IBH Books & Magazines Distributors Limited

2016-17

Independent Auditor's Report

To the Members of IBH Books & Magazines Distributors Limited
(formerly known as IBH Books & Magazines Distributors Private Limited)

Report on the Financial Statements

1. We have audited the accompanying financial statements of **IBH Books & Magazines Distributors Limited (formerly known as IBH Books & Magazines Distributors 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 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 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 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 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 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 financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 29 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 financial statements dealt with by this report are in agreement with the books of account;

Annexure I to the Independent Auditor's Report of even date to the members of IBH Books & Magazines Distributors Limited (formerly known as IBH Books & Magazines Distributors Private Limited), on the financial statements for the year ended 31 March 2017

d) in our opinion, the aforesaid 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 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 11 to the financial statements, has made requisite disclosures in these 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 N. Pillai**
Partner
Membership No.: 105782

Place: Mumbai
Date: 11 May 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 and no material discrepancies between physical inventory and book records were noticed on physical verification/ material discrepancies noticed on physical 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 complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(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 IBH Books & Magazines Distributors Limited (formerly known as IBH Books & Magazines Distributors Private Limited), on the 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 Company has not paid or provided for any managerial remuneration. Accordingly, the 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 N. 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 financial statements of **IBH Books & Magazines Distributors Limited** (formerly known as IBH Books & Magazines Distributors 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 internal control over financial reporting 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**
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

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

Place: Mumbai
Date: 11 May 2017

I B H Books & Magazines Distributors Limited
(Formerly known as IBH Books & Magazines Distributors 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	-	43.55	52.63
b. Other intangible assets	6	178.12	250.35	312.28
c. Financial assets				
i. Other financial assets	7	25.91	54.72	64.35
d. Other non-current assets	8	1.37	2.53	3.47
Total non-current assets		**205.40**	**351.15**	**432.73**
Current assets				
a. Inventories	9	78.88	536.35	707.27
b. Financial assets				
i. Trade receivables	10	232.45	908.40	1,268.81
ii. Cash and cash equivalents	11	142.55	138.33	69.53
iii. Loans	12	0.03	1.19	0.34
c. Current tax assets (Net)	13	3.47	13.71	4.82
d. Other current assets	8	6.36	58.84	33.14
		463.74	1,656.82	2,083.91
Total current assets		**463.74**	**1,656.82**	**2,083.91**
Total Assets		**669.14**	**2,007.97**	**2,516.64**
EQUITY AND LIABILITIES				
Equity				
a. Equity share capital	14	50.00	50.00	50.00
b. Other equity	15	(1,691.66)	(1,081.89)	(633.83)
Total Equity		**(1,641.66)**	**(1,031.89)**	**(583.83)**
Non-current liabilities				
a. Provisions	16	10.35	10.21	13.94
Total non-current liabilities		**10.35**	**10.21**	**13.94**
Current liabilities				
a. Financial liabilities				
i. Borrowings	17	589.99	445.99	59.47
ii. Trade payables	18	1,400.23	2,280.57	2,683.17
iii. Other financial liabilities	19	139.12	73.67	88.52
b. Other current liabilities	20	154.47	206.63	252.50
c. Provisions	16	16.64	22.79	2.87
		2,300.45	3,029.65	3,086.53
Total current liabilities		**2,300.45**	**3,029.65**	**3,086.53**
Total liabilities		**2,310.80**	**3,039.86**	**3,100.47**
Total Equity and Liabilities		**669.14**	**2,007.97**	**2,516.64**

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

Manoj Gagvani
Director
(DIN 03196589)

Deepak Rathi
Director
(DIN 07165841)

Place: Mumbai
Date: May 11, 2017

Place: Mumbai
Date: May 11, 2017

I B H Books & Magazines Distributors Limited
(Formerly known as IBH Books & Magazines Distributors 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	21	652.61	2,817.82
II	Other income	22	17.13	56.69
III	**Total Income**		**669.74**	**2,874.51**
IV	**Expenses**			
	Purchases of traded goods		46.98	2,185.04
	Changes in inventories of traded goods	23	457.46	170.92
	Employee benefits expense	24	304.78	475.03
	Finance costs	25	15.05	1.99
	Depreciation and amortisation expense	26	80.99	74.67
	Other expenses	27	374.44	417.47
	Total Expenses		**1,279.70**	**3,325.12**
V	**Loss for the year**		**(609.96)**	**(450.61)**
	Other comprehensive income			
	Items that will not be reclassified to statement of profit and loss			
	a) Remeasurement of the defined benefit plans		0.19	2.55
VI	**Total other comprehensive income**		**0.19**	**2.55**
VII	**Total comprehensive income for the year**		**(609.77)**	**(448.06)**
	Losses per equity share			
	(1). Basic (in Rs.)	28	(121.99)	(90.12)
	(2). Diluted (in Rs.)	28	(121.99)	(90.12)

