

BOARD'S REPORT

**To the Members,
DB Infomedia Pvt. Ltd.**

Your Directors have pleasure in presenting the 2nd Annual Report, together with the Balance Sheet and the Statement of Profit and Loss of the Company for the year ended 31st March, 2017.

FINANCIAL HIGHLIGHTS

The financial results of your Company for the period ended on 31st March, 2017 are as under:

Particulars	(in ₹ Mn.)	
	2016-17	For the period from February 16, 2015 to March 31, 2016
Income	0.09	-
Expenditure	24.71	41.77
Loss for the period before tax	(24.62)	(41.77)
Less: Tax (including deferred tax)	-	-
Loss after tax	(24.62)	(41.77)
Net worth	2.09	31.18

REVIEW OF PERFORMANCE

Your Company has successfully completed 2 years of its existence. The operations of your Company have started to gain momentum during the year 2016-17. Your Company could generate revenue of ₹ 0.09 million during the second year and also keep a strict check on its overheads. The Company managed to run its website, www.postpickle.com with reasonable user base thereby ensuring a commensurate performance.

The Board of Directors is positive about the Company's future prospects and is putting all efforts to flourish its business.

FUTURE PROSPECTS

Your Company aims at creating interesting and engaging content with ideation and distributing our content to relevant users. It expects to do well in coming years with focused attention on user experience.

DIVIDEND

In view of losses for the period under review, your Directors do not recommend any dividend for the financial period 2016-17. Further, your Company does not propose any amount to be transferred to the reserves of the Company for the financial period 2016-17.

DIRECTORS

The Company's operations continued to be managed under the able guidance of Mr. Rajeev Chaturvedi and Mr. Manoj Garg, Directors of the Company. There were no appointments or cessations from the directorship during the year.

RESTRUCTURING OF CAPITAL

- a. Pursuant to provisions of Sections 42, 55 and 62 of the Companies Act, 2013 read with rules made thereunder, the Board of Directors of your Company under the authority given by the shareholders of the Company by way of special resolution passed at the Extra Ordinary General Meeting of the Company held on 2nd January, 2017, allotted 6,80,000 (Six Lakh Eighty Thousand) 7.5% Redeemable Preference Shares of face value of ₹ 100/- (Rupees One Hundred) each aggregating to ₹ 6,80,00,000/- (Rupees Six Crore Eighty Lakh Only) on private placement basis to M/s. D. B. Corp Limited ('DBCL'), the Holding Company. The said allotment was made in order to mobilise funds for the general business purposes of the Company.
- b. As per the terms of Share Subscription and Shareholders' Agreement executed with DBCL and a minority shareholder, DBCL had subscribed to 10,00,000 (Ten Lakh) 0.01% Compulsorily Convertible Debentures ('CCDs') of ₹ 10/- each in the past. As per the terms of issue, the said CCDs were converted into equivalent number of equity shares and accordingly 10,00,000 equity shares of face value of ₹ 10/- each were allotted to DBCL.
- c. During the year, 5,000 shares held by the minority shareholder were transferred in the name of DBCL in accordance with the terms of Share Subscription and Shareholders' Agreement dated 16th April, 2015 executed by your Company with the minority shareholder and DBCL. Consequent to the transfer, your Company has become wholly-owned subsidiary of DBCL.

INFORMATION PERTAINING TO HOLDING & SUBSIDIARY COMPANY

As reported above, the Company has become a wholly-owned subsidiary of D. B. Corp Limited by virtue of acquisition of 5,000 shares by D. B. Corp Limited from minority shareholder pursuant to the terms of Share Subscription and Shareholders' Agreement dated 16th April, 2015.

Also, D. B. Corp Limited has sold its entire shareholding held in I Media Corp Limited ('IMCL') to your Company for a lumpsum consideration. Consequently, IMCL is now a wholly owned subsidiary of your Company.

IMCL which is housing the event business recorded a total income of ₹ 9.1 million and EBIDTA Loss of ₹ 0.6 million for the year under consideration.

COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION BETWEEN I MEDIA CORP LIMITED (TRANSFEROR COMPANY), DB INFOMEDIA PRIVATE LIMITED (DEMERGED COMPANY / TRANSFEREE COMPANY) AND D. B. CORP LIMITED (RESULTING COMPANY)

During the year under review, the Board at its meeting held on 19th January, 2017 approved a Composite Scheme of Arrangement and Amalgamation between your Company ('Demerged Company / Transferee Company'), D. B. Corp Limited ('DBCL / Resulting Company') and I Media Corp Limited ('IMCL / Transferor Company'). Under the said Composite Scheme, IMCL was proposed to be amalgamated into your Company and thereafter, the internet business of your Company was proposed to be hived-off / demerged into DBCL, the Holding Company.

Later the Board at its meeting held on 17th May, 2017 reconsidered its above proposal and was of the opinion that in the changed business scenario, the proposed Scheme of Arrangement and Amalgamation will no longer give any extra benefits to the Company and its stakeholders and hence, the proposal was withdrawn by the Board.

BOARD MEETINGS

During the year under review, the Board met 8 (eight) times on 1st April, 2016, 19th May, 2016, 6th August, 2016, 25th November, 2016, 29th December, 2016, 1st January, 2017, 19th January, 2017 and 24th January, 2017. The intervening gap between the meetings was well within the limits prescribed under the Companies Act, 2013.

