raised during the year	5.22	5.79
Balance at the end of the year	6.52	5.22

Impact of COVID-19

The Company has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts;(ii) onerous obligations;(iii) penalties relating to breaches of service level agreements, and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

Note 18: Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income on:		
Interest income on fixed deposits	6.17	5.07
Interest income on income tax refund	0.77	-
Liabilities no longer required written back	0.42	0.83
Miscellaneous income	0.01	0.15
	7.37	6.05

Note 19: Cost of services

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Consultancy and professional fees	30.03	36.30
Graphic, music and editing	0.60	-
Subscription, footage and news service	2.03	0.86
Website hosting and streaming	16.33	12.57
Other production expenses	3.28	1.75
Trade mark/license fee	4.18	3.81
	56.45	55.29

Red Pixels Ventures Limited**Notes to the financial statements for the year ended 31 March 2022**

(All amounts in INR millions, unless otherwise stated)

Note 20: Employee benefits expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	47.44	39.12
Expense related to post employment defined benefit plan (refer note no. 29)	0.58	0.68
Contribution to provident fund	2.35	2.12
	<u>50.37</u>	<u>41.92</u>

Note 21: Finance costs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on others	0.83	-
Bank charges	0.06	-
	<u>0.89</u>	<u>-</u>

Note 22: Depreciation and amortisation expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment	0.43	0.61
Amortisation on intangible assets	4.55	3.91
	<u>4.98</u>	<u>4.52</u>

Note 23: Operations and administration expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Rent	2.26	2.41
Rates and taxes	0.01	0.17
Electricity and water	-	0.36
Local conveyance, travelling and taxi hire	0.69	1.01
Repairs and maintenance		
Plant and machinery	0.10	0.10
Auditors' remuneration (excluding taxes) ^a	0.16	0.15
Insurance	1.44	0.57
Communication	0.28	0.17
Vehicle running and maintenance	0.87	1.14
Other assets/recoverable written off	0.12	3.78
Less: Adjusted against loss allowance on doubtful advances	(0.03)	(3.72)
Trade receivable written off	-	0.05
Less: Adjusted against loss allowance on trade receivable	-	(0.05)
Legal, professional and consultancy	21.90	7.14
Foreign exchange fluctuations (net)	0.03	-
Bank charges	-	0.07
Software expenses	0.39	0.24
Miscellaneous expenses	-	0.16
	<u>28.31</u>	<u>13.75</u>

a. Auditors' remuneration

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
As Auditors:		
Audit fee	0.15	0.15
Reimbursement of expenses	0.01	-
	<u>0.16</u>	<u>0.15</u>

Red Pixels Ventures Limited

Notes to the financial statements for the year ended 31 March 2022

(All amounts in INR millions, unless otherwise stated)

Note: 24 Share based payment**Description of share-based payment arrangements**

As at 31 March 2022 the Company has the following share-based payment arrangement for the employees.

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

In 2016, the Company approved the 2016 Plan. The plan entitles key management personnel and senior employees of the Company to purchase the common shares of the Company at the market 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 Company for every option.

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

Particulars	Number of options granted
Options outstanding as at 1 April 2020	10,430
Less : Options forfeited during the year ended 31 March 2021	10,430
Options outstanding as at 31 March 2021	-
Less : Options forfeited/surrendered during the year ended 31 March 2022	-
Options outstanding as at 31 March 2022 (refer note below)	-

Note:

As per the Employee Stock Option Plan, 2016 ESOP rights stand forfeited for those employees who have exited the Company without exercising such options and those ESOP holders who held ESOP rights but did not wish to exercise them, have surrendered their rights during the year.

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 2022		As at 31 March 2021	
	No. of options	Weighted average exercise price (Amount in INR)	No. of options	Weighted average exercise price (Amount in INR)
Outstanding at the beginning of the year	-	-	10,430	59,400
Forfeited/surrendered during the year	-	-	10,430	59,400
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

Red Pixels Ventures Limited

Notes to the financial statements for the year ended 31 March 2022

(All amounts in INR millions, unless otherwise stated)

Note 25: Capital management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company's objective for capital management is to manage its capital so as to safeguard its ability to continue as a going concern and to support the growth of the Company. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investors, creditors and market confidence. The funding requirements are met through equity and operating cash. The Company is not subject to any externally imposed capital requirements.

