Amar Chitra Katha Private Limited

2016-17

Independent Auditor's Report

To the Members of Amar Chitra Katha Private Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Amar Chitra Katha Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or

error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2017, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2016 and 31 March 2015 in accordance with {Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended)} on which we issued auditor's reports to the shareholders of the Company dated 5 May 2016 and 30 April 2015 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

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

    c) the standalone financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;

e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;

f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 11 May 2017 as per Annexure II expressed an unmodified opinion;

g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company does not have any pending litigation which would impact its financial position;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

   iv. the Company, as detailed in Note 13 to the standalone financial statements, has made requisite disclosures in these standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sudhir Pillai**
Partner
Membership No.: 105782

Place: Mumbai
Date: 11 May 2017

Annexure I to the Independent Auditor's Report of even date to the members of Amar Chitra Katha Private Limited, on the standalone financial statements for the year ended 31 March 2017

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification/ Material discrepancies noticed on such verification have been properly dealt with in the books of account.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) 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 products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. 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 became payable.

(b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

Annexure I to the Independent Auditor's Report of even date to the members of Amar Chitra Katha Private Limited, on the standalone financial statements for the year ended 31 March 2017

(viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the company since the company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sudhir Pillai**
Partner
Membership No.: 105782

Place: Mumbai
Date: 11 May 2017

Annexure II

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")

1. In conjunction with our audit of the standalone financial statements of **Amar Chitra Katha Private Limited** ("the Company") as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company of as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the IFCoFR 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

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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.

5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate IFCoFR and such IFCoFR were operating effectively as at 31 March 2017, based on the IFCoFR criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sudhir N. Pillai**
Partner
Membership No.: 105782

Place: Mumbai
Date: 11 May 2017

Amar Chitra Katha Private Limited
Balance sheet as at March 31, 2017

Rs. in lakhs

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
a. Property, plant and equipment	5	20.52	36.28	47.66
b. Other intangible assets	6	1,091.07	961.32	1,223.46
c. Intangible assets under development		77.78	538.84	642.77
d. Financial assets				
i. Investments	7	1,149.68	1,542.76	2,077.56
ii. Loans	8	-	-	10.00
iii. Other financial assets	9	58.89	58.68	54.84
e. Other non-current assets	10	0.30	0.72	5.41
Total non-current assets		**2,398.24**	**3,138.60**	**4,061.70**
Current assets				
a. Inventories	11	295.10	171.73	386.87
b. Financial assets				
i. Trade receivables	12	2,350.19	1,879.38	1,875.68
ii. Cash and cash equivalents	13	75.41	11.00	7.62
iii. Loans	8	1,070.14	936.14	645.59
iv. Other financial assets	9	191.88	216.07	47.34
c. Current tax assets (Net)	14	59.93	58.55	37.15
d. Other current assets	10	74.08	77.74	338.84
		4,116.73	3,350.61	3,339.09
Total current assets		**4,116.73**	**3,350.61**	**3,339.09**
Total assets		**6,514.97**	**6,489.21**	**7,400.79**
EQUITY AND LIABILITIES				
Equity				
a. Equity share capital	15	5.00	5.00	5.00
b. Other equity	16	2,179.06	3,626.91	5,778.87
Total Equity		**2,184.06**	**3,631.91**	**5,783.87**
Non-current liabilities				
a. Financial liabilities				
i. Other financial liabilities	17	28.56	-	-
b. Provisions	18	55.50	59.98	74.54
Total non-current liabilities		**84.06**	**59.98**	**74.54**
Current liabilities				
a. Financial liabilities				
i. Borrowings	19	3,149.98	1,834.48	804.56
ii. Trade payables	20	793.50	625.77	637.90
iii. Other financial liabilities	17	2.00	58.98	-
b. Provisions	18	53.27	92.95	58.60
c. Other current liabilities	21	248.10	185.14	41.32
		4,246.85	2,797.32	1,542.38
Total current liabilities		**4,246.85**	**2,797.32**	**1,542.38**
Total liabilities		**4,330.91**	**2,857.30**	**1,616.92**
Total equity and liabilities		**6,514.97**	**6,489.21**	**7,400.79**

See accompanying notes to the financial statements

This is the balance sheet referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants

For and on behalf of the Board of Directors

Sudhir N. Pillai
Partner

Anuraag Agarwal
Director
(DIN 06379359)

Abhas Gupta
Director
(DIN 07767724)

Pratiksha Mangaonkar
Company Secretary

Place: Mumbai
Date: May 11, 2017

Place: Mumbai
Date: May 11, 2017

Amar Chitra Katha Private Limited
Statement of Profit and Loss (Including other comprehensive income) for the year ended March 31, 2017

Rs. in lakhs

	Particulars	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
I	Revenue from operations	22	2,321.50	2,363.72
II	Other income	23	27.82	9.81
III	**Total income**		**2,349.32**	**2,373.53**
IV	**Expenses**			
	Cost of materials consumed	24	814.83	691.03
	Purchases of traded goods	24(A)	81.21	-
	Changes in inventories of finished goods, traded goods and work-in-progress	24(B)	(133.02)	209.68
	Employee benefits expense	25	502.66	645.56
	Finance costs	26	311.58	201.53
	Depreciation and amortisation expense	27	878.17	1,127.43
	Impairment loss on investment	28	83.54	-
	Other expenses	29	970.06	1,698.66
	Total expenses		**3,509.03**	**4,573.89**
V	**Loss before tax**		**(1,159.71)**	**(2,200.36)**
VI	Tax expenses			
	(1). Current tax		-	-
	(2). Deferred tax		-	-
			-	**-**
VII	**Loss for the year**		**(1,159.71)**	**(2,200.36)**
	Other comprehensive income			
	A (i) Items that will not be reclassified to statement of profit and loss			
	a) Remeasurement of the defined benefit plans		5.52	16.15
	b) Equity instruments through other comprehensive income		(295.54)	32.27
			(290.02)	48.42
VIII	**Total other comprehensive income**		**(290.02)**	**48.42**
IX	**Total comprehensive income for the year**		**(1,449.73)**	**(2,151.94)**
	Losses per equity share			
	(1). Basic (in Rs.)	30	(231.94)	(440.07)
	(2). Diluted (in Rs.)	30	(231.94)	(440.07)

See accompanying notes to the financial statements

This is the statement of profit and loss (Including other comprehensive income) referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants

Sudhir N. Pillai
Partner

Place: Mumbai
Date: May 11, 2017

For and on behalf of the Board of Directors

Anuraag Agarwal
Director
(DIN 06379359)

Abhas Gupta
Director
(DIN 07767724)

Pratiksha Mangaonkar
Company Secretary

Place: Mumbai
Date: May 11, 2017

Amar Chitra Katha Private Limited
Cash flow statement for the year ended March 31, 2017

Rs. in lakhs

Particulars	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
(A) Cash flows from operating activities			
Loss for the year		(1,159.71)	(2,200.36)
Adjustments for:			
Share-based payments to employees		1.88	(0.02)
Remeasurement of the defined benefit plans		5.52	16.15
Finance costs recognised in profit or loss		311.58	201.53
Interest income recognised in profit or loss		(4.82)	(3.06)
Sundry balance written back		(9.87)	-
Impairment loss/ reversal of impairment loss on financial assets		83.54	-
Loss on disposal of property, plant and equipment		0.83	0.43
Loss on disposal of subsidiary		10.50	567.07
Provision for doubtful debts		46.87	56.75
Depreciation and amortisation on property, plant and equipment & intangible assets		878.17	1,127.43
Advances written off		28.99	182.71
		193.48	**(51.38)**
Movements in working capital:			
(Increase)/decrease in trade and other receivables		(517.68)	(60.44)
(Increase)/ decrease in inventories		(123.37)	215.14
(Increase)/ decrease in loans		10.00	30.64
(Increase)/decrease in other financial assets		-4.80	(168.73)
(Increase)/decrease in other current assets		3.66	261.10
Decrease/(increase) in non-current assets		0.21	10.85
Increase/ (Decrease) in trade payables		177.60	(12.13)
Increase/(Decrease) in other financial liabilities		(56.98)	58.98
Increase/(Decrease) in other current liabilities and provisions		-107.01	137.48
Increase/(Decrease) in other non-current liabilities		24.08	(14.57)
Cash generated by / (used in) operations		**(400.81)**	**406.94**
Income taxes paid		(1.38)	(21.41)
Net cash generated by / (used in) operating activities		**(402.19)**	**385.53**
(B) Cash flows from investing activities			
Payments for property, plant and equipment		(1.37)	(10.29)
Proceeds from disposal of property, plant and equipment		0.84	0.60
Payments for intangible assets		(531.40)	(740.71)
Net cash inflow on disposal of subsidiary		3.50	-
Net cash used in by investing activities		**(528.43)**	**(750.40)**
(C) Cash flows from financing activities			
Proceeds from borrowings		1,315.50	1,029.92
Loan given to subsdiary		(144.00)	(503.89)
Interest received		4.82	3.06
Interest paid		(181.29)	(160.83)
Net cash generated by financing activities		**995.03**	**368.26**
Net increase in cash and cash equivalents (A)+(B)+(C)		**64.41**	**3.38**
Cash and cash equivalents at the beginning of the year		11.00	7.62
Cash and cash equivalents at the end of the year		**75.41**	**11.00**

Amar Chitra Katha Private Limited
Cash flow statement for the year ended March 31, 2017

See accompanying notes to the financial statements

Note:

i. The cash flow statement has been prepared under the indirect method as set out in Indian accounting standard (Ind As) 7 on statement of cash flow.