Both the directors were present at all the 8 meetings held during the year.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in Form MGT 9 is annexed as 'Annexure A' with this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements under Section 134(3)(c) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, it is hereby confirmed:

1. that in the preparation of the annual accounts for the year ended 31st March, 2017, the applicable accounting standards had been followed, along with proper explanation relating to material departures;
2. that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the losses of the Company for the year ended as on that date;
3. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the directors had prepared the annual accounts for the financial period ended 31st March, 2017, on a "going concern" basis;
5. that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws, and that such systems were adequate and operating effectively.

STATUTORY AUDITORS

At the First Annual General Meeting of the Company held on 26th December, 2016, the members had approved the appointment of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Mumbai as the Statutory Auditors of the Company (Firm Registration No. 101049W/E300004) for a period of 5 (five) years i.e. from the conclusion of the First Annual General Meeting until the conclusion of the Sixth Annual General Meeting of the Company.

Pursuant to Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, the aforesaid appointment needs to be ratified by the members at every Annual General Meeting ('AGM'). Accordingly, the ratification of appointment of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Mumbai, to hold office from the conclusion of the ensuing AGM until the conclusion of the next AGM is recommended to the members of the Company.

M/s. S. R. Batliboi & Associates LLP, Chartered Accountants have furnished a certificate of their eligibility and consent for appointment as required under Section 139 of the Companies Act, 2013 read with the rules made thereunder.

AUDITORS' REPORT

The Auditors' Report does not contain any qualifications, reservations or adverse remarks.

INTERNAL CONTROLS SYSTEMS

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and to ensure that all transactions are authorized, recorded and reported correctly and adequately. These systems ensure that financial transactions are carried out, archived and reported in an accurate and lawful manner.

DEPOSITS

Your Company has not invited and / or accepted any deposits, within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, as amended from time to time.

DETAILS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Full particulars of loans and guarantees given and investments made under Section 186 of the Companies Act, 2013 have been given separately in the financial statements of the Company read with Note No. 20 in the Notes to Accounts which may be read in conjunction with this Report.

Necessary approval of the shareholders was obtained at the Extra-Ordinary General Meeting of the Company held on 2nd January, 2017 thereby enabling the Company to give loans / provide guarantee or security / make an investment over and above the limits specified in Section 186(2) of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as 'Annexure B' to the Board's report.

RISK MANAGEMENT POLICY

Your Company places key emphasis on the risk management and believes in establishing a structured and disciplined approach to risk management. Your Company has subscribed to and adopted the Risk Management policy framed by its Holding Company, D. B. Corp Limited. Your Company reviews various business and operational risks as laid down in the plan and considers instituting proper control procedures to mitigate the same.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Since your Company does not own any manufacturing facility, the Company was not required to take any steps with regard to conservation of energy, technology absorption or other related items as stipulated under the Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

There were neither foreign exchange earnings nor any foreign exchange outgo during the year under consideration.

PARTICULARS OF EMPLOYEES

Your Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

During the year, no complaints on sexual harassment were received by the Company.

No. of complaints received : None

No. of complaints disposed off : Not Applicable

MATERIAL CHANGES AND COMMITMENTS

As reported above, the Board of Directors at the meeting held on 17th May, 2017, decided to withdraw the Composite Scheme of Arrangement and Amalgamation between the Company, D. B. Corp Limited and I Media Corp Limited which was earlier approved by the Board on 19th January, 2017. Accordingly, the scheme will not to be acted upon further.

GENERAL

Your Directors state that no disclosure is required in respect of the following matters as there were no transactions in relation thereto, during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of sweat equity shares.
3. Non-exercise of voting rights directly by the employees in respect of shares purchased under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant and material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

ACKNOWLEDGEMENT

Your Directors wish to express their grateful appreciation for the valuable co-operation and support received from the Company's bankers, business associates, customers, suppliers and shareholders during the year under review and look forward to the same in greater measure in coming years.

Your Directors also wish to place on record their appreciation of the efforts and invaluable contributions made by the employees and executives of the Company at all levels.

For and on behalf of the Board of Directors of
DB Infomedia Private Limited

Rajeev Chaturvedi

Director

DIN: 06478140

Manoj Garg

Director

DIN: 00809382

Place: Bhopal

Date: 17th May, 2017

ANNEXURE A

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i. CIN	U74300MP2015PTC033850
ii. Registration Date	16/02/2015
iii. Name of the Company	DB Infomedia Private Limited
iv. Category / Sub-Category of the Company	Company having Share Capital / Non-Govt. Company
v. Address of the Registered office and contact details	Office Block 1A, 5 th Floor, DB City Corporate Park, Arera Hills, Opp. M.P. Nagar, Zone – I, Bhopal – 462016, Madhya Pradesh. Tel No: 0755-6665622
vi. Whether listed company	No
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Operating and managing websites	99843990	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	D. B. Corp Limited Plot No. 280, Sarkhej-Gandhinagar Highway, Nr. YMCA Club, Makarba, Ahmedabad – 380051, Gujarat.	L22210GJ1995PLC047208	Holding	100%	2(46)
2.	I Media Corp Limited 6, Press Complex, MP Nagar, Zone I, Bhopal 462011.	U64202MP2006PLC018676	Subsidiary	100%	2(87)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS A PERCENTAGE OF TOTAL EQUITY)

i. Category-wise Shareholding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) INDIAN									
a. Individual /HUF	0	10	10	0.02%	0	60	60	0.01%	-0.01%
b. Central Govt.	0	0	0	0	0	0	0	0	N.A.
c. State Govt.(s)	0	0	0	0	0	0	0	0	N.A.
d. Bodies Corporate	0	45490	45490	90.08%	0	1050440	1050440	99.99%	+9.91%
e. Banks / FI	0	0	0	0	0	0	0	0	N.A.
f. Any Other	0	0	0	0	0	0	0	0	N.A.
Sub-Total A(1) :	0	45500	45500	90.10%	0	1050500	1050500	100.00%	+9.90%