Note 26: Financial instruments-fair values measurements and financial risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(i) As on 31 March 2022

Particulars	Note	Carrying value				Fair value measurement using		
		FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets - Current								
Trade receivables*	6	-	-	44.71	44.71	-	-	44.71
Cash and cash equivalents*	7	-	-	7.87	7.87	-	-	7.87
Bank balances other than cash and cash equivalents mentioned above**	8	-	-	129.36	129.36	-	-	129.36
Contract asset*	9	-	-	6.52	6.52	-	-	6.52
Interest accrued on fixed deposits*	9	-	-	1.35	1.35	-	-	1.35
Total		-	-	189.81	189.81	-	-	189.81
Financial liabilities - Current								
Trade payables*	14	-	-	16.50	16.50	-	-	16.50
Other financial liabilities - Payable to employees*	13	-	-	3.27	3.27	-	-	3.27
Total		-	-	19.77	19.77	-	-	19.77

(ii) As on 31 March 2021

Particulars	Note	Carrying value				Fair value measurement using		
		FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets - Current								
Trade receivables*	6	-	-	37.12	37.12	-	-	37.12
Cash and cash equivalents*	7	-	-	28.63	28.63	-	-	28.63
Bank balances other than cash and cash equivalents mentioned above*	8	-	-	72.83	72.83	-	-	72.83
Unbilled revenue*	9	-	-	5.22	5.22	-	-	5.22
Interest accrued on fixed deposits*	9	-	-	0.05	0.05	-	-	0.05
Total		-	-	143.85	143.85	-	-	143.85

Red Pixels Ventures Limited**Notes to the financial statements for the year ended 31 March 2022**

(All amounts in INR millions, unless otherwise stated)

Financial liabilities - Current

Trade payables*	14	-	-	20.41	20.41	-	-	20.41
Other financial liabilities								
- Payable to employees*	13	-	-	3.01	3.01	-	-	3.01
- Payable to sellers*	13	-	-	0.14	0.14	-	-	0.14
Total				23.56	23.56	-	-	23.56

* The carrying amounts of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, unbilled revenue, trade payables, payable to employees, interest accrued on fixed deposits, payable to seller and payable to payment gateway approximates the fair values due to their short-term nature.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There has been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 2022 and 31 March 2021.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of the remaining financial instruments is determined using discounted cash flow method.

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk ;
- Market Risk - Foreign currency
- Market Risk - Interest rate

(i) Risk management framework

The Company's key management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate risks limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which employees understand their roles and obligations.

Red Pixels Ventures Limited

Notes to the financial statements for the year ended 31 March 2022

(All amounts in INR millions, unless otherwise stated)

(ii) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet

Particulars	As at	As at
	31 March 2022	31 March 2021
Trade receivables	44.71	37.12
Cash and cash equivalents	7.87	28.63
Bank balances other than cash and cash equivalents mentioned above	129.36	72.83
Other financial assets	7.87	5.27

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. Credit risk encompasses both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration of risks.

Credit risk on cash and cash equivalents and bank deposits is limited as the Company generally deals with banks with high credit ratings assigned by domestic credit rating agencies.

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 internal credit risk factors such as the Company's historical experience for customers. Based on the business environment in which the Company operates, management considers that the trade receivables are in default (credit impaired) if the payments are more than 180 days past due.

Trade receivables as at year end primarily includes INR 38.20 millions (31 March 2021: INR 30.35 millions) relating to related parties and INR 6.51 millions (31 March 2021: INR 6.77 millions) relating to others.

The Company believes that amount receivable from related parties is collectible in full, based on historical payment behaviour and hence no loss allowance has been recognized on the same. The Company based upon past trends determine an impairment allowance for loss on receivables from others.

The movement in the allowance for impairment in respect of trade receivables is as follows:

Particulars	As at	As at
	31 March 2022	31 March 2021
Balance as at beginning of the year	-	0.05
Less :adjusted against provision	-	(0.05)
Balance as at the end of the year	-	-

Red Pixels Ventures Limited**Notes to the financial statements for the year ended 31 March 2022**

(All amounts in INR millions, unless otherwise stated)

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities over the next six months. The Company also monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade payables and other financial liabilities.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flow amounts are gross and undiscounted.

As at 31 March 2022	Carrying amount	Less than one year	Between one and three years	More than three years	Contractual cash flow
Trade payables	16.50	16.50	-	-	16.50
Other financial liabilities	3.27	3.27	-	-	3.27
	19.77	19.77	-	-	19.77

As at 31 March 2021	Carrying amount	Less than one year	Between one and three years	More than three years	Contractual cash flow
Trade payables	20.41	20.41	-	-	20.41
Other financial liabilities	3.15	3.15	-	-	3.15
	23.56	23.56	-	-	23.56

(iv) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to such risk as the Company does not have any floated interest rate financial investment.

