

FINANCIAL STATEMENT

2015-2016

BIG SYNERGY MEDIA LIMITED

MUKUL & GANESH
CHARTERED ACCOUNTANTS

GF 15 Hans Bhawan, 1, Bahadurshah Zafar Marg, New Delhi-110002, India
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INDEPENDENT AUDITORS' REPORT

**To the Members of
Big Synergy Media Limited**

Report on the Financial Statements

We have audited the accompanying Standalone financial statements of Big Synergy Media Limited ("The Company"), which comprise the Balance Sheet as at 31st March, 2016, the Profit and Loss Statement and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility For the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the annexure a statement on the matters specified in paragraph 3 and 4 of the said order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet and the Profit and Loss Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.

- f) Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") is enclosed as annexure to this report.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- I. The Company does not have any pending litigations which would impact its financial position; and
 - II. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.

For Mukul & Ganesh
Chartered Accountants
FRN 003094N

Sd/-
(V. Ganesh)
Partner
M. No. 081994

Place: Mumbai
Date: 25th August, 2016

Annexure to the Auditor's Report

The annexure referred to in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31st March, 2016, we report that:-

- i) a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets;
- b) All the assets have been physically verified by the management during the year and there is a regular programme of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its business. The discrepancies noticed on physical verification wherever material have been dealt with in the books;
- ii) a) The Management has conducted physical verification of stocks held at regular interval;
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business;
- c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records wherever material have been dealt with in the books properly;
- iii) The company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, sub clause (a) and (b) of clause (iii) of Paragraph 3 of the Companies (Auditor's Report) Order, 2015 is not applicable to the Company;
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system;
- v) The Company has not accepted any deposits covered under the provisions of sections 73 or 76 the Companies Act, 2013;

- vi) Maintenance of cost records has not been prescribed for the company;
- vii) a) The company is regular in depositing with appropriate authorities undisputed statutory dues including income tax, provident fund, employees' state insurance, service tax etc.;
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax were in arrears, as at 31st March, 2016;
- c) According to the information and explanations given to us, there are no dues of amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder;
- viii) The company has no accumulated losses and has not incurred any cash losses during the current financial year and in the immediately preceding financial year;
- ix) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or Bank;
- x) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from any bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company;
- xi) The company has not taken any term loans during the year. Accordingly clause (xi) of the order is not applicable;
- xii) According to the information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the year.

For Mukul & Ganesh
Chartered Accountants
FRN 003094N

Sd/-
(V. Ganesh)
Partner
M. No. 081994

Place: Mumbai
Date: 25th August, 2016

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON
THE STANDALONE FINANCIAL STATEMENTS OF BIG SYNERGY MEDIA
LIMITED**

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

We have audited the internal financial controls over financial reporting of Karpi India Private Limited ('the Company') as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance 168 Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence I/we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016.

Place: New Delhi
Date: 25th August, 2016

For Mukul & Ganesh
Chartered Accountants
FRN 003094N

Sd/-
(V. Ganesh)
Partner
M. No. 081994

Big Synergy Media Limited

4, Zamrudpur Community Centre, 2nd Floor, Kailash Colony Extension, New Delhi-110048, Delhi