Board's Report - DB Infomedia Private Limited

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(2) FOREIGN									
a. NRIs - Individuals	0	0	0	0	0	0	0	0	N.A.
b. Others – Individuals	0	0	0	0	0	0	0	0	N.A.
c. Bodies Corporate	0	0	0	0	0	0	0	0	N.A.
d. Banks / FI	0	0	0	0	0	0	0	0	N.A.
e. Any Other	0	0	0	0	0	0	0	0	N.A.
Sub-Total A(2):	0	0	0	0	0	0	0	0	N.A.
Total Shareholding of Promoters A=A(1)+A(2)	0	45500	45500	90.10%	0	1050500	1050500	100.00%	+9.90%
B. Public Shareholding									
1. INSTITUTIONS									
a. Mutual Funds	0	0	0	0	0	0	0	0	N.A.
b. Banks / FI	0	0	0	0	0	0	0	0	N.A.
c. Central Govt.	0	0	0	0	0	0	0	0	N.A.
d. State Govt.(s)	0	0	0	0	0	0	0	0	N.A.
e. Venture Capital Funds	0	0	0	0	0	0	0	0	N.A.
f. Insurance Companies	0	0	0	0	0	0	0	0	N.A.
g. FIs	0	0	0	0	0	0	0	0	N.A.
h. Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	N.A.
i. Others (specify)	0	0	0	0	0	0	0	0	N.A.
Sub-Total B(1) :	0	0	0	0	0	0	0	0	N.A.
2. NON-INSTITUTIONS									
a. Bodies Corporate	0	0	0	0	0	0	0	0	N.A.
i. Indian	-	-	-	-	-	-	-	-	N.A.
ii. Overseas	-	-	-	-	-	-	-	-	N.A.
b. Individuals									
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	5000	5000	9.90%	0	0	0	0	-9.90%
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	0	0	0	0	N.A.
c. Others (specify)	0	0	0	0	0	0	0	0	N.A.
Sub-Total B(2) :	0	5000	5000	9.90%	0	0	0	0	-9.90%
Total Public Shareholding B=B(1)+B(2):	0	5000	5000	9.90%	0	0	0	0	-9.90%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	N.A.
Grand Total (A+B+C):	0	50500	50500	100.00%	0	1050500	1050500	100.00%	0.00%

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of Shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of Shares pledged / encumbered to total shares	
1.	D. B. Corp Limited*	45500	90.10%	Nil	1050500	100.00%	Nil	+9.90%
	Total	45500	90.10%	Nil	1050500	100.00%	Nil	+9.90%

*Shareholding includes shares held along with nominee shareholders of D. B. Corp Limited

iii. Change in Promoters' Shareholding

Sr. No.	Shareholding at the beginning of the year	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company
1.	D. B. Corp Limited		
	At the beginning of the year	45500	90.10%
	Date wise Increase (+) / Decrease (-) in Promoters shareholding during the year		
	19.01.2017 – Allotment of equity shares pursuant to conversion of Compulsorily Convertible Debentures	+1000000	+95.19%
	19.01.2017 – Transfer of equity shares from minority shareholder	+5000	+0.48%
	At the end of the year	1050500	100.00%

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For each of the top ten shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year				
	Date wise Increase (+) / Decrease (-) in shareholding during the year				
	At the end of the year				

N.A.

v. Shareholding of Directors and Key Managerial Personnel *

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year				
	Date wise Increase (+) / Decrease (-) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc)				
	At the end of the year				

NIL

* None of the Directors hold any shares in the Company. Also, the provisions of Section 203 of the Companies Act, 2013 are not applicable. Hence, the Company has not appointed any KMP.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	4,69,00,000	-	4,69,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	14,91,194	-	14,91,194
Total (i+ii+iii)	-	4,83,91,194	-	4,83,91,194
Change in Indebtedness during the financial year				
• Addition	-	2,31,17,692	-	2,31,17,692
• Reduction	-	(6,78,37,787)	-	(6,78,37,787)
Net Change	-	(4,47,20,095)	-	(4,47,20,095)
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	36,71,099	-	36,71,099
Total (i+ii+iii)	-	36,71,099	-	36,71,099

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Company does not pay any remuneration and / or sitting fees to any of its Directors.