(b) Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to such risk as the Company does not have any significant transaction in foreign currency.

Red Pixels Ventures Limited**Notes to the financial statements for the year ended 31 March 2022****(All amounts in INR millions, unless otherwise stated)****Note 27: Earnings per equity share ('EPS')**

The calculations of profit / (loss) attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of earnings per share calculations are as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit / (loss) for the year - (A)	53.65	63.09
Calculation of weighted average number of equity shares		
Number of equity shares at the beginning of the year	53,992	53,992
Number of equity shares outstanding at the end of the year	53,992	53,992
Weighted average number of shares outstanding during the year - (B)	53,992	53,992
Face value of each equity share (INR)	10	10
Basic and diluted earnings per equity share (in absolute terms) (INR) - (A)/(B)	993.74	1,168.58

Red Pixels Ventures Limited
Notes to the financial statements for the year ended 31 March 2022
(All amounts in INR millions, unless otherwise stated)

Note 28: Related party disclosures

(a) List of related parties and nature of relationship where control exists

Related parties where control exists

New Delhi Television Limited*	Ultimate Holding Company (till 25 March 2021)
NDTV Convergence Limited**	Associate (w.e.f. 26 March 2021)
A R Chadha And Co India Pvt Ltd*	Associate (w.e.f. 26 March 2021)

*The Company ceased to be a subsidiary of the New Delhi Television Limited w.e.f. 26 March 2021

** The Company ceased to be a subsidiary and has become an associate of NDTV Convergence Limited w.e.f. 26 March 2021

Key management personnel

Kawaljit Singh Bedi	Non- Executive Non-Independent Director
Rajneesh Gupta	Non- Executive Non-Independent Director
Indrani Roy	Independent Director (resigned w.e.f. 25 March 2021)
Dipanshu Dave	CEO (resigned w.e.f. 16 June 2020)
Ashvin Chadha	Director (w.e.f. 25 March 2021)
Chander Mohan Chadha	Director (w.e.f. 25 March 2021)
Sadhana Chadha	Director (w.e.f. 25 March 2021)

(b) Transactions with related parties

Particulars	Ultimate Holding Company		Holding Company		Associate		Key management personnel	
	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
i) Rendering of services	-	-	-	119.99	134.86	-	-	-
NDTV Convergence Limited	-	-	-	119.99	134.86	-	-	-
ii) Trade Mark / Royalty Paid	-	1.66	-	2.15	4.18	-	-	-
NDTV Convergence Limited	-	-	-	2.15	2.09	-	-	-
New Delhi Television Limited	-	1.66	-	-	2.09	-	-	-
iii) Services availed of	-	-	-	6.90	-	-	-	-
NDTV Convergence Limited	-	-	-	6.90	-	-	-	-
iv) Reimbursement of expenses (incurred by related parties on Company's behalf)	-	0.38	-	41.23	44.35	-	-	-
New Delhi Television Limited	-	0.38	-	-	0.16	-	-	-
NDTV Convergence Limited	-	-	-	41.23	44.19	-	-	-
v) Purchase of property, plant and equipment	-	-	-	0.57	-	-	-	-
NDTV Convergence Limited	-	-	-	0.57	-	-	-	-
vi) Reimbursement of expenses (incurred by Company on behalf of related parties)	-	-	-	1.18	-	-	-	-
NDTV Convergence Limited	-	-	-	1.18	-	-	-	-
vii) Shared service cost	-	-	-	0.93	13.91	-	-	-
NDTV Convergence Limited	-	-	-	0.93	8.09	-	-	-
New Delhi Television Limited	-	-	-	-	5.82	-	-	-
viii) Rent expense	-	-	-	-	2.26	-	-	-
New Delhi Television Limited	-	1.56	-	-	2.26	-	-	-
ix) Director sitting fees	-	-	-	-	-	-	-	0.06
Indrani Roy	-	-	-	-	-	-	-	0.06
x) Gratuity cost transfer	-	-	-	0.86	-	-	-	-
NDTV Convergence Limited	-	-	-	0.86	-	-	-	-
xi) Advance paid against services	-	68.07	-	-	-	-	-	-
New Delhi Television Limited*	-	68.07	-	-	-	-	-	-

*Net of GST.

(c) Key management personnel compensation

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Post employment benefits	-	0.07
Short term employee benefits	-	0.92

(d) Outstanding balances

Particulars	Associate	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Trade payable	14.99	18.69
Trade receivables	38.20	30.35
Loans and advances*	68.07	68.07

*Net of GST.