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

For and on behalf of the Board of Directors

Sudhir N. Pillai
Partner

Manoj Gagvani
Director
(DIN 03196589)

Deepak Rathi
Director
(DIN 07165841)

Place: Mumbai
Date: May 11, 2017

Place: Mumbai
Date: May 11, 2017

I B H Books & Magazines Distributors Limited
(Formerly known as IBH Books & Magazines Distributors Private Limited)
Cash Flow Statement for the year ended March 31, 2017

Rs. in lakhs

Particulars	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**
(A) Cash flows from operating activities		
Loss for the year	(609.77)	(448.06)
Adjustments for:		
Finance costs recognised in profit or loss	15.05	1.99
Interest income recognised in profit or loss	(0.07)	(0.07)
Loss / (Gain) on disposal of property, plant and equipment	28.19	1.10
Depreciation and amortisation of property, plant and equipment and intangible asset	80.99	74.67
Provision for doubtful debts	95.93	86.31
Sundry balances written back (net)	(12.36)	(51.97)
Net foreign exchange (gain)/loss	(0.95)	(2.30)
Sundry balances written off	68.67	-
	(334.32)	**(338.33)**
Movements in working capital:		
(Increase)/decrease in trade and other receivables	580.03	274.10
(Increase)/ decrease in inventories	457.47	170.93
(Increase)/decrease in other current assets	53.64	(26.56)
(Increase)/decrease in other financial & non-current assets	29.97	10.57
Increase/ (Decrease) in trade payables	(935.71)	(348.33)
Increase/ (Decrease) in current provisions	0.14	(3.73)
Increase/ (Decrease) in non-current provisions	(6.16)	19.92
Increase/(Decrease) in other financial liabilities	65.44	(14.85)
Increase/(Decrease) in other liabilities	(52.15)	(45.88)
Cash used in operations	**(141.65)**	**(302.16)**
Income taxes (paid) / received	10.23	(8.88)
Net cash used in operating activities	**(131.42)**	**(311.04)**
(B) Cash flows from investing activities		
Interest received	0.07	0.07
Payments for property, plant and equipment	-	(3.13)
Proceeds from disposal of property, plant and equipment	6.62	
Payments for intangible assets	-	(1.63)
Net cash generated by / (used in) investing activities	**6.69**	**(4.69)**
('C) Cash flows from financing activities		
Proceeds from borrowings	144.00	386.52
Interest paid	(15.05)	(1.99)
Net cash generated by financing activities	**128.95**	**384.53**
Net increase in cash and cash equivalents (A)+(B)+(C)	**4.22**	**68.80**
Cash and cash equivalents at the beginning of the year	138.33	69.53
Cash and cash equivalents at the end of the year	**142.55**	**138.33**

See accompanying notes to the financial statements
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.

Notes:-
This is the cash flow statement 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

Manoj Gagvani
Director
(DIN 03196589)

Deepak Rathi
Director
(DIN 07165841)

Place: Mumbai
Date: May 11, 2017

Place: Mumbai
Date: May 11, 2017

I B H Books & Magazines Distributors Limited
(Formerly known as I B H Books & Magazines Distributors Limited)
Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

Note 1: General Information about the Company
I B H Books & Magazines Distributors Limited ('IBH' formerly known as IBH Books & Magazines Distributors Private Limited or 'the Company') was incorporated as a private limited company on November 5, 1980. In the previous year the Company has changed its name from "IBH Books & Magazines Distributors Private Limited" to "I B H Books & Magazines Distributors Limited" with effect from July 18, 2013. The Company's principal activity is distributing books and magazines. The Company is also into the business of providing magazine and journal subscription related services.

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 35 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.

I B H Books & Magazines Distributors Limited
(Formerly known as I B H Books & Magazines Distributors Limited)
Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

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 by the Company 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 adjust 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.

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 financial statements, temporary differences are calculated using the carrying amount as per financial statement and tax bases as determined by reference to the method of tax computation (i.e. to be taken from individual entities in the Company).

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
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.

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.

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**
Software	05 years
Non-Compete Fees	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 1 April 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 stated at the lower of cost and net realisable value.
Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on 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 Distribution of Books and Magazines and Home video products 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.

I B H Books & Magazines Distributors Limited
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Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

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.

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 recognizes a collateralized 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.

I B H Books & Magazines Distributors Limited
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Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

Cash and cash equivalent
Cash is cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to 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 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.

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.

Revenue from sale of books, magazines and home video products is recognised on dispatch of books, magazines and / or home video products which in the management's opinion coincides with the the transfer of significant risks and rewards to the customer. Amounts disclosed as revenue are net of trade allowances, rebates; value added taxes and amounts collected on behalf of third parties.