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross Salary	N.A.	
a.	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		
b.	Value of perquisites under Section 17(2) of Income Tax Act, 1961		
c.	Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961		
2.	Stock Options		
3.	Sweat Equity		
4.	Commission		
	- as a % of Profit		
	- others, specify		
5.	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other Directors

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Director	NIL	
	- Fee for attending Board / Committee Meetings		
	- Commission		
	- Others, please specify		
	Total (1)		
2.	Other Non-Executive Directors		
	- Fee for attending Board / Committee Meetings		
	- Commission		
	- Others, please specify		
	Total (2)		
	Total B = (1+2)		
	Total Managerial Remuneration		
	Overall ceiling as per the Act		

C. Remuneration to Key Managerial Personnel other than MD / Manager/ WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total Amount
1. Gross Salary		N.A.			
a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961					
b. Value of perquisites under Section 17(2) of the Income Tax Act, 1961					
c. Profit in lieu of salary under Section 17(3) of the Income Tax Act, 1961					
2. Stock Options					
3. Sweat Equity					
4. Commission					
- as a % of Profit					
- others, please specify					
5. Others, please specify					
Total					

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details)
A. Company			NIL		
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors of

DB Infomedia Private Limited
Rajeev Chaturvedi

Director

DIN: 06478140

Manoj Garg

Director

DIN: 00809382

Place: Bhopal

 Date: 17th May, 2017

ANNEXURE B

FORM NO. AOC- 2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

During financial year 2016-17, the Company has not entered into any contract or arrangement or transaction with its related parties which is/are not at arm's length basis.

2. Details of material contracts or arrangements or transactions at arm's length basis:

Sr. No.	Particulars	Details
1	Name(s) of the related party and nature of relationship	D. B. Corp Limited, Holding Company
2	Nature of contracts / arrangements / transactions	Purchase of equity shares
3	Duration of the contracts / arrangements / transactions	N.A.
4	Salient terms of the contracts or arrangements or transactions including the value, if any	Purchase of 11,22,914 equity shares of ₹ 10/- each of M/s. I Media Corp Limited amounting to ₹ 1,12,29,140/- from M/s. D. B. Corp Limited
5	Date(s) of approval by the Board, if any	19 th January, 2017
6	Amount paid as advances, if any	Nil

For and on behalf of the Board of Directors of

DB Infomedia Private Limited

Rajeev Chaturvedi

Director

DIN: 06478140

Manoj Garg

Director

DIN: 00809382

Place: Bhopal

Date: 17th May, 2017

INDEPENDENT AUDITORS' REPORT

To the Members of DB Infomedia Private Limited

REPORT ON THE IND AS FINANCIAL STATEMENTS

We have audited the accompanying Ind AS financial statements of DB Infomedia Private Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS 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 of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 Ind AS 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 Ind AS 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 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 Ind AS 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 Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its losses, its cash flows and the changes in equity for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's report) Order, 2016 (the "Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 statement on the matters specified in paragraphs 3 and 4 of the Order.
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 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 Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position in its Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. As per books of accounts of the Company and as represented by the management of the Company, the Company did not have cash balance as on November 8, 2016 and December 30, 2016 and has no cash dealings during this period.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Kalpesh Jain**
Partner
Membership Number: 106406

Mumbai
May 17, 2017

ANNEXURE 1

referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements of our audit report of even date

Re: DB Infomedia Private Limited (the “Company”)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company’s business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) 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) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, service tax and other statutory dues applicable to it. The provisions relating to duty of excise, sales-tax, duty of custom, value added tax, employee state insurance are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to duty of excise, sales-tax, duty of custom, value added tax, employee state insurance are not applicable to the Company.
- (c) According to the information and explanations given to us, there are no dues of income tax, service tax, and cess which have not been deposited on account of any dispute. The provisions relating to duty of excise, sales-tax, duty of custom, value added tax, employee state insurance are not applicable to the Company.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not taken any loans from any financial institution or bank. The Company has not defaulted in repayment of dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Act in respect of the private placement of preference shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.
- For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004
- per **Kalpesh Jain**
Partner
Membership Number: 106406
- Mumbai
May 17, 2017

ANNEXURE 2

referred in our report of even date

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 DB Infomedia Private Limited (the "Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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 its business, including adherence to the 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.

AUDITOR'S RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 March 31, 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 **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Kalpesh Jain**

Partner

Membership Number: 106406

Mumbai

May 17, 2017

BALANCE SHEET

as at March 31, 2017

		(₹)	
	Notes	March 31, 2017	March 31, 2016
ASSETS			
Non-current assets			
Property, plant and equipment	6 (a)	3,065,376	5,284,561
Intangible assets	6 (b)	7,935	9,619
Financial assets			
Investments	7	11,229,140	-
Other assets	9	249,700	1,105,000
		14,552,151	6,399,180
Current assets			
Financial assets			
Cash and cash equivalents	8	220,486	1,022,450
Other assets	9	1,991,405	1,655,749
		2,211,891	2,678,199
Total		16,764,042	9,077,379
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	10,505,000	505,000
Other equity			
Equity component of Compound Financial Instruments		57,977,369	10,081,636
Retained earnings		(66,388,015)	(41,766,037)
Total equity attributable to equity holders		2,094,354	(31,179,401)
Liabilities			
Non-current liabilities			
Financial liabilities			
Long-term borrowings	11	10,122,631	18,364
Current liabilities			
Financial liabilities			
Short-term borrowings	12	4,126,719	38,391,194
Other financial liabilities	13	367,154	1,451,150
Other liabilities	14	53,184	396,072
		4,547,057	40,238,416
Total		16,764,042	9,077,379