This is the cash flow statement referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants

Sudhir N. Pillai
Partner

Place: Mumbai
Date: May 11, 2017

For and on behalf of the Board of Directors

Anuraag Agarwal
Director
(DIN 06379359)

Abhas Gupta
Director
(DIN 07767724)

Pratiksha Mangaonkar
Company Secretary

Place: Mumbai
Date: May 11, 2017

Amar Chitra Katha Private Limited
Significant accounting policies and other explanatory information

Note 1: General Information about the Company
Amar Chitra Katha Private Limited ('ACK' or the 'Company') was incorporated as a private limited company on November 5, 1980. The Company's principal activity is publishing 'Amar Chitra Katha' series, Tinkle Digest comic books, 'Tinkle' and Brainwave Magazine in English, Hindi and other regional languages. The Company is also into the business of producing content based on its intellectuals for distributing through television and other media channels.

Note 2: Application of new and revised Ind Ass
All the Indian Accounting Standards ("Ind AS") issued and notified by the Ministry of Corporate Affairs are effective and considered for the significant accounting policies to the extent relevant and applicable for the Company.

Note 3: Significant Accounting policies
Statement of compliance
The financial statements comply in all material aspects with Ind AS notified under Section 133 of the Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015] and other applicable laws.
Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other applicable laws. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer Note 42 for the details of first-time adoption exemptions availed by the Company.

Basis of preparation and presentation
The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Leasing
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Accounting of foreign exchange transaction
Initial recognition
Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion
Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
Treatment of exchange difference

Exchange differences arising on settlement/ restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the statement of profit and loss.
On transition to Ind AS, the Company has opted to continue with the accounting for exchange differences arising on foreign currency monetary items, outstanding as on the transition date, as per previous GAAP.

Employee benefits
Post-employment benefits
• Payments to defined contribution benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:
• Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
• Net interest expense or income; and
• Re-measurement.
The Company presents the first two components of defined benefit costs in statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs
The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.
A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.
Short-term and other long-term employee benefits
A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.
Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.
Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made in respect of services provided by employees up to the reporting date.

Earnings per share
Basic earnings per share are calculated by dividing:
• The profit attributable to the owners of the Company

• By the weighted average number of equity shares outstanding during the financial year including number of ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument excluding treasury shares.
• Diluted earnings per share adjusts the figure used in 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.

Share-based payment arrangements

Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.
The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.
Minimum alternate tax (MAT) paid in accordance to the tax laws gives rise to future economic benefits in the form of adjustment of future income tax liability. The same is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT credit is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. While preparing standalone financial statements, temporary differences are calculated using the carrying amount as per standalone financial statement and tax bases as determined by reference to the method of tax computation.
Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that

affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year
Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment (PPE)
PPE are stated at cost less accumulated depreciation and any provision for impairment. Cost includes freight, duties, taxes (other than those recoverable from tax authorities) and other expenses related directly/indirectly to the acquisition/construction and installation of the fixed assets for bringing the asset to its working condition for its intended use.
Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.
Useful lives of tangible assets
Estimated useful lives of the tangible assets are as follows:

Asset	Useful life	Asset	Useful life
Office Equipment	05 years	Computers	03 years
Furniture & Fixture	10 years	Vehicle	10 years
Plant & Machinery	13 years	Air Conditioner	05 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

Deemed cost on transition to Ind AS
For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Amar Chitra Katha Private Limited
Significant accounting policies and other explanatory information

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

• The technical feasibility of completing the intangible asset so that it will be available for use or sale;
• The intention to complete the intangible asset and use or sell it;
• The ability to use or sell the intangible asset;
• How the intangible asset will generate probable future economic benefits;
• The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
• The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Asset	**Useful life**
Trademark	10 years
Software	05 years
Computer	03 years
Content	On case to case basis from 1 to 07 years
Digital Images	10 years

Deemed cost on transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its tangible, intangible assets and investment property recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprises all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on the First-In, First-Out ('FIFO') basis.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the

present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).
When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Operating segment
The Board of Directors ("board") of the Company assesses the financial performance and position of the Company, and makes strategic decisions. The board has identified as being the chief operating decision maker. The chief operating decision maker is responsible for strategic decisions, for the assessment of the segments' performance and for the allocation of resources to the segments.
The Company is engaged in the business of Publishing Operations, Animation, Digital and Games which are considered as single segment by chief operating decision maker Hence there is no separate reportable segment under Ind AS 108 'Operating segment'. Further, the Company is operating in a single geographical segment. Accordingly, disclosures relating to primary and secondary business segments with the requirement of Ind AS 108 on Operating Segments, as specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended) is not required.

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through statement of profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through statement of profit and loss are recognised immediately in statement of profit and loss.

Financial assets
All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.
All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

<u>Effective interest method</u>
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in statement of profit and loss and is included in the "Other Income" line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income for investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to statement of profit and loss on disposal of the investments.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the

financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.
For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 'Construction Contracts' ("Ind AS 11") and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.
Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information
The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

Derecognition of financial assets
The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.
On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit and loss if such gain or loss would have otherwise been recognized in statement of profit and loss on disposal of that financial asset.
On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in statement of profit and loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Cash and cash equivalent
Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition. Cash and cash equivalents are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company are measured in accordance with the specific accounting policies set out below.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expenses are included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in ‘Other Income’.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in statement of profit and loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with

substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit and loss.

Overall principle

The Company has prepared the opening standalone balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

Share Based Transactions

Company has not applied requirement of Ind AS 102 share based payment to equity instruments that vested before the date of transition i.e. April 1, 2015.

Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and similar allowances.

Sale of books, magazines and home video products

Revenue from sale of books, magazines and home video products is recognised when the goods are dispatched which in the management's opinion coincides with the transfer of significant risks and rewards to the customer and titles have passed, at which time all of the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of net of trade allowances, rebates; value added taxes and amounts collected on behalf of third parties.

Television broadcasting / licensing, online games

Revenue is recognised in accordance with the licensing arrangements when the Company has no remaining obligations to perform and all other conditions for recognition have been met. Revenue is

recognised on the first day of commencement of the license period for the exploitation of such right. Income from online games is recognised in the period in which games are downloaded from phones.

Advertisement income
Revenue from advertisements is recognised in the month of exhibition of the advertisement or over the period of the contract, as applicable.

Royalty income
Revenue is recognised on an accrual basis as per the contractual arrangement entered into with the customers.

Others
Dividend income is recognised when the unconditional right to receive payment is established.
Income from interest on deposits, loans and interest-bearing securities is recognised on time proportion basis.

Establishment charges
Establishment charges are recognised on basis of rendering of service as per the contractual arrangement entered into with the customers.

Recent accounting pronouncements
Standards issued but not yet effective
In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the Company from 1 April 2017.

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

Amar Chitra Katha Private Limited
Significant accounting policies and other explanatory information

Note 4: Going concern

As at March 31, 2017, the Company has reported a net loss of Rs. 1,449.72 lacs (March 31, 2016: Rs. 2,151.94 lacs) and has accumulated losses of Rs.5,956.24 lacs (March 31, 2016: 4,506.52 lacs) which exceeds the Company's paid up capital of Rs. 5.00 lacs (March 31, 2016: Rs. 5.00 lacs). Also, the current liabilities exceeded the current assets by Rs. 130.09 lacs (March 31, 2016: Rs. 553.29 lacs excess of current assets over current liability). The Company's management believes that the Company will continue to operate as a going concern and meet all its liabilities as they fall due for payment based on the projected operational plans and, consequently, will be in a position to continue its operation for the foreseeable future, to realise its assets and to discharge its liabilities in the normal course of business.

Accordingly, these financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or to amounts and classification of liabilities that may be necessary if the entity is unable to continue as a going concern.

Future Consumer Enterprise Limited, the Ultimate Holding Company, would continue to provide financial support to the Company to enable it to operate and meet its liabilities, both present and future, as and when they fall due for payment in the normal course of its business. The Company has received a legally enforceable support letter from the Ultimate Holding Company.

A special Ultimate Collection offer targeting sales of at least 5000 units at Rs 9999/- each, direct sales in corporates and strong push for institutional sales, direct sales in residential societies, ACK traveling sales vans in key markets, aggressive school sales and exhibitions program, content licensing tie ups for ACK and Tinkle content to TV and digital networks, merchandising of apparel and other fast moving branded items for ACK and Tinkle are some of the new revenue generating initiatives already under way.