Subscription income is recognised on collection of orders of subscriptions of various magazines and journals and transferring the proceeds to the publishers net of commission.
Establishment charges are recognised on basis of rendering of service as per the contractual arrangement entered into with the customers.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

I B H Books & Magazines Distributors Limited
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Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

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.

Note 4: Going concern
As at March 31, 2017, the Company has reported a net loss of Rs. 609.76 lacs (March 31, 2016: Rs. 448.05 lacs) and has accumulated losses of Rs.2,333.44 lacs (March 31, 2016: 1,723.49 lacs) which exceeds the Company's paid up capital of Rs. 50.00 lacs (March 31, 2016: Rs. 50.00 lacs). Also, the current liabilities exceeded the current assets by Rs. 1,836.67 lacs (March 31, 2016: Rs.1, 372.82 lacs). 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 realize 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 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.
The Company has shifted its portfolio from regular business and would concentrate only on the subscription business of journal and foreign magazines. The Company is also expecting the subscription revenue to substantially grow over the next few years.

I B H Books & Magazines Distributors Limited
(Formerly known as IBH Books & Magazines Distributors 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	**14**	**5**	**50.00**
Changes in equity share capital		-	-
As at March 31, 2016		**5**	**50.00**
Changes in equity share capital		-	-
As at March 31, 2017		**5**	**50.00**

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	Retained earnings	Remeasurement of the defined benefit plan		
Balance at April 1, 2015	**0.05**	**637.00**	**(1,272.89)**	**2.01**	**(633.83)**	**(633.83)**
Profit for the year	-	-	(450.61)	-	**(450.61)**	**(450.61)**
Other comprehensive income for the year, remeasurement gain / (loss) on defined benefit plan				2.55	**2.55**	**2.55**
Total comprehensive income for the year	**-**	**-**	**(450.61)**	**2.55**	**(448.06)**	**(448.06)**
Balance at March 31, 2016	**0.05**	**637.00**	**(1,723.50)**	**4.56**	**(1,081.89)**	**(1,081.89)**
Profit for the year	-	-	(609.96)	-	(609.96)	(609.96)
Other comprehensive income for the year, remeasurement gain / (loss) on defined benefit plan				0.19	0.19	0.19
Total comprehensive income for the year	**-**	**-**	**(609.96)**	**0.19**	**(609.77)**	**(609.77)**
Balance at March 31, 2017	**0.05**	**637.00**	**(2,333.46)**	**4.75**	**(1,691.66)**	**(1,691.66)**

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

For and on behalf of the Board of Directors

Sudhir N. Pillai
Partner

Manoj Gagvani
Director
(DIN 03196589)

Deepak Rathi
Director
(DIN 07165841)

Place: Mumbai
Date: May 11, 2017

Place: Mumbai
Date: May 11, 2017

I B H Books & Magazines Distributors Limited
(Formerly known as IBH Books & Magazines Distributors Private Limited)
Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

5 Property, plant and equipment

Rs. in lakhs

Description of Assets	Air conditioners	Computers	Furniture and fixtures	Office equipment	Vehicles car	Delivery vans	Electric installation	Total
I. Gross Block								
Balance as at April 1, 2016	7.04	53.28	50.24	9.94	6.33	3.06	4.89	134.78
Disposals	(1.18)	(2.90)	(49.88)	(4.95)	(6.29)	(2.77)	(4.89)	(72.86)
Balance as at March 31, 2017	**5.86**	**50.38**	**0.36**	**4.99**	**0.04**	**0.29**	**-**	**61.93**
II. Accumulated depreciation								
Balance as at April 1, 2016	6.27	51.98	20.23	7.51	3.92	0.58	0.74	91.24
Depreciation expense for the year	0.25	0.79	5.30	0.91	0.77	0.30	0.44	8.76
Eliminated on disposal of assets	(0.66)	(2.40)	(25.16)	(3.42)	(4.65)	(0.58)	(1.18)	(38.05)
Balance as at March 31, 2017	**5.86**	**50.38**	**0.36**	**4.99**	**0.04**	**0.29**	**-**	**61.93**
Net block								
Balance as at March 31, 2017	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at March 31, 2016	**0.77**	**1.30**	**30.01**	**2.43**	**2.41**	**2.48**	**4.15**	**43.55**