Summary of significant accounting policies
3

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

As per our report of even date

 For **S.R. Batliboi & Associates LLP**

ICAI Firm registration number:

101049W/E300004

Chartered Accountants

 per **Kalpesh Jain**

Partner

Membership No. 106406

Place: Mumbai

Date: May 17, 2017

For and on behalf of the Board of Directors of

DB Infomedia Private Limited
Rajeev Chaturvedi

Director

Place: Bhopal

Date: May 17, 2017

Manoj Garg

Director

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2017

	Notes	For the year ended March 31, 2017	For the period from February 16, 2015 to March 31, 2016
(₹)			
INCOME			
Revenue from operations	15	93,000	-
Total income		93,000	-
EXPENSES			
Employee benefit expenses	16	6,912,330	11,025,041
Depreciation and amortisation expenses	6 (a) & (b)	1,234,268	1,169,626
Finance costs	18	4,021,271	1,666,590
Other expenses	17	12,547,109	27,904,780
Total expense		24,714,978	41,766,037
Loss for the year / period		(24,621,978)	(41,766,037)
Attributable to:			
Equity holders		(24,621,978)	(41,766,037)
Other Comprehensive Income ('OCI')		-	-
Total comprehensive income for the year / period			
Attributable to:			
Equity holders		(24,621,978)	(41,766,037)
Loss per equity share	19		
[nominal value of share ₹ 10]			
Basic and diluted		(99.38)	(827.05)
Summary of significant accounting policies	3		

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

As per our report of even date

For **S.R. Batliboi & Associates LLP**

ICAI Firm registration number:

101049W/E300004

Chartered Accountants

per **Kalpesh Jain**

Partner

Membership No. 106406

Place: Mumbai

Date: May 17, 2017

For and on behalf of the Board of Directors of

DB Infomedia Private Limited

Rajeev Chaturvedi

Director

Manoj Garg

Director

Place: Bhopal

Date: May 17, 2017

STATEMENT OF CHANGE IN EQUITY

as at and for the year ended March 31, 2017

(₹)

Particulars	Equity share capital	Equity component of compound financial instrument	Reserve and surplus	Total
			Retained earnings	
Shares issued during the year	505,000	-	-	505,000
1,000,000 0.01% Compulsorily convertible debentures ("CCD")	-	9,996,500	-	9,996,500
1,000 7.5% redeemable preference share	-	85,136	-	85,136
Loss for the period	-	-	(41,766,037)	(41,766,037)
As at March 31, 2016	505,000	10,081,636	(41,766,037)	(31,179,401)
Loss for the year	-	-	(24,621,978)	(24,621,978)
Conversion of Compulsorily convertible debentures ("CCD")	10,000,000	(9,996,500)	-	3,500
680,000 7.5% redeemable preference share	-	57,892,233	-	57,892,233
As at March 31, 2017	10,505,000	57,977,369	(66,388,015)	2,094,354

Summary of significant accounting policies

3

As per our report of even date

 For **S.R. Batliboi & Associates LLP**

ICAI Firm registration number:

101049W/E300004

Chartered Accountants

 per **Kalpesh Jain**

Partner

Membership No. 106406

Place: Mumbai

Date: May 17, 2017

For and on behalf of the Board of Directors of

DB Infomedia Private Limited
Rajeev Chaturvedi

Director

Place: Bhopal

Date: May 17, 2017

Manoj Garg

Director

CASH FLOW STATEMENT

for the year ended March 31, 2017

(₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the year / period	(24,621,978)	(41,766,037)
Adjustments to reconcile loss for the period to net cash flows		
Loss on sale / disposal of property, plant and equipments (net)	998,272	-
Finance costs	4,021,271	1,656,884
Depreciation and amortisation expenses	1,234,268	1,169,626
Operating loss before working capital changes	(18,368,167)	(38,939,527)
Changes in working capital		
Decrease / (increase) in other current asset	519,644	(2,760,749)
(Decrease) / increase in other financial liabilities	(1,030,342)	1,451,150
(Decrease) / increase in other current financial liabilities	(342,888)	396,072
Cash used in operations	(853,586)	(913,527)
Net cash used in operating activities (A)	(19,221,753)	(39,853,054)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(88,865)	(6,463,806)
Proceeds from sale of property, plant and equipments	77,194	-
Purchase of shares in subsidiary company	(11,229,140)	-
Net cash used in investing activities (B)	(11,240,811)	(6,463,806)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	-	10,000,000
Proceeds from short-term borrowings	19,500,000	36,900,000
(Repayment) of short-term borrowings	(56,400,000)	-
Proceeds from issue of equity shares	-	505,000
Proceeds from issue of preference shares	68,000,000	100,000
Finance cost	(1,439,400)	(165,690)
Net cash generated from financing activities (C)	29,660,600	47,339,310
Net (decrease) / increase in cash and cash equivalents (A)+(B)+(C)	(801,964)	1,022,450
Cash and cash equivalents at the beginning of the year	1,022,450	-
Cash and cash equivalents at the end of the year	220,486	1,022,450
Net (decrease) / increase in cash and cash equivalents	(801,964)	1,022,450

For details of components of cash and cash equivalents, refer note 8.