Balance sheet

As at 31 March 2016

	Note	As at March 31, 2016	As at March 31, 2015	
EQUITIES AND LIABILITIES				
Shareholders' funds				
(a)	Share capital	1	1,000,000	1,000,000
(b)	Reserves and surplus	2	227,165,420	214,947,973
Non-current liabilities				
(a)	Long-term provisions	3	3,074,796	1,796,903
(b)	Deferred tax liabilities		-	-
Current liabilities				
(a)	Short term borrowings	4	1,400,554	1,400,554
(b)	Trade payable	5	27,411,895	61,379,787
(c)	Other current liabilities	6	20,692,631	32,254,221
(d)	Short term provisions	7	-	79,916,082
			280,745,296	392,695,520
ASSETS				
Non-current assets				
(a)	Fixed assets			
	Tangible assets	8	5,363,146	4,374,704
(b)	Non-current investments	9	18,600,000	3,500,000
(c)	Deferred tax assets	10	6,299,053	6,743,725
(d)	Long-term loans and advances	11	80,969,009	76,595,196
Current assets				
(a)	Cash and bank balances	12	136,692,261	174,156,693
(b)	Current investments	13	-	31,524,633
(c)	Inventories	14	3,654,751	6,251,623
(e)	Trade receivable	15	22,696,746	81,180,461
(f)	Short-term loans and advances	16	3,054,571	3,469,707
(d)	Other current assets	17	3,465,760	4,898,776
			280,745,296	392,695,520

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

As per report on financial statements of even date attached.
For Mukul & Ganesh
Chartered Accountants

sd/-

V. Ganesh
Partner
Membership No: 81994
Firm No:003094N

Mumbai
Date:- 25th August 2016

sd/-

Mohan Umrotkar
Director

For and on behalf of the Board

sd/-

Shibanish Sarkar
Additional Director

sd/-

Neha Salia
Company Secretary

Mumbai
Date:- 25th August 2016

Big Synergy Media Limited

4, Zamrudpur Community Centre, 2nd Floor, Kailash Colony Extension, New Delhi-110048, Delhi

Statement of profit and loss

for the year ended 31 March 2016

	Note	for the year ended March 31, 2016	for the year ended March 31, 2015
I. Revenue	18	178,334,913	634,833,121
II. Other income	19	30,871,920	15,208,168
III. Total Revenue		<u>209,206,833</u>	<u>650,041,289</u>
IV. Expenses			
Equipment hire charges		15,879,539	90,621,694
Set expenses		991,472	28,262,314
Professional & technical fees		37,987,478	148,962,950
Research expenses		6,177,888	8,449,050
Production expenses		19,121,812	127,303,337
Unit transportation		3,409,057	23,831,083
Video tapes		-	1,174,012
Personnel costs	20	54,097,179	57,377,216
Administrative expenses	21	57,532,400	66,924,660
Interest	22	218,560	4,286
Depreciation	8	2,182,997	2,552,336
Total expenses		<u>197,598,382</u>	<u>555,462,938</u>
V. Profit before exceptional and extra ordinary item and tax (III- IV)		11,608,451	94,578,351
VI. Exceptional items		-	-
VII. Profit before extra ordinary item and tax (V- IV)		11,608,451	94,578,351
VIII. Extraordinary items		-	-
IX. Profit before tax (VII-VIII)		11,608,451	94,578,351
X. Tax Expenses			
Current tax		-	39,600,000
Deferred tax (credit)/ charge		444,672	(761,219)
Short / (Excess) provision for earlier years		(1,053,668)	(1,197,868)
Profit for the year (IX-X)		12,217,447	56,957,958
Basic / diluted earnings per share (refer note iii) Rs.		1.222	5.694

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

As per report on financial statements of even date attached.

For **Mukul & Ganesh**

Chartered Accountants

Sd/-

V. Ganesh

Partner

Membership No: 81994

Firm No:003094N

Mumbai

Date: 25th August 2016

Sd/-
Mohan Umrotkar
Director

Sd/-
Shibasish Sarkar
Additional Director

Sd/-
Neha Salia
Company Secretary

Mumbai
Date:- 25th August 2016

For and on behalf of the Board

Big Synergy Media Limited

4.Zamrudpur Community Centre,2nd Floor,Kailash Colony Extension,New Delhi-110048,Delhi