Amar Chitra Katha Private Limited
Statement of changes in equity for the year ended March 31, 2017

A. Equity share capital **Rs. in lakhs**

Particular	Notes	Number of shares (in lakhs)	Share capital in amount
As at April 1, 2015	**15**	**5**	**5.00**
Changes in equity share capital			
As at March 31, 2016		**5**	**5.00**
Changes in equity share capital			
As at March 31, 2017		**5**	**5.00**

B. Other equity **Rs. in lakhs**

Particulars	Reserves & Surplus				Items of Other comprehensive income		Attributable to owners of the parent	Total
	Capital Reserve	Securities Premium Reserve	Share Options Outstanding Account	Retained Earnings	Equity instruments through other comprehensive income	Remeasurement of the defined benefit plans		
Balance at April 1, 2015	**0.70**	**8,131.05**	**1.71**	**(2,646.70)**	**293.59**	**(1.48)**	**5,778.87**	**5,778.87**
Loss for the year	-	-	-	(2,200.36)	-	-	**(2,200.36)**	**(2,200.36)**
Other comprehensive income for the year, net of income tax	-	-	-	-	32.27	16.15	**48.42**	**48.42**
Total comprehensive income for the year	**-**	**-**	**-**	**(2,200.36)**	**32.27**	**16.15**	**(2,151.94)**	**(2,151.94)**
Recognition of share-based payments	-	-	(0.02)	-	-	-	**(0.02)**	**(0.02)**
Balance at March 31, 2016	**0.70**	**8,131.05**	**1.69**	**(4,847.06)**	**325.86**	**14.67**	**3,626.91**	**3,626.91**
Loss for the year	-	-	-	(1,159.71)	-	-	**(1,159.71)**	**(1,159.71)**
Other comprehensive income for the year, net of income tax	-	-	-	-	(295.54)	5.52	**(290.02)**	**(290.02)**
Total comprehensive income for the year	**-**	**-**	**-**	**(1,159.71)**	**(295.54)**	**5.52**	**(1,449.73)**	**(1,449.73)**
Recognition of share-based payments	-	-	1.88	-	-	-	**1.88**	**1.88**
Balance at March 31, 2017	**0.70**	**8,131.05**	**3.57**	**(6,006.77)**	**30.32**	**20.19**	**2,179.06**	**2,179.06**

For Walker Chandiok & Co LLP
Chartered Accountants

For and on behalf of the Board of Directors

Sudhir N. Pillai
Partner

Anuraag Agarwal
Director
(DIN 06379359)

Abhas Gupta
Director
(DIN 07767724)

Pratiksha Mangaonkar
Company Secretary

Place: Mumbai
Date: May 11, 2017

Place: Mumbai
Date: May 11, 2017

Amar Chitra Katha Private Limited

Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

5 Tangible assets

Rs. in lakhs

Description of Assets	Computers	Office equipments	Vehicles	Furniture and fixtures	Leasehold improvements	Plant and equipments	Total
I. Gross Block							
Balance as at April 1, 2016	136.88	20.63	-	36.03	44.36	3.42	241.32
Additions	0.04	1.11	-	-	0.22	-	1.37
Disposals	-	-	-	(1.63)	-	(0.91)	(2.54)
Balance as at March 31, 2017	**136.92**	**21.74**	**-**	**34.40**	**44.58**	**2.51**	**240.15**
II. Accumulated depreciation							
Balance as at April 1, 2016	126.42	15.75	-	25.95	35.74	1.18	205.04
Depreciation expense for the year	6.74	2.36	-	3.03	3.05	0.28	15.46
Eliminated on disposal of assets	-	-	-	(0.79)	-	(0.08)	(0.87)
Balance as at March 31, 2017	**133.16**	**18.11**	**-**	**28.19**	**38.79**	**1.38**	**219.63**
Net block (I-II)							
Balance as on March 31, 2017	**3.76**	**3.63**	-	**6.21**	**5.79**	**1.13**	**20.52**
Balance as on March 31, 2016	**10.46**	**4.88**	-	**10.08**	**8.62**	**2.24**	**36.28**

Rs. in lakhs

Description of Assets	Computers	Office equipments	Vehicles	Furniture and fixtures	Leasehold improvements	Plant and equipments	Total
I. Gross Block							
Balance as at April 1, 2015	131.08	17.86	3.50	36.03	43.79	2.27	234.53
Additions	5.80	2.77	-	-	0.57	1.15	10.29
Disposals	-	-	(3.50)	-	-	-	(3.50)
Balance as at March 31, 2016	**136.88**	**20.63**	**-**	**36.03**	**44.36**	**3.42**	**241.32**
II. Accumulated depreciation							
Balance as at April 1, 2015	116.00	12.92	1.98	22.77	32.32	0.88	186.87
Depreciation expense for the year	10.42	2.83	0.48	3.18	3.42	0.30	20.63
Eliminated on disposal of assets	-	-	(2.46)	-	-	-	(2.46)
Balance as at March 31, 2016	**126.42**	**15.75**	**-**	**25.95**	**35.74**	**1.18**	**205.04**
Net block (I-II)							
Balance as on March 31, 2016	**10.46**	**4.88**	**-**	**10.08**	**8.62**	**2.24**	**36.28**
Balance as on April 1, 2015	**15.08**	**4.94**	**1.52**	**13.26**	**11.47**	**1.39**	**47.66**

Amar Chitra Katha Private Limited
Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

6 Other intangible assets

Rs. in Lakhs

Particulars	Copyrights	Trademarks	Computer software	Content	Digital images	Total
Cost or Deemed Cost						
Balance at April 1, 2016	**0.50**	**22.94**	**69.76**	**3,746.26**	**41.09**	**3,880.55**
Additions	-	0.04	6.45	985.97	-	992.46
Balance at March 31, 2017	**0.50**	**22.98**	**76.21**	**4,732.23**	**41.09**	**4,873.01**
Accumulated amortisation						
Balance at April 1, 2016	**0.45**	**13.70**	**56.72**	**2,832.83**	**15.53**	**2,919.22**
Amortisation expense	0.05	2.22	7.47	848.70	4.27	862.71
Balance at March 31, 2017	**0.50**	**15.92**	**64.19**	**3,681.53**	**19.80**	**3,781.93**
Carrying amount						
Balance as on March 31, 2017	**0.00**	**7.06**	**12.02**	**1,050.70**	**21.29**	**1,091.07**
Balance as on March 31, 2016	**0.05**	**9.24**	**13.04**	**913.43**	**25.56**	**961.32**

Rs. in Lakhs

Particulars	Copyrights	Trademarks	Software	Content	Digital images	Total
Cost or Deemed Cost						
Balance at April 1, 2015	0.50	21.09	66.59	2,906.62	41.09	3,035.89
Additions	-	1.85	3.17	839.64	-	844.66
Balance at March 31, 2016	**0.50**	**22.94**	**69.76**	**3,746.26**	**41.09**	**3,880.55**
Accumulated amortisation						
Balance at April 1, 2015	0.40	10.93	49.17	1,740.35	11.58	1,812.43
Amortisation expense	0.05	2.77	7.55	1,092.48	3.95	1,106.80
Balance at March 31, 2016	**0.45**	**13.70**	**56.72**	**2,832.83**	**15.53**	**2,919.23**
Carrying amount						
Balance as on March 31, 2016	**0.05**	**9.24**	**13.04**	**913.43**	**25.56**	**961.32**
Balance as on April 1, 2015	**0.10**	**10.16**	**17.42**	**1,166.27**	**29.51**	**1,223.46**

6.1 Significant intangible assets

Following are the list of Significant Intangible Assets

Particular	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Carrying Amount	Remaining Life	Carrying Amount	Remaining Life	Carrying Amount	Remaining Life
Digital Contents / ACK I PAD	290.44	4 years	112.12	5 years	137.93	6 years
ACK series	112.42	2 years	181.02	3 years	274.42	4 years

Amar Chitra Katha Private Limited
Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

7 Investments **Rs. in Lakhs**

Particulars	Face value per unit	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
		Quantity	Amount	Quantity	Amount	Quantity	Amount
			Non-current		Non-current		Non-current
Unquoted Investments							
(a) Investments in Equity Instruments							
Investment in subsidiaries							
Fully paid equity shares							
ACK Media Direct Limited (formerly known as ACK Media Direct Private Limited)	100	5,994	127.76	5,994	175.44	5,994	175.44
Karadi Tales Company Private Limited	10	-	-	-	-	6,09,936	720.55
IBH Books & Magazines Distributors Limited (formerly known as IBH Books & Magazines Distributors Private Limited)	10	4,99,985	656.72	4,99,985	692.58	4,99,985	692.58
Partly paid equity shares					-		
Ideas Box Entertainment Limited (formerly known as Ideas Box Entertainment Private Limited)	10	49,99,999	90.00	49,99,999	90.00	49,99,999	90.00
ACK Edutainment Limited (formerly known as ACK Edutainment Private Limited)	10	-	-	49,99,999	14.00	49,99,999	14.00
(b) Investments in others							
Fully paid equity shares							
Karadi Path Education Company Private Limited (Associate till 31 August 2013)	10	26,029	275.20	26,029	570.74	18,610	384.99
Total Aggregate Unquoted Investments (B)		**55,32,007**	**1,149.68**	**1,05,32,006**	**1,542.76**	**1,11,34,523**	**2,077.56**
Total non-current investments (A) + (B)		**55,32,007**	**1,149.68**	**1,05,32,006**	**1,542.76**	**1,11,34,523**	**2,077.56**
Of the above:							
investments designated at FVTOCI - equity instruments			275.20		570.74		384.99