As per our report of even date

For **S.R. Batliboi & Associates LLP**

ICAI Firm registration number:

101049W/E300004

Chartered Accountants

per **Kalpesh Jain**

Partner

Membership No. 106406

Place: Mumbai

Date: May 17, 2017

For and on behalf of the Board of Directors of

DB Infomedia Private Limited

Rajeev Chaturvedi

Director

Place: Bhopal

Date: May 17, 2017

Manoj Garg

Director

NOTES

to financial statements as at and for the year ended March 31, 2017

1. NATURE OF OPERATIONS:

DB Infomedia Private Limited (the 'Company') is a Company registered under the Companies Act, 2013 (the 'Act') and is limited by shares. The Company is engaged in the business of operating, managing and hosting websites / personal pages or otherwise providing audio-visual content in the domain of entertainment.

The financial statements comprise the financial statements of the Company for the year ended March 31, 2017. The Company's registered office is office Block 1A, 5th Floor, DB City Corporate Park, Arera Hills, Opp. M.P. Nagar, Zone-I, Bhopal-462042, Madhya Pradesh, India.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 17, 2017.

2. BASIS OF ACCOUNTING AND PREPARATION

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 under the provision of the Companies Act, 2013 (the 'Act') and subsequent amendments thereof

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2017 are the first financial statements that the Company has prepared in accordance with Ind AS. Refer to note 5 for information on how the Company adopted Ind AS.

The financial statements have been prepared under the historical cost basis except for financial assets and liabilities that have been measured at fair value (refer accounting policy regarding financial instruments). The financial statements have been prepared on a going concern basis.

The financial statements are presented in ₹ except when otherwise indicated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Current versus non-current classification

The Company presents assets and liabilities in

the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or Cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified period of twelve months as its operating cycle.

b. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Repair and maintenance costs are recognised in profit or loss as incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset

NOTES

to financial statements as at and for the year ended March 31, 2017

(calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

c. Depreciation and amortisation

The Company provides depreciation on property, plant and equipment using the straight line method at the rates computed based on the estimated useful lives of the assets as estimated by the management, which are equal to the corresponding rates prescribed in Schedule II to the Act. Further, Company provides amortization of intangible asset using the straight line method at the rates computed based on the estimated useful life of the assets as estimated by the management.

The Company has used the following lives to provide depreciation and amortisation on fixed assets:

Category	Useful lives (in years)
Office equipment	5
Furniture and fixtures	10
Electrical fittings and coolers	10
Computers and Servers	3 to 6
Computer Software	5

Leasehold improvements are depreciated on a straight line basis over the shorter of the estimated useful life of the asset or the lease term, which does not exceed 10 years.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

d. Intangible assets :

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

e. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's ('CGU') fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, wherever applicable, a long term growth rate is calculated and applied to projected future cash flows after the fifth year.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

f. 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.

Where the Company is the lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on

NOTES

to financial statements as at and for the year ended March 31, 2017

a straight-line basis over the lease term.

g. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sales tax / value added tax (VAT) and service tax is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Portal and wireless revenue

Revenue is recognised as and when the related services are rendered as per the terms of agreement and are disclosed net of trade discounts.

h. Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

i. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme

as expenses, when an employee renders the related service.

j. Income taxes

Current income tax

Current income tax liabilities are measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit and loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

k. 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 an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

l. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

NOTES

to financial statements as at and for the year ended March 31, 2017

m. Earnings per equity share ('EPS')

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year.

n. Cash and cash equivalents

Cash and cash equivalent in the balance sheet and cash flow statement comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

o. 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

Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset.

Subsequent measurement

Financial assets at amortised cost

For purposes of subsequent measurement, financial assets which include debt instruments are measured at amortised cost.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss, loans and borrowings, payables, or as derivatives financial instruments, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS:

Significant judgement:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates

Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets.

Operating lease commitments – Company as lessee

The Company has entered into commercial property leases for its offices and premises. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership

NOTES

to financial statements as at and for the year ended March 31, 2017

of these properties and accounts for the contracts as operating leases.

5. FIRST TIME ADOPTION OF IND AS

These financial statements, for the year ended March 31, 2017, are the first Ind AS financial statements that the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ended on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016 as described in the summary of significant accounting policies.

Exemptions and exceptions applied

The estimates at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- a) Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as of March 31, 2016.

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' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from April 1, 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 statement is being evaluated.

Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company does not have any cash settled award as at March 31 2017.

Reconciliation of equity as per IGAAP and Ind AS for the year ended March 31, 2016:

There is no difference between the equity as per the Indian GAAP and Ind AS.