Cash flow for the year ended March 31, 2016

Particulars	For the Year ended	For the Year ended
	March 31, 2016	March 31, 2015
	Amount	Amount
A		
<u>Cash flow from operating activities:-</u>		
Net Profit before Tax	11,608,451	94,578,351
Adjustment for :		
Depreciation	2,182,997	2,552,336
Assests W/off	52,095	1,192,041
Interest income and dividend income	(12,657,162)	(13,247,325)
Profit on sale of assets	(48,964)	-
Bad debts written off	17,500,004	5,532,628
Interest expenses	218,560	4,286
Operating profits before working capital changes	18,855,981	90,612,317
(Decrease) in inventories	2,566,872	5,658,760
(Increase) / Decrease in sundry debtors	40,983,711	(41,021,012)
Decrease / (Increase) in loans & Advances	3,530,395	4,513,541
Increase / (Decrease) in trade and other current liabilities	(44,251,589)	22,977,827
Cash generated from operation	21,685,371	82,741,433
Taxes paid (net of refunds)	(5,204,456)	(46,000,213)
Net cash flow used in operating activities (A)	16,480,915	36,741,220
B		
<u>Cash flow from investing activities:-</u>		
(Purchase)/Sale of fixed assets	(3,229,571)	(626,082)
Sale of fixed assets	55,000	-
Purchase/(Sale) of investments	16,424,635	36,162,163
Interest income	12,849,231	9,033,203
Net cash flow used in investing activities (B)	26,099,295	44,569,284
C		
<u>Cash flow from financing activities</u>		
Interest expenses	(218,560)	(4,286)
Dividend (including Dividend Tax) Paid	(79,916,082)	-
Net cash flow from financing activities (C)	(80,134,642)	(4,286)
Net increase in cash and cash equivalent - (A + B + C)	(37,554,432)	81,306,217
Cash and cash equivalents as at beginning of the year	174,156,693	92,850,476
Cash and cash equivalents as at end of the year (Refer note 1 below)	136,602,261	174,156,693
	(37,554,432)	81,306,217
Notes :		
1) Cash and cash equivalents at year end comprises:		
Cash on hand	293,530	491,412
Balance with banks		
-Deposit accountns	130,451,272	173,644,527
-Current accountns	5,857,459	20,755
	136,602,261	174,156,693

For Mukul & Ganesh
Chartered Accountants

For and on behalf of the Board

sd/-
V. Ganesh
Partner
Membership No: 81994
Firm No:003094N

sd/-
Mohan Umrotkar
Director

sd/-
Shibasish Sarkar
Additional Director

sd/-
Neha Sallia
Company Secretary

Mumbai
Date:- 25th August 2016

Mumbai
Date:- 25th August 2016

Big Synergy Media Limited

4, Zamrudpur Community Centre, 2nd Floor, Kailash Colony Extension, New Delhi-110048, Delhi
Notes to the financial statements (Continued)

As at 31 March 2016

(Currency : Indian Rupees)

Note No		Figures for the reporting period March 31, 2016	Figures for the reporting period March 31, 2015
1	2	3	4
1	Share Capital		
	<i>Authorised</i>		
	20,000 (2015: 20,000) Equity Shares of Rs. 100/- each	2,000,000	2,000,000
	1,200,000 (2015: 1,200,000) 7% Preference Shares of Rs. 100/- each	<u>120,000,000</u>	<u>120,000,000</u>
	<i>Issued, subscribed and paid-up capital</i>		
	10,000 (2015: 10,000) Equity Shares of Rs. 100/- each fully paid up	1,000,000	1,000,000
	Total	<u>1,000,000</u>	<u>1,000,000</u>

Reconciliation of the equity shares outstanding at the beginning and at the end of the year

<i>Issued, subscribed and paid-up capital</i>	31 March 2016		31 March 2015	
	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
<i>Shares issued as at beginning of the year</i>	10,000	1,000,000	10,000	1,000,000
<i>Shares issued as at end of the year</i>	10,000	1,000,000	10,000	1,000,000

Terms/ rights attached to equity shares

The Company has equity shares having par value of Rs. 100 per share. Each equity holder entitle to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of the Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders who held more than 5% of equity share in the Company