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Amar Chitra Katha Private Limited
Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

8 Loans **Rs. in lakhs**

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	Current	Non- current	Total	Current	Non- current	Total	Current	Non- current	Total
Unsecured, considered good									
- Loan to related parties	1,069.14	-	1,069.14	925.14	-	925.14	613.95	-	613.95
- Loans to employees	1.00	-	1.00	11.00	-	11.00	31.64	10.00	41.64
Total	**1,070.14**	**-**	**1,070.14**	**936.14**	**-**	**936.14**	**645.59**	**10.00**	**655.59**

Includes amounts due by :	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 01, 2015**
-- Loan given to Ideas Box Entertainment Limited, a wholly-owned subsidiary (formerly known as Ideas Box Entertainment Private Limited)	479.15	479.15	554.48
-- Loan given to IBH Books & Magazines Distributors Limited, a wholly-owned subsidiary (formerly known as IBH Books & Magazines Distributors Private Limited)	589.99	445.99	59.47

9 Other financial assets **Rs. in lakhs**

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	Current	Non- Current	Total	Current	Non- Current	Total	Current	Non- Current	Total
Security deposits	-	58.89	58.89	-	58.68	58.68	-	54.84	54.84
Interest accrued	0.91	-	0.91	1.52	-	1.52	-	-	-
Advances recoverable in cash	25.65	-	25.65	44.79	-	44.79	30.05	-	30.05
Deposits with original maturity for more than 3 months but less than 12 months	54.49	-	54.49	50.45	-	50.45	10.18	-	10.18
Advances to related parties	110.83	-	110.83	119.31	-	119.31	7.11	-	7.11
Total	**191.88**	**58.89**	**250.77**	**216.07**	**58.68**	**274.75**	**47.34**	**54.84**	**102.18**
Includes amounts due by :									
-- Advance receivable from ACK Media Direct Limited, a wholly-owned subsidiary	13.26	-		-	-		5.98	-	
-- Advance receivable from Future Consumer Limited, a holding Company	1.93	-		1.93	-		-	-	
-- Advance receivable from IBH Books & Magazines Distributors Limited, a fellow subsidiary (formerly known as IBH Books & Magazines Distributors Private Limited)	57.06	-		-	-		-	-	
-- Advance receivable from Ideas Box Entertainment Limited, a wholly-owned subsidiary	38.58	-		117.38	-		-	-	
-- Advances to ACK Edutainment Private Limited, a wholly-owned subsidiary (upto April 27, 2016)	-	-		-	-		1.13	-	

10 Other assets **Rs. in lakhs**

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	Current	Non- Current	Total	Current	Non- Current	Total	Current	Non- Current	Total
Advances to suppliers	1.39	-	1.39	4.04	-	4.04	199.34	-	199.34
Balances with government authorities	65.53	0.30	65.83	60.87	0.30	61.17	126.91	-	126.91
Prepaid expenses	6.74	-	6.74	7.84	-	7.84	7.60	-	7.60
Prepaid rent	0.42	-	0.42	4.99	0.42	5.41	4.99	5.41	10.40
Total	**74.08**	**0.30**	**74.38**	**77.74**	**0.72**	**78.46**	**338.84**	**5.41**	**344.25**
-- Advances to Karadi Tales Company Private Limited	-	-		-	-		197.20	-	

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Amar Chitra Katha Private Limited
Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

11 Inventories (lower of cost and net realisable value):

Rs. in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Raw materials	-	9.65	15.11
Work in progress	32.42	1.78	18.92
Finished goods	245.60	160.30	312.61
Traded Goods	17.08	-	40.23
Total	**295.10**	**171.73**	**386.87**

12 Trade receivables

Rs. in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured, considered good	810.21	360.75	497.98
Receivables from other related parties, unsecured considered good (refer note 36)	1,539.98	1,518.63	1,377.70
Unsecured, considered doubtful	120.67	73.80	17.05
Less: Allowance for doubtful debts	(120.67)	(73.80)	(17.05)
Total	**2,350.19**	**1,879.38**	**1,875.68**

Includes amounts due from wholly owned subsidiaries:

-- *Due from IBH Books & Magazines Distributors Limited*	918.15	1,095.19	1,022.95
(formerly known as IBH Books & Magazines Distributors Private Limited)			
-- *Due from ACK Media Direct Limited*	608.51	423.44	345.76
(formerly known as ACK Media Direct Private Limited)			

Includes amounts due from holding company :

-- *Future Consumer Limited*	13.32	-	8.99
(formerly known as Future Consumer Enterprise Limited)			

Amar Chitra Katha Private Limited
Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

13 Cash and cash equivalents **Rs. in Lakhs**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Cash and cash equivalents			
Cash on hand	3.60	0.76	1.11
Balances in scheduled banks in current account	71.81	10.24	6.51
Total	**75.41**	**11.00**	**7.62**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Rs in Lakhs

	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	**0.17**	**0.07**	**0.24**
(+) Permitted receipts	-	0.00	-
(-) Permitted payments	-	0.00	-
(-) Amount deposited in Banks	-	1.70	1.70
(+) Amount withdrawal from bank	-	1.90	1.90
Closing cash in hand as on December 30, 2016	**0.17**	**0.27**	**0.44**

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification

13.1 Non-cash transactions

During the current year, the Company has not entered into any non-cash investing and financing activities which are not reflected in the cash flow statement.

14 Current tax assets and liabilities **Rs. in Lakhs**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current tax assets			
Tax refund receivables	59.93	58.55	37.15
Total	**59.93**	**58.55**	**37.15**

Amar Chitra Katha Private Limited
Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

15 Equity share capital **Rs. in Lakhs**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Equity share capital	5.00	5.00	5.00
Total	**5.00**	**5.00**	**5.00**
Authorised Share Capital:			
1,000,000 equity shares of Rs.1/- each	10.00	10.00	10.00
Issued and Subscribed Capital comprises:			
5,00,000 Fully paid equity shares of Rs.1/- each (as at March 31, 2016: 5,00,000; as at April 1, 2015: 5,00,000)	5.00	5.00	5.00
Total	**5.00**	**5.00**	**5.00**

15.1 Fully paid equity shares - Reconciliation **Rs. in Lakhs**

Particulars	Number of shares	Share capital
Balance at April 1, 2015	**5,00,000**	**5,00,000**
Movements:	-	-
Balance at March 31, 2016	**5,00,000**	**5,00,000**
Movements:	-	-
Balance at March 31, 2017	**5,00,000**	**5,00,000**

15.2 Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in indian rupees. In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distributions will be in proportion to the number of equity shares held by shareholder.

15.3 Share options granted under the Company's employee share option plan

Share options granted under the Company's employee share option plan (ESOP) are provided in note 35.

15.4 Details of shares held by the holding company

Particulars	No. of fully paid equity shares	% of Holding
As at March 31, 2017 Future Consumer Limited (Formerly known as Future Consumer Enterprise Limited)	3,69,940	73.99%
As at March 31, 2016 Future Consumer Limited (Formerly known as Future Consumer Enterprise Limited)	3,69,940	73.99%
As at April 1, 2015 Future Consumer Limited (Formerly known as Future Consumer Enterprise Limited)	3,69,940	73.99%

15.5 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Fully paid equity shares of Rs.1 each						
Future Consumer Limited (Formerly known as Future Consumer Enterprise Limited)	3,69,940	73.99%	3,69,940	73.99%	3,69,940	73.99%
Tusk Investments Fund I	1,00,278	20.06%	1,00,278	20.06%	1,00,278	20.06%

15.6 Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceeding the reporting date.

In the period of five years immediately preceeding the Balance Sheet date, the Company has not issued any shares pursuant to contract without payment being received in cash or any bonus shares or has bought back any shares.

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Amar Chitra Katha Private Limited
Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

16 Other equity **Rs. in Lakhs**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital reserve	0.70	0.70	0.70
Securities premium reserve	8,131.05	8,131.05	8,131.05
Share options outstanding account	3.57	1.69	1.71
Retained earnings	(6,006.76)	(4,847.06)	(2,646.70)
Other items of other comprehensive income (remeasurement of defined benefit plans and equity instruments)	50.51	340.53	292.11
Total	**2,179.07**	**3,626.91**	**5,778.87**

16.1 Description of reserves

Capital Reserve

Capital reserve is created for excess of net book value of assets taken and liabilities assumed over the consideration transferred for various business combination in earlier years.

Securities premium reserve

Where Company issued shares at a premium, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to a "securities premium reserve" as per the provisions of applicable Companies Act.

Share options outstanding account

This reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note 35.