Red Pixels Ventures Limited
Notes to the financial statements for the year ended 31 March 2022
(All amounts in INR millions, unless otherwise stated)

Note 29: Employee Benefits

Gratuity

Gratuity is payable to all eligible employees of the Company on retirement or separation from the Company. The following table sets out the status of the defined benefit plan as required under Ind AS 19 - Employee Benefits:

(a) Movement in net defined benefit liability:

Particulars	Present value of obligation
Balance as at 1 April 2020	1.64
Current service cost	0.57
Interest expense	0.11
Total amount recognised in profit or loss	0.68
<i>Remeasurements</i>	
Gain from change in financial assumptions	(0.01)
Gain from change in experience variance	(0.72)
Total amount recognised in other comprehensive income	(0.73)
Transfer to subsidiary	0.86
Benefit payments	(0.52)
Balance at 31 March 2021	1.93
Balance as at 1 April 2021	1.93
Current service cost	0.45
Interest expense	0.13
Total amount recognised in profit or loss	0.58
<i>Remeasurements</i>	
Gain from change in financial assumptions	(0.08)
Loss from change in experience variance	1.74
Total amount recognised in other comprehensive income	1.66
Benefit payments	(2.80)
Balance at 31 March 2022	1.37

The net liability disclosed above relates to unfunded plans are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of unfunded obligations	1.37	1.93
Deficit of gratuity plan	1.37	1.93

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. Plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

Red Pixels Ventures Limited
Notes to the financial statements for the year ended 31 March 2022
(All amounts in INR millions, unless otherwise stated)

(b) Assumptions:

1. Economic assumptions

Particulars	As at 31 March 2022	As at 31 March 2021
Discount rate	7.20%	6.75%
Salary growth rate	5.00%	5.00%

The discount rate is based on the prevailing market yields of government bonds as at the balance sheet date for the estimated term of the obligations.
The salary escalation rate is based on estimates of salary increases, which takes into account inflation, promotion and other relevant factors.

2. Demographic assumptions:

Particulars	As at 31 March 2022	As at 31 March 2021
Withdrawal rate	5.00%	5.00%
Mortality rate (% of IALM 06-08)	100%	100%
Retirement age (years)	58	58

(c) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Discount rate	1.00%	1.00%	(0.15)	(0.21)	0.18	0.25
Salary growth rate	1.00%	1.00%	0.18	0.21	(0.15)	(0.21)
Attrition rate	50.00%	50.00%	0.04	0.05	(0.06)	(0.09)
Mortality rate	10.00%	10.00%	-	0.00	-	(0.00)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Red Pixels Ventures Limited
Notes to the financial statements for the year ended 31 March 2022
(All amounts in INR millions, unless otherwise stated)

Note 30 : Taxation

A) The reconciliation of estimated income tax to income tax expense is as follows:

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
Profit / (loss) before taxes		73.53		81.32
Tax using the Company's applicable tax rate	25.17%	18.51	25.16%	20.46
Effect of :				
Non deductible expenses	0.31%	0.23	0.05%	0.04
Change in temporary differences	-0.65%	(0.48)	-0.61%	(0.50)
Current year profit set off from brought forward losses	0.00%	-	-1.68%	(1.37)
Tax expense for earlier years	2.20%	1.62	0.00%	-
Effective tax	27.04%	19.88	22.91%	18.63

B) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to following:

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax liabilities		
- Property, plant and equipment, intangible asset and investment property	-	(0.08)
Total deferred tax liabilities	-	(0.08)
Deferred tax assets		
- Expenditure allowed for tax purposes on payment basis	0.34	0.48
- Property, plant and equipment, intangible asset and investment property	0.11	-
Total deferred tax assets	0.45	0.48
Net deferred tax assets/(liability)	0.45	0.40

C) Movement in deferred tax assets / (liabilities) during the year :

Particulars	Balance as at 1 April 2020	Recognised in opening reserves	Recognised in profit or loss	Recognised in other comprehensive income	Balance as at 31 March 2021	Recognised in opening reserves	Recognised in profit or loss	Recognised in other comprehensive income	Balance as at 31 March 2022
- Property, plant and equipment, intangible asset and investment property	(0.53)	-	0.45	-	(0.08)	-	0.19	-	0.11
-Tax loss carry forwards	0.53	-	(0.53)	-	-	-	-	-	-
- Expenditure allowed for tax purposes on payment basis	-	-	0.48	-	0.48	-	(0.14)	-	0.34
Total	-	-	0.40	-	0.40	-	0.05	-	0.45

Red Pixels Ventures Limited

Notes to the financial statements for the year ended 31 March 2022

(All amounts in INR millions, unless otherwise stated)

Note 31: Relationship with Struck off Companies

The Company does not have any transaction during the year or investment, receivable from, payable to or its Shares held by or any other outstanding with Struck off companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Note 32: Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto Currency or Virtual Currency during the year.