	31 March 2016		31 March 2015	
	No of Shares	% holding in the class	No of Shares	% holding in the class
Mrs. Anita Kaul Basu	980	10%	980	10%
Mr. Siddhartha Basu	1715	17%	1715	17%
Siddhartha Basu HUF	735	7%	735	7%
Reliance Media Works Limited	5100	51%	5100	51%
	As at March 31, 2016		As at March 31, 2015	
2	Reserves and Surplus			
	Capital redemption reserve			
	At the commencement of the year	<u>120,000,000</u>	<u>120,000,000</u>	
		<u>120,000,000</u>	<u>120,000,000</u>	
	General reserve			
	At the commencement of the year	45,100,000	30,600,000	
	Add: Transfer from Profit & Loss Account	-	14,500,000	
		<u>45,100,000</u>	<u>45,100,000</u>	
	Profit & loss account			
	Opening balance	49,847,973	88,212,260	
	Add/Less : Profit/(loss) for the year	12,217,447	56,937,438	
	Less: Transitional Depreciation	-	(885,643)	
	Appropriation	<u>62,065,420</u>	<u>144,264,055</u>	
	Transfer to General Reserve	-	14,500,000	
	Dividend on Equity shares	-	66,600,000	
	Dividend tax payable on Equity shares dividend	-	13,316,082	
	Profit and loss - available for appropriation	<u>62,065,420</u>	<u>49,847,973</u>	
	Appropriation	-	-	
	Profit and loss - after appropriation	<u>62,065,420</u>	<u>49,847,973</u>	
		<u>227,165,420</u>	<u>214,947,973</u>	

Big Synergy Media Limited

4, Zamrudpur Community Centre, 2nd Floor, Kailash Colony Extension, New Delhi- 110048, Delhi
As at 31 March 2016

(Currency : Indian Rupees)

	As at March 31, 2016	As at March 31, 2015
3 Long-term provisions		
Provision for employee benefits :		
Gratuity	3,074,796	1,796,903
	<u>3,074,796</u>	<u>1,796,903</u>
4 Short-term borrowings		
<i>Unsecured</i>		
Loan from related parties		
-Fellow subsidiary	1,400,554	1,400,554
	<u>1,400,554</u>	<u>1,400,554</u>
5 Trade payables		
Trade payables	27,411,895	61,379,787
	<u>27,411,895</u>	<u>61,379,787</u>
6 Other current liabilities		
Advance from customers	1,106,037	8,926,214
Other payables		
Expense payable	17,126,000	17,404,351
Others	2,460,594	5,923,656
	<u>20,692,631</u>	<u>32,254,221</u>
7 Short-term provisions		
Proposed dividend - Equity shares	-	66,600,000
Tax on proposed dividend - Equity shares	-	13,316,082
	<u>-</u>	<u>79,916,082</u>
9 Non-Current investments		
Templeton India India SIP Growth 828.237 unit (2015:828.237 Unit), Net Assets Value:Rs3047.3199 (2015:2873.8473 NAV),	2,000,000	2,000,000
Birla Sunlife Bond Fund Retail Growth 73575.577 unit (2015:73575.577 Unit), Net Assets Value:Rs N.A. V 26.3408 (2015:24.4426 NAV)	1,500,000	1,500,000
Birla Sunlife Dynamic Bond Fund Retail Plan Growth 216544 unit, Net Assets Value:Rs24,7954	5,000,000	-
Franklin India Short Term Income Plan-Growth 5822.15 unit, Net Assets Value:Rs3047.3199	10,100,000	-
16000 (2015:16,000) Units of Osian Art Fund Contemporary (Net Assets Valu:Rs.N.A.(F.V.Rs.100)	1,600,000	-
Less:Provision for Diminution in value of Investment	<u>(1,600,000)</u>	<u>-</u>
	<u>18,600,000</u>	<u>3,500,000</u>
10 Deferred tax asset		
<i>Arising on account of timing difference in:</i>		
Carrying value of fixed/other assets(net)	5,301,435	6,160,720
Provision for gratuity	997,618	583,005
Net deferred tax asset / (liability)	<u>6,299,053</u>	<u>6,743,725</u>
11 Long Term Loans and Advances		
Unsecured, considered good:		
Deposits	5,895,826	9,110,954
Others	488,378	398,509
Advance income tax & tax deducted at sources (Net of Provision for tax)	74,584,905	67,085,733
	<u>80,969,009</u>	<u>76,595,196</u>