Retained earnings

This represent the surplus/ (deficit) of the statement of profit and loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

Capital redemption reserve

As per the provisions of Companies Act, Capital redemption reserve is created out of the general reserve for the amount of share capital reduction in earlier years.

Equity instruments through other comprehensive income

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed of.

Amar Chitra Katha Private Limited
Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

17 Other financial liabilities **Rs. in Lakhs**

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	Current	Non- current	Total	Current	Non- current	Total	Current	Non- Current	Total
Deposit received from customers	-	28.56	28.56	-	-	-	-	-	-
Advances from related parties	2.00	-	2.00	58.98	-	58.98	-	-	-
Total	**2.00**	**28.56**	**30.56**	**58.98**	**-**	**58.98**	**-**	**-**	**-**
-- Advance received from Future Consumer Limited, a holding Company	2.00	-		-	-		-	-	
-- Advance received from ACK Media Direct Limited, a wholly-owned subsidiary	-	-		24.23	-		-	-	
-- Advance received from IBH Books & Magazines Distributors Limited, a fellow subsidiary (formerly known as IBH Books & Magazines Distributors Private Limited)	-	-		34.75	-		-	-	

18 Provisions **Rs. in Lakhs**

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	Current	Non- current	Total	Current	Non- current	Total	Current	Non- current	Total
Employee benefits									
- Provision for compensated absences (refer note 32)	3.21	17.36	20.57	4.38	26.05	30.43	4.58	35.00	39.58
- Provision for gratuity (refer note 32)	-	38.14	38.14	-	33.93	33.93	-	39.54	39.54
- Provision for bonus, incentives and others	50.06	-	50.06	88.57	-	88.57	54.02	-	54.02
Total	**53.27**	**55.50**	**108.77**	**92.95**	**59.98**	**152.93**	**58.60**	**74.54**	**133.14**

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Amar Chitra Katha Private Limited
Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

19 Current borrowings

Particulars	Effective Interest rate	Maturity	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
			Current	Current	Current
Secured - at amortised cost					
Cash credit facility					
- from banks	13.00%	On demand	-	845.54	604.56
Total (A)			-	845.54	604.56
Unsecured - at amortised cost					
Loans (inter corporate deposits from holding company)	12.50%	On demand	3,149.98	988.94	200.00
Total (B)			**3,149.98**	**988.94**	**200.00**
Total non-current borrowings (A+B)			**3,149.98**	**1,834.48**	**804.56**

(a) Cash Credit facilities availed from bankers are secured by charge on the current assets of the Company and charge by way of hypothecation on Intellectual property rights of the Company.

Amar Chitra Katha Private Limited
Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

20 Trade payables

Rs. in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade payables (Also, refer note (a) below)	431.45	294.02	370.59
Others payable for expense	362.05	331.75	267.31
Total	**793.50**	**625.77**	**637.90**

a) On the basis of the information and records available with the Management, none of the Company's suppliers are covered by The Micro, Small and Medium Enterprises Development Act, 2006. Accordingly the disclosures prescribed under the said Act are not applicable.

21 Other liabilities

Rs. in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	Current	Current	Current
Advances from customers	45.72	98.58	8.95
Interest payble on borrowing	182.77	52.48	11.78
Statutory dues	18.31	32.43	20.59
Others	1.30	1.65	-
Total	**248.10**	**185.14**	**41.32**

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Amar Chitra Katha Private Limited
Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

22 Revenue from operations **Rs. in Lakhs**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Sale of products		
Sale of books, magazines and home video	1,429.81	1,469.01
Sale of services		
Advertisement income	625.36	721.91
Establishment charges	24.32	-
Other operating revenue		
Revenue from online and mobile games	4.47	6.22
Revenue from broadcasting and licencing	237.54	166.58
Total	**2,321.50**	**2,363.72**

23 Other income **Rs. in Lakhs**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest income on bank deposits	4.82	3.06
Income tax and VAT refund	1.73	0.41
Interest income resulting from fair valuation of security deposit paid	9.31	5.60
Sundry balance written back	9.87	-
Miscellaneous income	2.09	0.74
Total	**27.82**	**9.81**

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Amar Chitra Katha Private Limited
Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

25 Employee benefits expenses **Rs. in Lakhs**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries, wages & bonus	458.58	585.49
Contribution to provident and other funds	23.50	36.11
Contribution to gratuity (refer note 32.2)	13.66	18.31
Contribution to leave encashment (refer note 32.2)	(2.29)	(5.72)
Share-based payments to employees	1.88	(0.02)
Staff welfare expenses	7.33	11.39
Total	**502.66**	**645.56**

26 Finance costs **Rs. in Lakhs**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest on cash credit facility	68.80	111.44
Interest on intercorporate deposit from related parties	237.98	82.56
Other interest expense	4.80	7.53
Total	**311.58**	**201.53**

27 Depreciation and amortisation expense **Rs. in Lakhs**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Depreciation of property, plant and equipment (Note 5)	15.46	20.63
Amortisation of intangible assets (Note 6)	862.71	1,106.80
Total	**878.17**	**1,127.43**

28 Impairment loss on investment **Rs. in Lakhs**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Impairment of investment	83.54	-
Total	**83.54**	**-**

Amar Chitra Katha Private Limited
Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

29 Other expenses **Rs. in Lakhs**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Power and fuel / Electricity expenses	23.31	27.45
Rent expense (refer note 31)	96.40	54.25
Repairs and Maintenance	19.22	15.74
- Others	8.92	8.74
Printing and stationery expenses	5.90	8.60
Warehousing and distribution expenses	64.12	90.78
Provision for doubtful debts	46.87	56.75
Advertisement, publicity and selling expenses	89.99	134.52
Commission and brokerage	8.26	13.27
Travelling and conveyance	33.20	38.25
Communication expenses	13.75	16.36
Legal and professional charges	173.99	139.16
Rates & taxes	0.06	1.32
Loss on sale / retirement of fixed assets	0.83	0.43
Net loss on foreign currency transactions and translation	1.42	1.24
Royalty expenses	311.76	301.85
Bad debts and advances written off	28.99	182.71
Interest on delayed payments	0.49	5.20
Payment to auditors (refer note below)	12.87	12.91
Miscellaneous expenses	19.21	22.06
Loss on sale of non current investment	10.50	567.07
Total	**970.06**	**1,698.66**

29.1 Payments to auditors **Rs. in Lakhs**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
a) For audit	10.50	10.50
b) For other services	1.72	1.71
c) For reimbursement of expenses	0.65	0.70
Total	**12.87**	**12.91**

Amar Chitra Katha Private Limited
Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

24 Cost of materials consumed **Rs. in Lakhs**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening Stock of raw materials and others	9.65	15.11
Add: Purchases during the year	805.18	685.57
	814.83	700.68
Less: Closing Stock of raw materials and others	-	(9.65)
Total	**814.83**	**691.03**

24(A) Purchase of traded goods

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Books and audio books	81.21	-
Total	**81.21**	**-**

24(B) Changes in inventories of traded, work-in-progress and finished goods

Inventories at the end of the year	For the year ended March 31, 2017	For the year ended March 31, 2016
Closing stock of traded goods	17.08	-
Closing stock of work-in-progress	32.42	1.78
Closing stock of finished goods	245.60	160.30
Total	**295.10**	**162.08**

Inventories at the beginning of the year	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening stock of traded goods	-	40.23
Opening stock of work In progress	1.78	18.92
Opening stock of finished goods	160.30	312.61
Total	**162.08**	**371.76**
Changes in inventories of finished goods, traded goods and work-in-progress	**(133.02)**	**209.68**

Details of inventory

Traded goods	For the year ended March 31, 2017	For the year ended March 31, 2016
Books and audio books	17.08	-
Total	**17.08**	**-**

Finished goods	For the year ended March 31, 2017	For the year ended March 31, 2016
Books and magazines	228.53	149.78
Merchandise	16.81	9.22
Home video	0.26	1.30
Total	**245.60**	**160.30**

30 Losses per share

Basic EPS is computed by dividing the net profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive. The dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date.

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Basic and Diluted losses per share (In Rs.)	(231.94)	(440.07)
Loss for the year attributable to owners of the Company (Rs. In lakhs)	(1,159.71)	(2,200.36)
Weighted average number of equity shares (numbers)	5,00,000	5,00,000
Nominal value per share (Re. each)	1	1

The potential equity shares of 7,310 (as on March 31, 2016 : 16,533) in the form of Stock Options are granted to employees at an exercise price of Rs. 1,300 per option. As these are anti dilutive, they are ignored in the calculation of diluted earnings / (losses) per share and accordingly the diluted earnings / (losses) per share is the same as basic earnings / (losses) per share.

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Amar Chitra Katha Private Limited
Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

31 Leasing arrangement

Company as lessee

The Company has entered into operating lease arrangement for its stores and office premises. Lease payments for the year 2016-2017 is Rs. 96.40 lakhs (2015-2016: Rs.54.25 lakhs). Following are the disclosure for non -cancellable operating lease arrangement:

Rs. in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
not later than one year	16.45	57.17	54.45
later than one year and not later than five years	-	-	57.17
later than five years	-	-	-

32 Employee benefit plans

32.1 Defined Contribution Plan

Company's contribution to Provident Fund and Employee State Insurance are determined under the relevant schemes and / or statute and charged to the Statement of Profit and Loss.