Rs. in lakhs

Description of Assets	Air conditioners	Computers	Furniture and fixtures	Office equipment	Vehicles car	Delivery vans	Electric installation	Total
I. Gross Block								
Balance as at April 1, 2015	7.04	52.67	51.03	9.99	6.36	0.77	4.89	132.75
Additions	-	0.61	-	-	-	2.52	-	3.13
Disposals	-	-	(0.79)	(0.05)	(0.03)	(0.23)	-	(1.10)
Balance as at March 31, 2016	**7.04**	**53.28**	**50.24**	**9.94**	**6.33**	**3.06**	**4.89**	**134.78**
II. Accumulated depreciation								
Balance as at April 1, 2015	5.58	50.42	14.39	6.01	3.05	0.42	0.25	80.12
Depreciation expense for the year	0.69	1.56	5.84	1.50	0.87	0.16	0.49	11.11
Balance as at March 31, 2016	**6.27**	**51.98**	**20.23**	**7.51**	**3.92**	**0.58**	**0.74**	**91.23**
Net block								
Balance as on March 31, 2016	**0.77**	**1.30**	**30.01**	**2.43**	**2.41**	**2.48**	**4.15**	**43.55**
Balance as on April 1, 2015	**1.46**	**2.25**	**36.64**	**3.98**	**3.31**	**0.35**	**4.64**	**52.63**

I B H Books & Magazines Distributors Limited
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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	Software	Trade marks	Non-compete Fees	Total
Gross Block				
Balance at April 1, 2016	88.56	10.00	590.35	688.91
Additions	-	-	-	-
Balance at March 31, 2017	**88.56**	**10.00**	**590.35**	**688.91**
Accumulated amortisation				
Balance at April 1, 2016	74.36	10.00	354.20	438.56
Amortisation expense	13.19	-	59.04	72.23
Balance at March 31, 2017	**87.55**	**10.00**	**413.24**	**510.79**
Net block				
Balance as on March 31, 2017	**1.01**	**-**	**177.11**	**178.12**
Balance as on March 31, 2016	**14.20**	**-**	**236.15**	**250.35**

Rs. in Lakhs

Particulars	Software	Trade marks	Non-compete Fees	Total
Gross Block				
Balance at April 1, 2015	86.93	10.00	590.35	687.28
Additions	1.63	-	-	1.63
Balance at March 31, 2016	**88.56**	**10.00**	**590.35**	**688.91**
Accumulated amortisation				
Balance at April 1, 2015	69.82	10.00	295.18	375.00
Amortisation expense	4.54	-	59.02	63.56
Balance at March 31, 2016	**74.36**	**10.00**	**354.20**	**438.56**
Net Block				
Balance as on March 31, 2016	14.20	-	236.15	250.35
Balance as on April 1,2015	17.11	-	295.17	312.28

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I B H Books & Magazines Distributors Limited
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Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

7 Other financial assets **Rs. in Lakhs**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Security deposits	25.01	53.89	63.59
Bank deposit with maturity of more than 12 months	0.83	0.83	0.76
Interest accrued on bank deposit	0.07	-	-
Total	**25.91**	**54.72**	**64.35**

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I B H Books & Magazines Distributors Limited
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Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2017

8 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	3.36	-	3.36	53.64	-	53.64	27.49	-	27.49
Balances with government authorities	-	1.25	1.25	-	1.25	1.25	-	1.25	1.25
Prepaid expenses	2.85	-	2.85	4.26	-	4.26	4.42	-	4.42
Prepaid rent	0.15	0.12	0.27	0.94	1.28	2.22	1.23	2.22	3.45
Total	**6.36**	**1.37**	**7.73**	**58.84**	**2.53**	**61.37**	**33.14**	**3.47**	**36.61**

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I B H Books & Magazines Distributors Limited
(Formerly known as IBH Books & Magazines Distributors Private Limited)

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

9 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
Traded goods (incuding goods in transit of Nil (Previous year Rs.3.45 lakhs))	78.88	536.35	707.27
Total	**78.88**	**536.35**	**707.27**

10 Trade receivables **Rs. in Lakhs**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured, considered good	232.45	908.40	1,268.81
Doubtful	314.71	218.78	132.47
Less:- Allowance for doubtful debts (expected credit loss allowances)	(314.71)	(218.78)	(132.47)
Total	**232.45**	**908.40**	**1,268.81**

11 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	0.43	5.76	5.54
Balances in scheduled banks in current account	142.12	132.57	63.99
Total	**142.55**	**138.33**	**69.53**

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	**0.39**	**2.17**	**2.56**
(+) Permitted receipts**	-	-	**-**
(-) Permitted payments	-	3.14	3.14
(-) Amount deposited in Banks	0.39	0.24	0.63
(+) Amount withdrawal from bank	-	3.98	3.98
Closing cash in hand as on December 30, 2016	**-**	**2.77**	**2.77**

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 8, 2016.