Big Synergy Media Limited

4, Zamrudpur Community Centre, 2nd Floor, Kailash Colony Extension, New Delhi-110048, Delhi

Notes to the financial statements (Continued)

As at 31 March 2016

(Currency : Indian Rupees)

	As at March 31, 2016	As at March 31, 2015
12 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	293,530	491,412
<i>Balances with scheduled banks</i>		
- in current accounts	5,857,459	20,755
- in fixed deposit accounts	94,814,294	109,327,218
	<u>100,965,283</u>	<u>109,839,385</u>
Other bank balances		
- in fixed deposit account maturing more than three months	35,636,978	64,317,308
	<u>35,636,978</u>	<u>64,317,308</u>
	<u>136,602,261</u>	<u>174,156,693</u>
13 Current investments		
SCB Liquid Plus Dividend Reinvestment Plan	-	31,524,635
	<u>-</u>	<u>31,524,635</u>
14 Inventories		
Tapes in stock	82,957	82,957
Work in progress for television content	3,601,794	6,168,666
	<u>3,684,751</u>	<u>6,251,623</u>
15 Trade receivables		
Unsecured, considered good:		
Other debts	22,696,746	81,180,461
Unsecured, considered doubtful:		
Debts outstanding for a period exceeding six months from the date they are due for payments	-	17,500,004
Provision for doubtful debts	-	(17,500,004)
	<u>22,696,746</u>	<u>81,180,461</u>
16 Short-term loans and advances		
Loans and advances to related parties	-	-
Others		
Other loans and advances		
To Suppliers	364,274	869,754
To Staff	16,000	31,000
To Others	2,684,297	2,568,953
	<u>3,064,571</u>	<u>3,469,707</u>
17 Other current assets		
Interest accrued on fixed deposits	3,465,760	4,898,776
	<u>3,465,760</u>	<u>4,898,776</u>

Big Synergy Media Limited

4, Zamrudpur Community Centre, 2nd Floor, Kailash Colony Extension, New Delhi-110048, Delhi
Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency : Indian Rupees)

	for the year ended March 31, 2016	for the year ended March 31, 2015
18 Revenue		
Programme sales	178,334,913	634,833,121
	<u>178,334,913</u>	<u>634,833,121</u>
19 Other income		
Interest income from:		
-Bank and other deposits	12,657,162	13,247,325
Miscellaneous income	714,754	1,960,842
Provision for doubtful debts written back	17,500,004	-
	<u>30,871,920</u>	<u>15,208,168</u>
20 Personnel costs		
Salaries, wages and bonus	50,587,633	54,946,179
Staff Welfare	12,096	-
Contribution to provident and other funds	1,959,140	2,032,158
Gratuity	1,538,310	398,879
	<u>54,097,179</u>	<u>57,377,216</u>
21 Other operating and general administrative expenses		
Bank charges	16,229	12,157
Business promotion	465,994	115,832
Rent	12,997,364	13,628,276
Rates and Taxes, excluding taxes on income	180,123	50,610
Traveling and conveyance	900,357	1,370,599
Insurance	219,268	558,700
Auditor remuneration (including internal auditor remuneration)	350,000	1,200,000
Legal and professional fees	17,519,570	18,271,717
Bad debts written off	17,500,004	5,532,628
Provision for Bad & Doubtful Debts	-	17,500,004
Assets W/oF	52,095	1,192,041
Miscellaneous expenses	765,297	1,118,229
Electricity charges	1,654,565	1,983,733
Printing & stationery	390,365	562,126
Telephone expenses	975,453	1,081,062
Facility maintenance charges	2,288,303	2,131,409
Repairs and maintenance	757,413	615,517
	<u>57,532,400</u>	<u>66,924,660</u>
22 Interest		
Other Interest	218,560	4,286
	<u>218,560</u>	<u>4,286</u>