The Company's contribution to Provident Fund and Employee State Insurance for the year 2016-2017 aggregating to Rs. 23.50 lakhs (2015-2016: Rs. 36.11 lakhs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

32.2 Defined Benefit Plans

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is of the amount calculated as per the Payment of Gratuity Act, 1972 . The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

The liability in respect of plan is determined on the basis of an actuarial valuation.

Risk exposure to defined benefit plans

The plans typically expose the Company to below actuarial risks.

Inherent risk

The plan is of a final salary defined in nature which is sponsored by the company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the company that any adverse salary growth of demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefit to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risk.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2017. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Amar Chitra Katha Private Limited
Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

Principal assumptions

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particular	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
1. Discount rate	7.20%	7.90%	7.95%
2. Salary escalation	10.00%	10.00%	10.00%

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

Balances of defined benefit plan

Rs. in lakhs

Particular	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Present value of funded defined benefit obligation	51.46	63.15	72.51
Fair value of plan assets	13.33	29.22	32.96
Net liability arising from gratuity	**(38.13)**	**(33.93)**	**(39.55)**

Expenses recognised for defined benefit plan and movement of plan assets and liabilities

Following is the amount recognised in statement of profit and loss, other comprehensive income, movement in defined benefit liability (i.e. gratuity) and movement in plan assets:

Rs. in lakhs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
A. Components of expense recognised in the Statement of Profit and Loss		
Current service cost	11.57	15.76
Net interest expenses	2.09	2.55
Total (A)	**13.66**	**18.31**
B. Components of defined benefit costs recognised in other Comprehensive Income		
Remeasurement on the net defined benefit liability:		
-Return on plan assets (excluding amounts included in net interest expense)	3.15	3.35
-Actuarial gains and losses arising from changes in financial assumptions	3.34	0.32
-Actuarial gains and losses arising from experience adjustments	(12.01)	(19.82)
-Adjustments for restrictions on the defined benefit asset		
Total (B)	**(5.52)**	**(16.15)**
C. Movements in the present value of the defined benefit obligation		
Opening defined benefit obligation	63.15	72.51
Current service cost	11.58	15.76
Interest cost	4.54	5.53
Remeasurement (gains)/losses:		
-Actuarial gains and losses arising from changes in financial assumptions	3.34	0.32
-Actuarial gains and losses arising from experience adjustments	(12.01)	(19.82)
-Benefits paid	(19.14)	(11.15)
Closing defined benefit obligation (C)	**51.46**	**63.15**
D. Movements in the fair value of the plan assets		
Opening fair value of plan assets	29.22	32.96
Interest income	2.46	2.98
Remeasurement gain (loss):		
-Return on plan assets (excluding amounts included in net interest expense)	(3.15)	(3.35)
-Contributions from Company	3.94	7.78
-Benefits paid	(19.14)	(11.15)
Closing fair value of plan assets (D)	**13.33**	**29.22**

Category wise plan assets

The fair value of the plan assets at the end of the reporting period for each category, are as follows: **Rs. in lakhs**

Particular	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 01, 2015**
Insurer managed funds	13.32	29.22	32.96

The above plan assets are unquoted instruments.

Sensitivity analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key acturial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and further salary escalation rate. The following table summarize the impact of percentage terms on the reported defind benefits obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumptions by 50 basis points.

Increase/ (decrease) in defined benefit liability	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 01, 2015**
Impact on discount rate for 50 basis points increase in defined benefit obligation of gratuity	-4.72%	-4.95%	-4.70%
Impact on discount rate for 50 basis points decrease in defined benefit obligation of gratuity	5.16%	5.40%	6.29%
Impact on salary escalation rate for 50 basis points increase in defined benefit obligation of gratuity	4.21%	4.10%	4.97%
Impact on salary escalation rate for 50 basis points decrease in defined benefit obligation of gratuity	-4.21%	-4.06%	-3.61%

These sensitivity have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

The weighted average duration of the gratuity plan is 9.87 years (2015-2016: 10.33 years).

Compensated absences

All employees can carry forward and avail / en-cash on superannuation, death, permanent disablement and resignation subject to maximum accumulation of 30 days.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligations at the balance sheet date based on an actuarial valuation by an independent actuary using the Projected Unit Credit Method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms.

Rs. in lakhs

Particular	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 01, 2015**
Compensated absences- current	3.21	4.38	4.58
Compensated absences - non-current	17.36	26.05	35.00
Net liability arising from Compensated absences	**20.57**	**30.43**	**39.58**

Amar Chitra Katha Private Limited
Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

33 Financial Instruments and Risk Review

33.1 Capital Management

The Company manages its capital to ensure it will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 19, offset by cash and bank equivalant) and equity of the company (comprising issued capital, reserves, retained earnings, share options outstanding account, security premium reserve and other comprehensive income as detailed in notes 16).

The Company is not subject to any externally imposed capital requirements, except cash credit facility taken from Yes Bank which was fully repaid on October 31, 2016

Gearing ratio

The gearing ratio at end of the reporting period was as follows.

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Debt (i)	3,149.98	1,834.48	804.56
Cash and cash equivalents	75.41	11.00	7.62
Net debt	3,074.57	1,823.48	796.94
Equity (ii)	2,184.06	3,631.91	5,783.87
Net debt to equity ratio	140.77%	50.21%	13.78%

(i) Debt is defined as short-term borrowings, as described in notes 19.

(ii) Equity includes all capital and reserves of the Company that are managed as capital.

The Company has no liquidity risk from borrowings as the funds are taken from holding company, hence in respect of this liability there is no risk.

33.2 Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price.

The fair value of all the above items except certain other financial assets and financial liability is approximately equal to their carrying value due to their short term nature. All the above items have been categorised as Level 3 in fair value hierarchy except for borrowings which are categorised in Level 2 of fair value hierarchy.

Categories of financial instruments **Rs. in lakhs**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Financial assets			
Measured at amortised cost			
– Cash and bank balances	75.41	11.00	7.62
– Trade receivables	2,350.19	1,879.38	1,875.68
– Loans	1,070.14	936.14	655.59
– Other financial assets	250.77	274.75	102.18
– Investment in equity instruments measured at fair value through profit and loss (FVTPL)	784.48	868.02	868.02
(a) designated at FVTPL			
– Investment in equity instruments designated at FVTOCI	275.20	570.74	384.99
Financial liabilities			
Measured at Amortised Cost			
– Borrowing	3,149.98	1,834.48	804.56
– Trade payable	793.50	625.77	637.90
– Other financial liabilities	2.00	58.98	-

At the end of the reporting period, there are no significant concentrations of credit risk for financial assets measured at FVTPL. The carrying amount reflected above represents the Company's maximum exposure to credit risk for such Financial assets.

Rs. in lakhs

Particulars	On demand	Less than 1 year	1 to 5 years	5 years and above	Total
As at March 31, 2017					
Interest bearing					
Current financial liabilities - Borrowings	3,149.98	-	-	-	**3,149.98**
Non interest bearing					
Trade payables	-	793.50	-	-	**793.50**
Other financial liabilities	-	2.00	-	-	**2.00**
As at March 31, 2016					
Interest bearing					
Current financial liabilities - Borrowings	1,834.48	-	-	-	**1,834.48**
Non interest bearing					
Trade payables	-	625.77	-	-	**625.77**
Other financial liabilities	-	58.98	-	-	**58.98**

As at April 1, 2015					
Interest bearing					
Current financial liabilities - Borrowings	804.56	-	-	-	**804.56**
Non interest bearing					
Trade payables	-	637.90	-	-	**637.90**
Other financial liabilities	-	-	-	-	**-**

33.3 Market Risks

Market risk is the risk of any loss in future earnings, in realisable fair value or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of change in the interest rates, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

Interest rate sensitivity

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company does not have significant exposure to the risk of changes in market interest rates as Company's short-term debt obligations is mainly from the holding company and rate of interest is same as of previous years.

Foreign exchange risk

Exposure to foreign exchange risk:

The Company operates internationally and is exposed to foreign exchange risks arising from various currency exposures, primarily with respect to the euro and the US-dollar. Foreign exchange risks arise from future commercial transactions and recognized assets and liabilities, when they are denominated in a currency other than Indian Rupee.

Foreign exchange risk management:

In respect of the foreign currency transactions, all exposures are kept open since the management believes the same will be offsetted by the corresponding receivables and payables which will be in the nature of natural hedge

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts.