** Amount received from employees towards Imprest/ Advances/ Claimed settled.

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I B H Books & Magazines Distributors Limited
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12 Loans **Rs. in Lakhs**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured, considered good			
- Loans to employees	0.03	1.19	0.34
Total	**0.03**	**1.19**	**0.34**

13 Current tax assets (net) **Rs. in Lakhs**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current tax assets			
Tax refund receivable	3.47	13.71	4.82
Total	**3.47**	**13.71**	**4.82**

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I B H Books & Magazines Distributors Limited
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14 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	50.00	50.00	50.00
Total	**50.00**	**50.00**	**50.00**
Authorised Share Capital:			
5,00,000 (March 31, 2016: 5,00,000, April 1, 2015 : 5,00,000) equity shares of Rs.10/- each	50.00	50.00	50.00
Issued and Subscribed Capital comprises:			
5,00,000 (March 31, 2016: 5,00,000, April 1, 2015 : 5,00,000) Fully paid equity shares of Rs.10/- each	50.00	50.00	50.00
Total	**50.00**	**50.00**	**50.00**

14.1 Fully paid equity shares - Reconciliation

Particulars	Number of shares	Share capital
Balance at April 1, 2015	**5,00,000**	**50,00,000**
Movements:	-	-
Balance at March 31, 2016	**5,00,000**	**50,00,000**
Movements:	**-**	**-**
Balance at March 31, 2017	**5,00,000**	**50,00,000**

14.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having a face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting, except interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

14.3 Details of shares held by the holding company

Particulars	No. of fully paid equity shares	% of Holding
As at March 31, 2017 *Amar Chitra Katha Private Limited*	4,99,985	99.99%
As at March 31, 2016 *Amar Chitra Katha Private Limited*	4,99,985	99.99%
As at April 1, 2015 *Amar Chitra Katha Private Limited*	4,99,985	99.99%

14.4 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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14.5 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. 10 each						
Amar Chitra Katha Private Limited	4,99,985	99.99%	4,99,985	99.99%	4,99,985	99.99%

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15 Other equity **Rs. in Lakhs**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital reserve	0.05	0.05	0.05
Securities premium reserve	637.00	637.00	637.00
Retained earnings	(2,333.44)	(1,723.49)	(1,272.89)
Other items of other comprehensive income (remeasurement gain on defined benefit plan)	4.75	4.56	2.01
Total	**(1,691.64)**	**(1,081.88)**	**(633.83)**

15.1 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.

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.

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16 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 30.2)	1.34	5.42	6.76	2.53	8.06	10.59	2.87	9.59	12.46
- Provision for gratuity (refer note 30.2)	-	4.93	4.93	-	2.15	2.15	-	4.35	4.35
- Provision for bonus, incentives and others	15.30	-	15.30	20.26	-	20.26	-	-	-
Total	**16.64**	**10.35**	**26.98**	**22.79**	**10.21**	**33.00**	**2.87**	**13.94**	**16.81**

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17 Borrowings **Rs. in Lakhs**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
	Current	Current	Current
Unsecured			
Loans from related parties	589.99	445.99	59.47
Total	**589.99**	**445.99**	**59.47**

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

18 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)	1,370.63	2,253.79	2,641.73
Others payable for expenses	29.60	26.78	41.44
Total	**1,400.23**	**2,280.57**	**2,683.17**

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.

19 Other financial liabilities

Rs. in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	Current	Current	Current
Deposit received from customers	25.42	73.67	88.52
Advances from related parties	113.70	-	-
Total	**139.12**	**73.67**	**88.52**

20 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	145.92	188.01	245.67
Statutory dues	2.80	7.17	6.83
Other liabilities	5.75	11.45	-
Total	**154.47**	**206.63**	**252.50**

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

21 Revenue from operations — **Rs. in Lakhs**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Sales of books and magazines	541.15	2,655.93
Other operating revenues		
- Revenue from subscription income	53.20	61.80
- Establishment charges	58.26	100.09
Total	**652.61**	**2,817.82**

22 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	0.07	0.07
Income tax and VAT refund	0.65	-
Interest income resulting from fair valuation of security deposit paid	0.43	1.24
Net foreign exchange gains	0.95	2.30
Scrap sales	2.67	1.11
Sundry creditors written back	12.36	51.97
Total	**17.13**	**56.69**

23 Changes in inventories of traded goods — **Rs. in Lakhs**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening stock	536.33	707.25
Less: Closing stock	78.87	536.33
Total	**457.46**	**170.92**

24 Employee benefits expenses — **Rs. in Lakhs**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries, wages and bonus	283.38	436.18
Contribution to provident and other funds	13.69	21.94
Contribution to gratuity (refer note 32.2)	3.47	4.49
Contribution to leave encashment (refer note 32.2)	(2.11)	2.82
Staff welfare expenses	6.35	9.60
Total	**304.78**	**475.03**