Big Synergy Media Limited

4, Zamrudpur Community Centre, 2nd Floor, Kailash Colony Extension, New Delhi - 110048, Delhi

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency : Indian Rupees)

Tangible Assets	Intangible Assets (Software)	Furniture and fixtures(lease)	Office equipment	Plant and machinery	Furniture and fixtures	Computers	Vehicles	Buzzer System	Editing Machine	Total
Opening Balance	276,054	9,694,054	2,539,825	32,000	445,103	7,693,239	4,849,579	156,824	649,231	26,335,909
Add: Additions	-	-	39,040	2,820,531	370,000	-	-	-	-	3,229,571
Other Adjustments	-	-	-	-	-	-	-	-	-	-
Sub total	276,054	9,694,054	2,578,865	2,852,531	815,103	7,693,239	4,849,579	156,824	649,231	29,565,480
Less: Disposals	-	1,534,888	82,000	-	37,381	-	-	-	-	1,654,269
Less: Assets W/off	85,776	240,000	354,722	32,000	147,544	4,983,662	-	122,124	-	5,965,828
Gross Block at year end (a)	190,278	7,919,166	2,142,143	2,820,531	630,178	2,709,577	4,849,579	34,700	649,231	21,945,383
Less: Depreciation	-	-	-	-	-	-	-	-	-	-
Opening Depreciation	223,721	9,675,402	1,592,922	32,000	240,477	7,246,458	2,517,710	104,656	327,861	21,961,207
Depreciation for the year	41,579	4,881	354,911	83,742	29,144	351,699	1,165,411	15,143	137,206	2,183,716
Depreciation for the asset sold	-	1,532,334	82,000	-	33,900	-	-	-	-	1,648,234
Depreciation Assets W/off	75,022	240,000	352,146	32,000	138,663	4,983,662	-	92,241	-	5,913,733
Adjustment	-	-	18	-	-	(737)	-	-	-	(719)
Total accumulated depreciation (b)	190,278	7,907,949	1,513,705	83,742	97,059	2,613,758	3,683,121	27,558	465,067	16,582,237
Net carrying value (a) - (b)	-	11,217	628,438	2,736,789	533,119	95,819	1,166,458	7,142	184,164	5,363,146

Big Synergy Media Limited

Schedules to the financial statements

For the year ending March 31, 2016

(Currency: Indian Rupees)

Background

Big Synergy Media Limited (formerly known as Synergy Adlabs Media Limited ('Synergy' or 'the Company') was incorporated on February 24, 1988 as a private limited company and is currently a public limited Company. The Company is primarily engaged in production for television content for sale to various broadcasters. The Company is subsidiary of Reliance MediaWorks Ltd, which owns 51% of the equity share capital of the Company.

A. Significant Accounting policies

i. Basis of Accounting

The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and in accordance with the Accounting Standards ('AS') notified in the Accounting Standard Rules, 2006. and the relevant provisions of the Companies Act, 2013 ('the Act'), to the extent applicable. The financial statements are presented in Indian Rupees.

ii. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principle in India ("Indian GAAP") require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

iii. Fixed Assets and depreciation

Tangible Fixed assets are stated at cost less accumulated depreciation. Cost includes freight, duties, taxes (other than those recoverable from tax authorities) and other incidental expenses related to the acquisition / construction and installation of the fixed assets for bringing the assets to its working condition for its intended use.