Particulars	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 01, 2015**
Amount receivable			
USD (Amount in foreign currency)	51,746.22	3,223.39	38,659.61
Rs. in lakhs	34.67	2.14	24.25
EURO (Amount in foreign currency)	112.11	53.27	95.09
Rs. in lakhs	0.08	0.04	0.06
GBP (Amount in foreign currency)	185.00	137.79	316.15
Rs. in lakhs	0.17	0.13	0.29
CAD (Amount in foreign currency)	72.43	57.03	44.06
Rs. in lakhs	0.04	0.03	0.02
AUD (Amount in foreign currency)	60.03	-	-
Rs. in lakhs	0.03	-	-
JPY (Amount in foreign currency)	3,259.00	-	-
Rs. in lakhs	0.02	-	-
Amount payable	-	-	-
USD (Amount in foreign currency)	57,589.91	1,87,586	47,366
Rs. in lakhs	38.61	124.43	29.65

5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

Rs. in lakhs

Foreign currency	**For year ended March 31, 2017**		**For year ended March 31, 2016**	
	5% strengthen	**5% weakening**	**5% strengthen**	**5% weakening**
Amount receivable				
USD	1.73	(1.73)	0.11	(0.11)
EURO	0.00	(0.00)	0.00	(0.00)
GBP	0.01	(0.01)	0.01	(0.01)
CAD	0.00	(0.00)	0.00	(0.00)
AUD	0.00	(0.00)	-	-
JPY	0.00	(0.00)	-	-
Amount payable				
JPY	1.93	(1.93)	6.22	(6.22)

33.5 Credit risk

The credit risk arises from cash and cash equivalents, current and non current loans, trade receivables and other financial assets carried at amortised cost. The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets. The average credit period on receivables is 90 to 120 days. No interest is charged on trade receivables.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experienced and adjusted for forward- looking information. The expected credit loss allowance is based on ageing of the days the receivables are due and the rates as given in the provision matrix.

Age of receivables **Rs. in Lakhs**

Particulars	As at March 31, 2017	As at March 31, 2017	As at April 01, 2015
-less than 30 days	*992.21*	*296.59*	*361.33*
-31 to90 days	*534.61*	*336.61*	*316.51*
-91 to 180 days	*645.12*	*442.90*	*241.83*
-more than 180 days	*283.46*	*877.08*	*973.05*
-less: allowances for doubtful debt	*(120.67)*	*(73.80)*	*(17.05)*

Movement in the credit loss allowance **Rs. in lakhs**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Balance at the beginning	73.80	17.05
Movement in expected credit loss allowance on trade receivable calculated at lifetime expected credit losses		
-Addition allowance created during the year	46.87	56.75
-Write offs of allowance no longer required	-	-
Balance at the end	**120.67**	**73.80**

The concentration of credit risk is limited due to the fact that the customer base is large.

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34 Fair Value Measurement and related disclosures

Financial instruments by category:

All financial assets and financial liabilities of the Company are under the amortised cost measurement category at each of the reporting dates except Equity investments which are recognised and measured at fair value through other comprehensive income.

Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table provides the fair value measurement hierarchy of Company's financial assets and financial liabilities

Rs. in lakhs

Category	March 31, 2017				Valuation technique(s) and key input(s)
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	
Non-current Security deposits	58.89	-	-	58.89	Discounted cash flow method that reflect the credit risk of counter parties.
Financial assets at fair value through other comprehensive income (FVTOCI) - Equity investment in Karadi Path Education Company Private Limited	275.20	-	-	275.20	Valuation is done under Discounted Free Cash Flow Method (DCF) on the basis of projections.

Rs. in lakhs

Category	March 31, 2016				Valuation technique(s) and key input(s)
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	
Non-current Security deposits	58.68	-	-	58.68	Discounted cash flow method that reflect the credit risk of counter parties.
Financial assets at fair value through other comprehensive income (FVTOCI) - Equity investment in Karadi Path Education Company Private Limited	570.74	-	-	570.74	Valuation is done under Discounted Free Cash Flow Method (DCF) on the basis of projections.

Rs. in lakhs

Category	April 1, 2015				Valuation technique(s) and key input(s)
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	
Non-current Security deposits	54.84	-	-	54.84	Discounted cash flow method that reflect the credit risk of counter parties.
Financial assets at fair value through other comprehensive income (FVTOCI) - Equity investment in Karadi Path Education Company Private Limited	384.99	-	-	384.99	Valuation is done under Discounted Free Cash Flow Method (DCF) on the basis of projections.

- During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.
- The carrying amounts of Security deposits, other financial assets, fixed deposits with banks, trade payables and other current financial liabilities are considered to be approximately equal to their fair value, since those are current in nature.
- The fair values of the financial assets included in the level 3 category above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of
- Investment in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate investments in equity instruments at FVTOCI as the directors believe that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss.

Valuation process

The Company evaluates the fair value of financial assets and financial liabilities on periodic basis using the best and most relevant data available.

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35 Share based payments

35.1 Details of the employee share based plan of the Company

On July 26, 2013, the Company established the 'ACK Employee Stock Option Plan – 2013 Scheme' ('ACK ESOP – 2013 Scheme' or 'the Plan'). Employees covered by the Plan are granted an option to purchase the shares of the Company subject to the requirements of vesting. As per ACK ESOP-2013 Scheme, the eligible employees were eligible to receive a maximum of 38,765 equity shares of the Company.

As per the Scheme, the Committee shall issue stock options to the employees at an exercise price of Rs. 1,300 per option. The exercise period would be a maximum of 3 years from the date of vesting of options. The options not exercised within the above period shall lapse/cancel and the employee shall have no right over such lapsed or cancelled options.

The expense recorded in the statement of profit and loss spreads the costs of each grant over the measurement period and the vesting period. Assumptions are made concerning the forfeiture rate which is adjusted during the vesting period so that at the end of the vesting period there is only a charge for the vested amounts.

The following share-based payment arrangements were in existence during the current and prior years:

Option scheme	Number	Grant date	Expiry date	Exercise price	Fair value at grant date
ESOP 2013	38,765	October 27, 2014	October 27, 2019	1,300	54.75

Options may be exercised within 3 years from date of vesting.

35.2 Fair value of share options granted in the year:

No options are granted during the current year and previous year.

35.3 Movement in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Number of options	Exercise price	Number of options	Exercise price
Balance at beginning of year	16,533	2,14,92,900	32,054	4,16,70,200
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-9,223	-1,19,89,900	-15,521	-2,01,77,300
Balance at end of year	7,310	95,03,000	16,533	2,14,92,900

35.4 Share options exercised during the year

The following share options were exercised during the year:

Options scheme	Number exercised	Exercise date	Share price at exercise date
ESOP 2013	-	-	-

35.5 Share options outstanding at the end of the year

The share options outstanding at the end of the year had exercise price of Rs.1300 (March 31, 2016: Rs. 1300), and a remaining contractual life of 2.58 years (March 31, 2016 : 3.58 years).

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Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

36 Related party transactions

36.1	**Holding Company**	Future Consumer Limited (formerly known as Future Consumer Enterprise Limited)
36.2	**Significant Investor**	Tusk Investments Fund I Elephant India Finance Private Limited ('Elephant India') Windy Investments Private Limited ('Windy')
36.3	**Other related parties with whom the Company has transactions:**	
	Subsidiary Companies	1) IBH Books & Magazines Distributors Limited (formerly known as IBH Books & Magazines Distributors Private Limited) (wholly owned subsidiary) 2) Ideas Box Entertainment Limited (formerly known as Ideas Box Entertainment Private Limited) (wholly owned subsidiary) 3) ACK Media Direct Limited (formerly known as ACK Media Direct Private Limited) (wholly owned subsidiary) 4) ACK Edutainment Limited (formerly known as ACK Edutainment Private Limited) (wholly owned subsidiary till April 27, 2016) 5) Karadi Tales Private Limited (51% subsidiary till July 16, 2015)
	Associate Company	Karadi Path Education Company Private Limited (July, 16 2015 to October 20, 2015)

36.4 Key management personnel's

Vijay Sampath – Chief Executive Officer (upto February 2, 2016)
Anuraag Agarwal – Chief Executive Officer (from February 2, 2016 upto October 30, 2016)

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Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