Note 33: Contingent liabilities

1) During financial year 2019-20 the Company has received a demand for income tax, amounting to INR 120.9 millions based on assessment order for Assessment Year 2016-17 issued by the Income Tax Department. In response to the assessment order the Company has filed a stay application before the Assessing Officer. Following the stay application filed by the Company, the stay has been granted upon payment of 20% of the demand as prescribed by CBDT. The Company has filed an appeal against the said order before CIT(Appeals). The Company has engaged reputed professional advisors to protect its interest and has been advised that it has strong legal positions in relation to the tax disputes.

2) There are no transactions that has been surrendered or disclosed under the Income Tax Act (such as, survey or any other relevant provisions of the Income Tax Act, 1961) which were not recorded in the books of accounts.

Note 34: Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") as required under Ind AS 108. The CODM is considered to be Board of directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments. The principal activities of the Company comprises of online advertisement. Accordingly, the Company has one reportable segments consisting of online advertisement.

Note 35: Impact of COVID-19

In view of the pandemic relating to COVID-19, the Company has considered internal and external information and has performed an analysis based on current estimates while assessing the provision towards employee benefits, trade receivables, and other current and financial assets, for any possible impact on the financial statements. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position and internal financial reporting controls and is of the view that based on its present assessment this situation does not materially impact these financial statements. However, the actual impact of COVID-19 on these financial results may differ from that estimated due to unforeseen circumstances and the Company will continue to closely monitor any material changes to future economic conditions.

Note 36: Corporate Social Responsibility (CSR)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a) Gross amount required to be spent by the Company during the year	0.09	-
b) Amount spent during the year	0.09	-
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	-
e) Reason for shortfall	-	-
f) Nature of CSR activities	Animal welfare activities	-
g) Contribution to a trust controlled by the company in relation to CSR expenditure	-	-
h) Provision made with respect to a liability incurred by entering into a contractual obligation	-	-

Note 37: Ratios

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance
Current ratio	Total Current Assets	Total Current Liabilities	9.23	6.32	46%	Variance due to increase in cash & bank balances by Rs. 3.5 Cr. As compared to previous year.
Debt-equity ratio	Current and Non-Current Borrowings	Total Equity	NA	NA	NA	
Debt service coverage ratio	Cash Profit used in Operations before working Capital Changes + Interest earned	Interest expenses + Repayment of borrowings	NA	NA	NA	
Return on equity ratio	Net Profit after Tax	Average Total Equity	20%	32%	-37%	Variance due to lower profit in current year.
Inventory turnover ratio	NA	NA	-	-	-	There are no Inventory in the Company.
Trade receivables turnover ratio	Revenue from operations	Average Trade Receivables + Average receivable under barter transactions	5.11	6.91	-26%	Variance on account of higher receivables from Convergence as compared to previous year.
Trade payables turnover ratio	Production Expenses, Marketing Expenses and Operating and Admin Expenses	Average Trade Payables + Average payables under barter transactions	4.70	5.53	-15%	
Net capital turnover ratio	Revenue from operations	Working Capital (Current Assets - Current Liabilities)	108%	133%	-19%	
Net profit ratio	Net Profit after Tax	Total Revenue	24%	32%	-26%	Variance due to lower profit in current year.
Return on capital employed	Profit before tax and interest	Tangible Networth (Total Equity - Intangible Assts - Intangible under development - Right of use assets) + Current and Non-current Borrowings	27%	37%	-27%	Variance due to lower profit in current year.
Return on investment	NA	NA	-	-	-	

As per our report of even date attached

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

For and on behalf of the Board of Directors of
Red Pixels Ventures Limited

BHASKAR SEN Digitally signed by BHASKAR SEN
Date: 2022.05.17 21:08:21 +05'30'

ASHVIN CHADHA Digitally signed by ASHVIN CHADHA
Date: 2022.05.17 17:54:58 +05'30'

CHANDER MOHAN CHADHA Digitally signed by CHANDER MOHAN CHADHA
Date: 2022.05.17 17:59:15 +05'30'

Bhaskar Sen
Partner
Membership No.: 096985
Place: New Delhi
Date: 17 May 2022

Ashvin Chadha
Director
DIN: 01962798
Place: New Delhi
Date: 17 May 2022

Chander Mohan Chadha
Director
DIN: 00066679
Place: New Delhi
Date: 17 May 2022