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to financial statements as at and for the year ended March 31, 2017

6 (a) Property, plant and equipments

Particulars	Leasehold improvements	Office equipments	Furniture and fixtures	Electric fittings, fans and coolers	Computers	Total
Additions during the period	647,747	1,809,405	702,929	513,154	2,779,940	6,453,175
Gross block value as at March 31, 2016	647,747	1,809,405	702,929	513,154	2,779,940	6,453,175
Additions during the year	-	53,497	-	-	35,368	88,865
Deletion during the year	(647,747)	(53,399)	(442,877)	(36,663)	(92,100)	(1,272,786)
Gross block value as at March 31, 2017	-	1,809,503	260,052	476,491	2,723,208	5,269,254
Depreciation for the period	40,351	313,167	50,000	47,690	717,406	1,168,614
Accumulated depreciation as at March 31, 2016	40,351	313,167	50,000	47,690	717,406	1,168,614
Depreciation for the year	36,086	345,252	49,269	47,067	754,909	1,232,584
Accumulated depreciation on disposals	(76,437)	(15,790)	(51,836)	(5,587)	(47,669)	(197,320)
Accumulated depreciation as at March 31, 2017	-	642,629	47,433	89,170	1,424,646	2,203,878
Net block as at March 31, 2016	607,396	1,496,238	652,929	465,464	2,062,534	5,284,561
Net block as at March 31, 2017	-	1,166,874	212,619	387,321	1,298,562	3,065,376

6 (b) Intangible assets:

Particulars	Computer software	Total
Additions during the period	10,631	10,631
Gross block value as at March 31, 2016	10,631	10,631
Gross block value as at March 31, 2017	10,631	10,631
Depreciation for the period	1,012	1,012
Accumulated depreciation as at March 31, 2016	1,012	1,012
Depreciation for the year	1,684	1,684
Accumulated depreciation as at March 31, 2017	2,696	2,696
Net block as at March 31, 2016	9,619	9,619
Net block as at March 31, 2017	7,935	7,935

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to financial statements as at and for the year ended March 31, 2017

Financial Assets

7. INVESTMENTS:

Particulars	(₹)	
	March 31, 2017	March 31, 2016
Non-trade investments (fully paid up, valued at cost unless stated otherwise)		
In subsidiaries:		
Unquoted investment in equity shares:		
1,122,914 (March 31, 2016: Nil) equity shares of ₹ 10/- each of I Media Corp Ltd.	11,229,140	-
	11,229,140	-

8. CASH AND CASH EQUIVALENTS:

Particulars	(₹)	
	March 31, 2017	March 31, 2016
Balances with banks:		
On current account	220,486	1,022,450
	220,486	1,022,450

9. OTHER ASSETS:

(Unsecured, considered good unless stated otherwise)

Particulars	(₹)			
	Non-current		Current	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
a Security deposits:				
Deposit with others	249,700	1,105,000	-	-
	249,700	1,105,000	-	-
b Other loans and advances :				
Balances with statutory / government authorities	-	-	1,111,739	772,804
Advances recoverable in cash or kind or for value to be received	-	-	879,666	882,945
	249,700	1,105,000	1,991,405	1,655,749

10. SHARE CAPITAL:

Particulars	(₹)	
	March 31, 2017	March 31, 2016
Authorised shares:		
4,100,000 (March 31, 2016: 100,000) equity shares of ₹ 10 each	41,000,000	1,000,000
1,000,000 (March 31, 2016: 1,400,000) 7.5% redeemable preference shares of ₹ 100 each	100,000,000	140,000,000
	141,000,000	141,000,000
Issued, subscribed and fully paid-up shares		
1,050,500 equity shares (March 31, 2016: 50,500) of ₹ 10 each fully paid up [refer note (a) and (b) below]	10,505,000	505,000
	10,505,000	505,000

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to financial statements as at and for the year ended March 31, 2017

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

Equity shares:

Particulars	March 31, 2017		March 31, 2016	
	Nos.	₹	Nos.	₹
At the beginning of the year	50,500	505,000	-	-
Shares Issued during the year	1,000,000	10,000,000	50,500	505,000
Outstanding at the end of the year	1,050,500	10,505,000	50,500	505,000

(b) Terms/ rights attached to each class of shares

Equity shares

The Company has only one class of equity shares having a par value ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

The Company has converted debentures of ₹ 1 crore into 1,000,000 equity shares of face value of ₹ 10 each for the value of ₹ 1 crore.

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 shareholders.

(c) Details of shares held by holding company and shareholders holding more than 5% shares of the Company

Name of shareholders	March 31, 2017		March 31, 2016	
	Nos.	% of holding	Nos.	% of holding
Equity share of ₹ 10 each fully paid				
D.B. Corp Limited, the holding company and it's nominees	1,050,500	100.00	45,500	90.09
Varun Malhotra	-	-	5,000	9.91

11. LONG-TERM BORROWINGS:

Particulars	(₹)	
	March 31, 2017	March 31, 2016
Nil (March 31, 2016: 1,000,000) 0.01% Compulsorily convertible debentures ("CCD")* [refer note 20 (b)]	-	3,500
681,000 (March 31, 2016: 1,000) 7.5% redeemable preference share of ₹ 100 each**	10,122,631	14,864
	10,122,631	18,364

*The Company has converted CCDs in to 1,000,000 equity shares of face value of ₹ 10 each for the value of ₹ 1 crore during the financial year ended March 31, 2017.

**The Company has issued only one class of 7.5% redeemable preference shares having face value of ₹ 100 per share which are redeemable at par, at any time at the option of shareholder but before completion of 20 years from date of issue. Each shareholder is entitled to one vote per share.