Depreciation on fixed assets is provided pro-rata to the period of use, under Straight Line Method, at the rates prescribed in Schedule II of the Companies Act, 2013, except in the case of leasehold improvements wherein they are depreciated over the primary period of the lease or the useful life of assets whichever is lower

iv. Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the First-in-first-out (FIFO) basis. Also include work in process (WIP) comprising of cost till date of the projects which is not billed.

Big Synergy Media Limited

Schedules to the financial statements

For the year ending March 31, 2016

(Currency: Indian Rupees)

v. Investments

Investments are classified in to Long term investments and current investments based on intent of management at the time of making the investment. Investments, intended to be held for more than one year, are classified as long-term investments.

Current investments are valued at lower of cost or market value. Long-term investments are valued at cost unless there is depreciation, other than temporary, in their value.

vi. Revenue Recognition

Revenue is recognized to the extent that it is certain that the economic benefit will flow to the company and the revenue can be reliably measured. Program sales are accounted on the delivery of the tape to the channel.

Sales are recorded net of service tax.

Interest :- Interest is recognize on the basis of time proportion at the rate implicit in the transaction.

Dividend :- Dividend is recognize as income when right to received the same is confirmed.

vii. Taxation

Income-tax expense comprises current tax expense and fringe benefit tax computed in accordance with the relevant provisions of the Income tax Act, 1961 and deferred tax charge or credit.

Current tax provision is made based on the tax liability computed after considering tax allowances and exemptions, in accordance with the Income tax Act, 1961. Deferred tax charge or credit and the corresponding deferred tax liability or asset is recognized for timing differences between the profits/ losses offered for income taxes and profits/ losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down/up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

viii. Employee Benefits

Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. The undiscounted amount of short

Big Synergy Media Limited

Schedules to the financial statements

For the year ending March 31, 2016

(Currency: Indian Rupees)

term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period.

Long term employee benefits:

Provident fund and other schemes

The Company's state governed provident fund scheme, employee state insurance scheme and labour welfare fund are defined contribution plans. The contribution paid / payable under the schemes is recognized during the year in which the employee renders the related service.

Gratuity Plan

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior year; that benefit is discounted to determine its present value and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government Securities as at the Balance Sheet date.

Actuarial gains and losses are recognized immediately in the Profit and Loss Account.

ix. Earning per share

In determining earning per share, the Company considers the net result after tax and includes the post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earning per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earning per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares unless the results would be anti - dilutive. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date.

x. Provisions and Contingencies

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the Company recognizes it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

Big Synergy Media Limited

Schedules to the financial statements

For the year ending March 31, 2016

(Currency: Indian Rupees)

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

xi. Segment Reporting

As the Company's business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided in terms of Accounting Standard – 17 Segment Reporting.

B. Notes forming part of the accounts

i. Auditors remuneration consists of

Particulars	Year ended March 31,2016	Year ended March 31,2015
Audit fees	8,50,000	8,25,000
Internal Audit Fees	1,25,000	3,75,000
Service tax	1,41,375	1,48,320
Total	11,16,375	13,48,320

ii. Related Party Transactions under AS 18

Significant Shareholders, Key Management Personnel and their relatives

1. Reliance Mediaworks Ltd – Holding Company
2. Siddhartha Basu – Key Management Personnel
3. Anita Kaul Basu – Key Management Personnel
4. Aditya basu - Relatives of KMP

Ultimate holding companies

1. Reliance Land Pvt Ltd.

Fellow subsidiary companies

1. Global MediaWorks (UK) Limited
2. Reliance MediaWorks (USA) Inc.
3. Reliance MediaWorks(Netherlands) B.V.
4. Reliance MediaWorks (Mauritius) Limited
5. Reliance MediaWorks Theatres Limited
6. Gener8 India Media Services Limited
7. Reliance Media Consultant Private Limited
8. Cinema Ventures Private
9. Reliance MediaWorks Creative Services