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

25 Finance costs **Rs. in Lakhs**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest on loans from related parties	15.05	-
Other interest expense	-	1.99
Total	**15.05**	**1.99**

26 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)	8.76	11.11
Amortisation of intangible assets (Note 6)	72.23	63.56
Total	**80.99**	**74.67**

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27 Other expenses **Rs. in Lakhs**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Electricity expenses	6.72	14.13
Rent expense	55.11	103.46
Repairs and maintenance	12.73	25.21
Packing material	27.96	86.84
Warehousing and distribution expenses	5.98	8.99
Advertisement, publicity and selling expenses	-	1.09
Travelling and conveyance	11.77	19.64
Legal and professional charges	17.41	17.00
Insurance	0.70	1.70
Payments to auditors (refer details below)	9.78	9.55
Loss on sale of fixed assets	28.19	-
Sales promotion	3.26	3.65
Sundry balances written off	68.67	-
Printing and stationary expenses	5.13	15.41
Bank charges	1.81	4.39
Security charges	0.65	4.60
Provision for doubtful debts	95.93	86.31
Communication expenses	6.58	10.57
Miscellaneous expenses	16.06	4.93
Total	**374.44**	**417.47**

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

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
a) For audit	6.97	6.74
d) For other services	2.81	2.81
Total	**9.78**	**9.55**

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28 Earnings per share (EPS)

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.)	(121.99)	(90.12)
Profit / (loss) for the year attributable to owners of the Company (Rs. in Lakhs)	(609.96)	(450.61)
Weighted average number of equity shares (numbers)	5,00,000	5,00,000
Nominal value per share (Re. each)	10	10

Company does not have any dilutive potential ordinary shares and therefore diluted earnings per share is the same as basic earnings per share.

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29 Leasing arrangement

Company as lessee

The Company has entered into 2 (March,31 2016 : 13) cancellable leases and / or leave or license arrangements for office premises and / or godowns at various locations. However, the management has entered into 2 (March, 31 2016 : 4) non-cancellable lease and / or leave and license agreements during the current financial year.

The lease rent charges of premises and furniture recognized in the statement of profit and loss during the year ended March,31 2017 is Rs. 55.11 Lakhs (March,31 2016: Rs.103.46 Lakhs).

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
not later than one year	1.79	44.84	49.99
later than one year and not later than five years	-	21.94	66.78
later than five years	-	-	-

30 Employee benefit plans

30.1 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. 13.69 lakhs (2015-2016: Rs. 21.94 lakhs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

30.2 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.

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	7.10%	7.85%	8.10%
2. Salary escalation	5.00%	5.00%	5.00%

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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	16.03	23.25	23.08
Fair value of plan assets	11.10	21.10	18.73
Net liability arising from gratuity	**(4.93)**	**(2.15)**	**(4.35)**

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	3.70	4.37
Net interest expenses	(0.22)	0.13
Total (A)	**3.47**	**4.49**
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)	2.13	0.15
-Actuarial gains and losses arising from changes in financial assumptions	0.80	0.38
-Actuarial gains and losses arising from experience adjustments	(3.12)	(3.08)
Total (B)	**(0.19)**	**(2.55)**
C. Movements in the present value of the defined benefit obligation		
Opening defined benefit obligation	23.25	23.08
Current service cost	3.70	4.37
Interest cost	1.59	1.64
Remeasurement (gains)/losses:		
-Actuarial gains and losses arising from changes in financial assumptions	0.80	0.38
-Actuarial gains and losses arising from experience adjustments	(3.12)	(3.08)
Benefits paid	(10.19)	(3.14)
Closing defined benefit obligation (C)	**16.03**	**23.25**
D. Movements in the fair value of the plan assets		
Opening fair value of plan assets	21.10	18.73
Interest income	1.81	1.52
Remeasurement gain (loss):		
-Return on plan assets (excluding amounts included in net interest expense)	(2.13)	(0.15)
Contributions from Group	0.50	4.14
Benefits paid	(10.19)	(3.14)
Closing fair value of plan assets (D)	**11.10**	**21.10**

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	11.10	21.10	18.73

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	-3.38%	-3.22%	-2.97%
Impact on discount rate for 50 basis points decrease in defined benefit obligation of gratuity	3.61%	3.44%	3.75%
Impact on salary escalation rate for 50 basis points increase in defined benefit obligation of gratuity	3.66%	3.52%	3.84%
Impact on salary escalation rate for 50 basis points decrease in defined benefit obligation of gratuity	-3.46%	-3.22%	-3.08%

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 expected contribution payable to the plan next year is of Rs.10 lacs

The weighted average duration of the gratuity plan is 6.98 years (2015-2016: 6.65 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**
Leave encashment - current	1.34	2.53	2.87
Leave encashment - non-current	5.42	8.06	9.59
Net liability arising from leave encashment	**6.76**	**10.60**	**12.46**

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31 Financial Instruments and Risk Review

31.1 Capital Management

The Company manages its capital to ensure that 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 17 offset by cash and bank equivalant) and equity of the Company (comprising issued capital, reserves and retained earnings as detailed in notes 15).