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to financial statements as at and for the year ended March 31, 2017

12. SHORT-TERM BORROWINGS:

Particulars	(₹)	
	March 31, 2017	March 31, 2016
Loan from holding company [refer note 20 (b)]	4,126,719	38,391,194
	4,126,719	38,391,194

13. OTHER FINANCIAL LIABILITIES:

Particulars	(₹)	
	March 31, 2017	March 31, 2016
Accrued expenses	367,154	1,451,150
	367,154	1,451,150

14. OTHER LIABILITIES:

Particulars	(₹)	
	March 31, 2017	March 31, 2016
Other payables:		
Statutory liabilities	53,184	396,072
	53,184	396,072

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to financial statements as at and for the year ended March 31, 2017

(₹)

Particulars	For the year ended March 31, 2017	For the period from February 16, 2015 to March 31, 2016
15 REVENUE FROM OPERATIONS:		
Portal revenue	93,000	-
	93,000	-
16 EMPLOYEE BENEFIT EXPENSES:		
Salaries, wages and bonus	6,199,943	9,120,454
Contribution to provident fund and other contribution plans	321,480	534,497
Workmen and staff welfare expenses	390,907	1,370,090
	6,912,330	11,025,041
17 OTHER EXPENSES:		
Subcontracting charges	2,992,154	5,825,510
Survey expenses	2,785,951	4,218,822
Rent (refer note 24)	1,603,868	2,655,560
Video recording expenses	1,366,869	4,266,208
Traveling and conveyance	744,470	2,672,261
Online subscription charges	813,692	847,415
Communication expenses	342,578	525,707
Legal and professional charges (refer note 23)	148,130	3,385,916
Business promotion expenses	22,020	498,111
Electricity and water charges	241,827	381,373
Repair and maintenance:-		
Machinery	550	88,594
Building	-	72,805
Others	89,300	504,889
Loss on sale / disposal of property, plant and equipment (net)	998,272	-
Miscellaneous expenses	397,428	1,961,609
	12,547,109	27,904,780
18 FINANCE COSTS:		
Interest expense:		
On others	4,021,271	1,666,590
	4,021,271	1,666,590

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to financial statements as at and for the year ended March 31, 2017

19. LOSS PER EQUITY SHARE:

Particulars	For the year ended March 31, 2017	For the period from February 16, 2015 to March 31, 2016
Net loss for the year / period (₹)	(24,621,978)	(41,766,037)
Weighted average number of equity shares outstanding for EPS (nos)	247,760	50,500
Weighted average number of equity shares outstanding for diluted EPS (nos)	247,760	859,719
Basic earnings per share (₹)	(99.38)	(827.05)
Diluted earnings per share (₹)	(99.38)	(827.05)
Face value per share (₹)	10	10

20. RELATED PARTY DISCLOSURE

(a) Following is the list of related parties:

Particulars	Related parties
Related parties where control exists	
Holding Company	D. B. Corp Limited
Subsidiary Company	I Media Corp Limited (with effect from January 19, 2017)
Related parties with whom transaction have taken place during the year	
Holding Company	D. B. Corp Limited

(b) Details of transactions with related parties:

Particulars	Transactions for the year ended		Amount payable as at	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
D. B. Corp Limited				
Interest expenses	4,019,658	1,656,884	(3,671,099)	(1,437,787)
Subscription of equity shares	-	455,000	-	-
Subscription of preference shares	68,000,000	100,000	-	-
Subscription of 0.01% compulsorily convertible debentures	-	10,000,000	-	-
Conversion of 0.01% compulsorily convertible debentures	10,000,000	-	-	-
Purchase of equity of IMCL	11,229,140	-	-	-
Loan taken from holding company	19,500,000	36,900,000	-	(36,900,000)
Loan repaid to holding company	(56,400,000)	-	-	-
Other outstanding balances	-	-	(455,620)	(53,408)

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. These transactions are approved by the board of directors. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The Company has not recorded any impairment of receivables relating to amounts owed by related parties during the year ended March 31, 2017 and March 31, 2016. This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.

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to financial statements as at and for the year ended March 31, 2017

21. SEGMENT INFORMATION

Since there is only one business and one geographical segment, separate segment disclosure is not provided.

22. DUES TO MICRO AND SMALL ENTERPRISES

The Company does not have any dues outstanding to the Micro and Small Enterprises as defined in Micro, Small and Medium Enterprise Development Act, 2006. The identification of Micro, Small and Medium Enterprises is based on information available with the management regarding the status of these parties which is being relied upon by the auditors.

23. AUDITORS' REMUNERATION [INCLUDED IN LEGAL AND PROFESSIONAL FEES (UNDER NOTE 17)]:

Particulars	(₹)	
	March 31, 2017	March 31, 2016
As Auditor		
Audit fees	50,000	50,000

24. OPERATING LEASE (FOR ASSETS TAKEN ON LEASE):

Rentals in respect of operating leases are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

- a) The Company has taken office premises under operating lease agreements. This is renewable on mutual consent.
- b) Lease payments recognized for the year are ₹ 1,603,868 (March 31, 2016 ₹ 2,655,560).

There are no restrictions imposed in these lease agreements. There are no purchase options. There are no sub leases.

As per our report of even date

For **S.R. Batliboi & Associates LLP**
ICAI Firm registration number:
101049W/E300004
Chartered Accountants

per **Kalpesh Jain**
Partner
Membership No. 106406
Place: Mumbai
Date: May 17, 2017

For and on behalf of the Board of Directors of
DB Infomedia Private Limited

Rajeev Chaturvedi
Director

Place: Bhopal
Date: May 17, 2017

Manoj Garg
Director