Big Synergy Media Limited

Schedules to the financial statements

For the year ending March 31, 2016

(Currency: Indian Rupees)

Transactions	Holding Company		Key Management personnel		Fellow subsidiary (Reliance MediaWorks Theatre ltd)	
	Year ended March 31,2016	Year ended March 31,2015	Year ended March 31,2016	Year ended March 31,2015	Year ended March 31,2016	Year ended March 31,2015
Hiring of equipment	-	1,12,000	-	-	-	-
Professional fees Aditya Basu	-	-	-	3,68,666	-	-
Managerial Remuneration, Siddhartha Basu	-	-	84,00,000	70,50,002	-	-
Managerial Remuneration, Anita Kaul Basu	-	-	84,00,000	70,50,002	-	-
Closing balance	1,54,23,630	1,54,23,630	-	-	14,00,554	14,00,554

iii. Earnings per share

The Calculation of Earning per Share as required under Accounting Standards (AS)-20 is as under:-

	Particulars	Year ended March 31,2016	Year ended March 31,2015
a)	Profit after Tax	1,22,17,447	5,69,37,438
b)	Dividend on preference shares including tax thereon	-	-
c)	(Loss)/Profit after tax attributable to equity shareholders(a-b)	1,22,17,447	5,69,37,438
d)	No. of equity shares of face value of Rs.100/- each	10,000	10,000
e)	Earnings Per Share (c/d)	122.17	5,694

Big Synergy Media Limited

Schedules to the financial statements

For the year ending March 31, 2016

(Currency: Indian Rupees)

iv. Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the period are as under :

Particulars	Year ended March 31,2016	Year ended March 31,2015
Employers contribution to Provident fund and other funds	19,59,140	20,32,158

v. Defined Benefit Plan

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

I. Reconciliation of opening and closing balances of Defined Benefit obligation

Particulars	Year ended March 31,2016	Year ended March 31,2015
Defined Benefit obligation at beginning of Year	28,01,091	28,09,481
Current Service Cost	3,75,981	4,46,284
Interest Cost	1,87,172	2,00,701
Actuarial (gain) / loss	10,42,043	-1,76,003
Benefits paid	-8,27,386	-4,79,372
Settlement cost	-	-
Defined Benefit obligation at year end	35,78,901	28,01,091

Big Synergy Media Limited

Schedules to the financial statements

For the year ending March 31, 2016

(Currency: Indian Rupees)

II. Reconciliation of opening and closing balances of fair value of plan assets

Particulars	Year ended March 31,2016	Year ended March 31,2015
Fair value of plan assets at beginning of the year	10,04,188	11,48,719
Expected return on plan assets	60,332	86,116
Employer Contribution	2,50,073	2,52,037
Benefits paid	-8,27,386	-4,79,372
Actuarial (gain) / loss	16,898	-3,312
Fair value of plan assets at year end	5,04,105	10,04,188
Actual return on plan assets	-	-

III. Reconciliation of fair value of assets and obligations

Particulars	Year ended March 31,2016	Year ended March 31,2015
Gratuity (funded)		
Fair value of plan assets at the end of the year	-5,04,105	-10,04,188
Present value of obligation at the end of the year	35,78,901	28,01,091
Amount recognised in Balance Sheet as (net asset) / net liability	30,74,796	17,96,903

IV. Expense recognised during the period (Under the head "Personnel Cost - Refer Schedule '19')

Particulars	Year ended March 31,2016	Year ended March 31,2015
Gratuity		
Current Service Cost	3,75,981	4,46,284
Interest Cost	1,87,172	2,00,701
Expected return on plan assets	-60,332	-86,116
Actuarial (gain) / loss	10,25,145	-1,72,691
Past Service cost	-	-
Net Cost	15,27,966	3,88,178