The Company is not subject to any externally imposed capital requirements.

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)	589.99	445.99	59.47
Cash and bank equivalant	142.55	138.33	69.53
Net debt	447.44	307.66	-10.06
Equity (ii)	(1,641.66)	(1,031.89)	(583.83)
Net debt to equity ratio	-27%	-30%	2%

(i) Debt is defined as long- and short-term borrowings, as described in notes 17.

(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.

31.2 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 carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets

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	142.55	138.33	69.53
– Trade receivables	232.45	908.40	1,268.81
– Loans	0.03	1.19	0.34
– Other financial assets	25.91	54.72	64.35
Financial liabilities			
Measured at amortised cost			
– Borrowing	589.99	445.99	59.47
– Trade payable	1,400.23	2,280.57	2,683.17
– Other financial liabilities	139.12	73.67	88.52

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					
Non interest bearing					
Current financial liabilities - Borrowings	589.99	-	-	-	**589.99**
Trade payables	-	1,400.23	-	-	**1,400.23**
Other financial liabilities	-	139.12	-	-	**139.12**
As at March 31, 2016					
Non interest bearing					
Current financial liabilities - Borrowings	445.99	-	-	-	**445.99**
Trade payables	-	2,280.57	-	-	**2,280.57**
Other financial liabilities	-	73.67	-	-	**73.67**
As at April 1, 2015					
Non interest bearing					
Current financial liabilities - Borrowings	59.47	-	-	-	**59.47**
Trade payables	-	2,683.17	-	-	**2,683.17**
Other financial liabilities	-	88.52	-	-	**88.52**

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31.3 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 long-term debt obligations is from the holding company which is interest free.

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.

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Amount receivable			
USD (Amount in foreign currency)	-	11,300.36	13,379.02
Rs. in lakhs	-	7.50	8.37
Amount payable			
USD (Amount in foreign currency)	16,123.98	19,427.23	47,512.63
Rs. in lakhs	10.45	12.89	29.74
POUND (Amount in foreign currency)	7,700.41	8,620.63	20,878.87
Rs. in lakhs	6.23	8.20	19.30
EURO (Amount in foreign currency)	1,260.26	15,725.80	22,762.72
Rs. in lakhs	0.87	11.81	15.37

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. A positive number below indicates an increase in profit and negative number below indicates a decrease in profit. Following is the analyze of change in profit where the Indian Rupee strengthens and weakens by 5% against the relevant currency:

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
USD	0.52	(0.52)	0.64	(0.64)
POUND	0.31	(0.31)	0.41	(0.41)
EURO	0.04	(0.04)	0.59	(0.59)

31.4 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, 2016	As at April 01, 2015
-less than 30 days	*0.03*	*171.10*	*292.91*
-31 to90 days	*1.95*	*249.28*	*376.79*
-91 to 180 days	*31.47*	*235.66*	*341.67*
-more than 180 days	*512.78*	*471.07*	*389.90*
-less: allowances for doubtful debt	*(313.83)*	*(218.78)*	*(132.47)*

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	218.78	132.47
Movement in expected credit loss allowance on trade receivable calculated at lifetime expected credit losses		
-Addition allowance created during the year	95.05	86.31
-Write offs of allowance no longer required		
Balance at the end	**313.83**	**218.78**

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

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32 Fair value measurements

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.

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.

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

Category	**March 31, 2017**			
	Carrying amount	**Fair value**		
		Level 1	**Level 2**	**Level 3**
Non-current Security deposits	25.01	-	-	25.01

Category	**March 31, 2016**			
	Carrying amount	**Fair value**		
		Level 1	**Level 2**	**Level 3**
Non-current Security deposits	53.89	-	-	53.89

Category	**April 1, 2015**			
	Carrying amount	**Fair value**		
		Level 1	**Level 2**	**Level 3**
Non-current Security deposits	63.59	-	-	63.59

- 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 counterparties.