36.5 Transactions entered into with related parties during the period and balances as at the year end: **Rs. in lakhs**

Transaction during	Year ended March 31, 2017				Year ended March 31, 2016			
	Holding Company	Subsidiary Companies	Associate Company	Key Management Personnel	Holding Company	Subsidiary Companies	Associate Company	Key Management Personnel
Sales of Books and DVD's / License								
IBH Books & Magazines Distributors Limited	-	81.29	-	-	-	763.10	-	-
Karadi Tales Company Private Limited	-	-	-	-				-
(51% subsidiary till July 16, 2015)					-	57.70	-	
ACK Media Direct Limited	-	383.56	-	-	-	520.92	-	-
Future Consumer Limited	10.35	-	-	-	8.99	-	-	-
Sale of Investment								
Karadi Path Education Company Private Limited	-	-	-	-	-	-	153.48	-
Future Consumer Limited	3.50	-	-	-	-	-	-	-
Interest Expesnes								
Future Consumer Limited	237.97	-	-	-	82.56	-	-	-
Reimbursement of expenses received from								
IBH Books & Magazines Distributors Limited	-	25.90	-	-	-	23.16	-	-
ACK Media Direct Limited	-	-	-	-	-	0.88	-	-
Reimbursement of expenses paid to								
IBH Books & Magazines Distributors Limited	-	58.33	-	-	-	84.46	-	-
ACK Media Direct Limited	-	29.19	-	-	-	24.42	-	-
Ideas Box Entertainment Limited	-	14.50	-	-	-	31.00	-	-
Karadi Tales Company Private Limited	-	-	-	-				
(51% subsidiary till July 16, 2015)					-	0.02	-	-
ACK Edutainment Limited								
(wholly owned subsidiary till April 27, 2016)	-	0.36	-	-	-	0.44	-	-
Advances written off								
Karadi Tales Company Private Limited	-	-	-	-	-	182.71	-	-
Short term borrowings taken								
Future Consumer Limited	2,161.04	-	-	-	788.94	-	-	-
IBH Books & Magazines Distributors Limited	-	-	-	-	-	-	-	-
Short term borrowings repaid								
IBH Books & Magazines Distributors Limited	-	-	-	-	-	-	-	-
Loans and advances given								
Ideas Box Entertainment Limited	-	40.50	-	-	-	23.33	-	-
ACK Media Direct Limited	-	36.82	-	-	-	-	-	-
IBH Books & Magazines Distributors Limited	-	144.00	-	-	-	1,042.90	-	-
Purchase of Fixed assets								
Ideas Box Entertainment Limited	-	-	-	-	-	2.44	-	-
Loans and advances received back								
Ideas Box Entertainment Limited	-	133.80	-	-	-	9.85	-	-
IBH Books & Magazines Distributors Limited	-	-	-	-	-	656.38	-	-
Remuneration								
Mr. Vijay Sampath	-	-	-	-	-	-	-	68.33
Mr. Anuraag Agarwal	-	-	-	21.26	-	-	-	-

Amar Chitra Katha Private Limited
Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

Rs. in lakhs

Balances outstanding	As at March 31, 2017				As at March 31, 2016				As at April 1, 2015			
	Holding Company	Subsidiary Companies	Associate Company	Key Management Personnel	Holding Company	Subsidiary Companies	Associate Company	Key Management Personnel	Holding Company	Subsidiary Companies	Associate Company	Key Management Personnel
Other financial assets												
Future Consumer Limited	1.93	-	-	-	1.93	-	-	-	1.93	-	-	-
IBH Books & Magazines Distributors Limited	-	57.06	-	-	-	-	-	-	-	-	-	-
ACK Media Direct Limited	-	13.26	-	-	-	-	-	-	-	-	-	-
Ideas Box Entertainment Limited	-	38.58	-	-		117.38	-	-	-	-	-	-
Karadi Tales Private Limited	-	-	-	-								-
(51% subsidiary till July 16, 2015)					-	-	-		-	197.20	-	
Trade receivables												
IBH Books & Magazines Distributors Limited	-	918.15	-	-	-	1,095.19	-	-	-	1,022.95	-	-
ACK Media Direct Limited	-	608.51	-	-	-	423.44	-	-	-	345.76	-	-
Future Consumer Limited	13.32	-	-	-	-	-	-	-	-	-	-	-
Short term borrowings												
Future Consumer Limited	3,149.98	-	-	-	988.94	-	-	-	200.00	-	-	-
Interest accrued and due												
Future Consumer Limited	182.77	-	-	-	52.48	-	-	-	11.80	-	-	-
Loans-current												
IBH Books & Magazines Distributors Limited	-	589.99	-	-	-	445.99	-		-	59.47	-	-
Ideas Box Entertainment Limited	-	479.15	-	-	-	479.15	-		-	554.48	-	-
ACK Media Direct Limited	-	-	-	-	-	-	-	-	-	5.98	-	-
ACK Edutainment Limited	-	-	-	-		-	-	-	-	1.13	-	-
Other current liabilities												
Future Consumer Limited	2.00	-	-	-	-	-	-	-	-	-	-	-
IBH Books & Magazines Distributors Limited	-	-	-	-	-	34.75	-	-	-	-	-	-
ACK Media Direct Limited	-	-	-	-	-	24.23	-	-	-	-	-	-
Other liabilities												
ACK Edutainment Limited	-	-	-	-	-	-	1.64	-	-	4.36	-	-
Remuneration												
Mr. Vijay Sampath	-	-	-	30.26	-	-	-	55.26	-	-	-	-
Mr. Anuraag Agarwal	-	-	-	21.26	-	-	-	-	-	-	-	-

All the Related Party Transactions entered during the period were in ordinary course of business and on arm's length basis.
The amounts outstanding are unsecured and will be settled in cash.

Amar Chitra Katha Private Limited
Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

38 Deferred tax balances

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

Rs. in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deductible temporary differences			
Expenditure allowed on payment basis under Section 43B of the Income-tax Act, 1961	33.61	19.89	24.45
Unabsorbed depreciation loss/ carry forward loss	1,655.93	1,137.42	645.15
Difference between book depreciation / amortisation and depreciation under the Income-tax Act, 1961	326.89	225.05	74.48
Provision for doubtful debts	37.29	22.80	5.27
Disallowance under section 40(a) of the Income-tax Act, 1961	-	4.00	-
Total	**2,053.72**	**1,409.16**	**749.35**

Deferred tax assets have not been realized as these assets are not considered to be reasonably certain of realization.

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Amar Chitra Katha Private Limited
Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2017

39 Contingent liabilities **Rs. in Lakhs**

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Uncalled capital on 4,999,999 (March 31, 2016: 4,999,999 and April 1, 2015: 4,999,999) equity shares of Rs.10 each of Ideas Box Entertainment Limited (formerly known as Ideas Box Entertainment Private Limited)	410.00	410.00	410.00
Uncalled capital on Nil (March 31, 2016: 4,999,999 and April 1, 2015: 4,999,999) equity shares of Rs.10 eachof ACK Edutainment Limited (formerly known as ACK Edutainment Private Limited)	-	486.00	486.00

40 Approval of standalone financial statements

The standalone financial statements were approved for issue by the Board of Directors on May 11, 2017.

41 The Board of Directors of the Company have given their 'In Principle' approval to the proposal for the merger of the Ideas Box Entertainment Limited with the Company and have authorised the management to perform the requisite formalities in connection with the said proposal.

42 First-time adoption of Ind-AS

These financial statements for the year ended March 31, 2017 are the first financial statements prepared by the Company in accordance with Ind AS. The Company prepared its financial statements for periods up to and including the year ended March 31, 2016, in accordance with statutory reporting requirement in India immediately before adopting Ind AS ('previous GAAP').

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

42.1 Reconciliation of total equity as at March 31, 2016 and April 01, 2015

Rs.in Lakhs

Particulars	As at March 31, 2016	As at April 01, 2015
Total equity (shareholder's funds) under previous GAAP	**3,585.81**	**5,496.23**
Ind AS adjustments		
-Fair valuation of investments under Ind AS	325.85	293.59
-Measurement of long term security deposits at amortised cost using	(0.60)	(0.53)
-Provision for doubtful debts under expected credit losses	(5.42)	(5.42)
-Additional amortisation of Intangibles	(273.73)	-
Total adjustment to equity	**46.10**	**287.64**
Total equity (shareholder's funds) under Ind AS	**3,631.91**	**5,783.87**

Amar Chitra Katha Private Limited
Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

42.2 Reconciliation of total comprehensive income for the year ended March 31, 2016: **Rs.in Lakhs**

Particulars	For year ended March 31, 2016
Loss as per previous GAAP	(1,910.42)
-Measurement of long term security deposits at amortised cost using effective interest rate method	(0.06)
-Remeasurement of defined benefit obligation recognised in other comprehensive income under Ind AS, net of income tax	(16.15)
-Additional amortisation of Intangibles	(273.73)
Total adjustment to profit or loss	(289.94)
Profit or loss under Ind AS	(2,200.36)
Other comprehensive income under Ind AS, net of income tax	
Remeasurement of defined benefit obligation recognised in other comprehensive income under Ind AS	16.15
Equity instruments through other comprehensive income	32.27
Total comprehensive income under Ind ASs	**(2,151.94)**

Note: Total comprehensive income was not reported under previous GAAP. Therefore the reconciliation starts with loss under previous GAAP.

42.3 Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2016: **Rs.in Lakhs**

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	343.41	42.12	385.53
Net cash flows from investing activities	(750.42)	0.02	(750.40)
Net cash flows from financing activities	450.67	(82.41)	368.26
Net increase (decrease) in cash and cash equivalents	43.66	(40.26)	3.39
Cash and cash equivalents at the beginning of the year	17.79	(10.17)	7.62
Cash and cash equivalents at the end of the year	61.45	(50.43)	11.01

For **Walker Chandiok & Co LLP**
Chartered Accountants

Sudhir N. Pillai
Partner

Place: Mumbai
Date: May 11, 2017

For and on behalf of the Board of Directors

Anuraag Agarwal
Director
(DIN 06379359)

Abhas Gupta
Director
(DIN 07767724)

Pratiksha Mangaonkar
Company Secretary

Place: Mumbai
Date: May 11, 2017