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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33 Related party transactions

33.1 Ultimate Holding Company — Future Consumer Ltd (formerly known as Future Consumer Enterprise Limited)

33.2 Holding Company — Amar Chitra Katha Private Limited

33.3 Other related parties in the Clariant group with whom the Company has transactions:
Fellow subsidiary companies — ACK Media Direct Limited
Ideas Box Entertainment Limited
ACK Edutainment Limited (upto April 27, 2016)

33.4 Key management personnel's

33.5 Transactions entered into with related parties during the period and balances as at the year end:

Transaction during	Year ended March 31, 2017		Year ended March 31, 2016	
	Ultimate holding company and holding company	Fellow Subsidiaries	Ultimate holding company and holding company	Fellow Subsidiaries
Reimbursement of expenses received	**58.33**	**0.57**	**-**	**0.17**
Amar Chitra Katha Private Limited	58.33	-	-	-
ACK Media Direct Limited	-	0.57	-	0.17
Interest expenses	**15.05**	**-**	**-**	**-**
Future Consumer Limited	15.05	-	-	-
Reimbursement of expenses paid	**25.90**	**0.29**	**23.16**	**0.85**
Amar Chitra Katha Private Limited	25.90	-	23.16	-
ACK Media Direct Limited	-	0.29	-	0.85
Reimbursement of expenses paid	**-**	**-**	**84.46**	**0.81**
Amar Chitra Katha Private Limited	-	-	84.46	-
ACK Media Direct Limited	-	-	-	0.81
Purchase of goods	**81.29**	**4.78**	**763.12**	**31.02**
Amar Chitra Katha Private Limited	81.29	-	763.12	-
ACK Media Direct Limited	-	4.78	-	31.02
Inter corporate deposit given	**525.00**	**-**	**-**	**-**
Future Consumer Limited	525.00	-	-	-
Inter corporate deposit taken	**669.00**	**-**	**1,042.90**	**-**
Amar Chitra Katha Private Limited	144.00	-	1,042.90	-
Future Consumer Limited	525.00	-	-	-

Balances outstanding	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Ultimate holding company and holding company	Fellow Subsidiaries	Ultimate holding company and holding company	Fellow Subsidiaries	Ultimate holding company and holding company	Fellow Subsidiaries
Trade and other payable	**975.21**	**118.47**	**1,060.43**	**110.86**	**1,022.95**	**131.48**
Amar Chitra Katha Private Limited	975.21	-	1,060.43	-	1,022.95	-
ACK Media Direct Limited	-	118.47	-	110.86	-	130.24
Karadi Tales Private Limited (51% subsidiary till 16 July 2015)	-	-	-	-	-	1.24
Borrowings	**589.99**	**-**	**445.99**	**-**	**59.47**	**-**
Amar Chitra Katha Private Limited	589.99	-	445.99	-	59.47	-
Trade and other receivables	**-**	**-**	**-**	**0.24**	**-**	**-**
Amar Chitra Katha Private Limited	-	-	-	-	-	-
ACK Media Direct Limited	-	-	-	0.24	-	-

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.

34 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	5.80	8.06	5.18
Unabsorbed depreciation loss/ carry forward loss	605.00	460.08	349.28
Difference between book depreciation / amortisation and depreciation under the Income-tax Act, 1961	(30.05)	(41.31)	(50.34)
Provision for doubtful debts	97.24	67.60	40.93
Total	**677.99**	**494.43**	**345.06**

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

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35 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 1 April 2015 and the financial statements as at and for the year ended March 31, 2016.

35.1 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	**(982.45)**	**(550.35)**
Ind AS adjustments		
-Provision for doubtful debts under expected credit losses	(49.33)	(33.36)
-Measurement of long term deposits at amortised cost using effective interest rate method (Net)	(0.11)	(0.12)
Total adjustment to equity	**(49.44)**	**(33.48)**
Total equity (shareholder's funds) under Ind AS	**(1,031.89)**	**(583.83)**

35.2 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	**(432.10)**
Adjustments :	
-Provision for doubtful debts under expected credit losses	(15.97)
-Measurement of long term deposits at amortised cost using effective interest rate method (net)	0.01
-Remeasurement of defined benefit obligation recognised in other comprehensive income under Ind AS	(2.55)
Total adjustment to statement of profit and loss	(18.50)
Loss under Ind AS	(450.60)
Other comprehensive income under Ind AS	2.55
Total comprehensive income under Ind ASs	**(448.05)**

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

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35.3 Effect of Ind AS adoption on the cash flow statement 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	(311.93)	0.89	(311.04)
Net cash flows from investing activities	(3.73)	-0.96	(4.69)
Net cash flows from financing activities	384.53	(0.00)	384.53
Net increase (decrease) in cash and cash equivalents	68.87	(0.08)	68.80
Cash and cash equivalents at the beginning of the year	70.29	(0.76)	69.53
Cash and cash equivalents at the end of the year	139.16	(0.83)	138.33

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

For and on behalf of the Board of Directors

Sudhir N. Pillai
Partner

Manoj Gagvani
Director
(DIN 03196589)

Deepak Rathi
Director
(DIN 07165841)

Place: Mumbai
Date: May 11, 2017

Place: Mumbai
Date: May 11, 2017