

INDEPENDENT AUDITOR'S REPORT

To The Members of ALT Digital Media Entertainment Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of ALT Digital Media Entertainment Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit



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evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors (i) in planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The financial statements of the Company for the year ended March 31, 2022, were audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 20, 2022.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows 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 financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid/ provided any remuneration to its directors during the year and hence the provisions of section 197(16) of the Companies Act, 2013 are not applicable to the Company.



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- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 37 to the financial statements.;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 36 (g) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 36 (h) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



Pallavi Sharma

Pallavi Sharma

(Partner)

(Membership No. 113861)

(UDIN 23113861BGXTSU3590)

Place: Mumbai
Date: 30th May 2023

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Report on Internal Financial Controls with reference to financial statements

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of ALT Digital Media Entertainment Limited on the financial statements of the Company for the year ended March 31, 2023)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of ALT Digital Media Entertainment Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS 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 with reference to financial statements based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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



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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 with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements 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 issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W- 100018)



Pallavi Sharma

(Partner)

(Membership No. 113861)

(UDIN: 23113861BGXTSU3590)

Place: Mumbai

Date: May 30, 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date of ALT Digital Media Entertainment Limited on the financial statements of the Company for the year ended March 31, 2023)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

- i. (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties and hence reporting under clause(i)(c) of the Order is not applicable.

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) during the year. The Company does not have any intangible assets.

(e) Based on the information and explanations provided to us, no proceedings have been initiated during the year or are pending against the company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The Company does not hold any inventory (i.e., goods). Thus, reporting under clause (ii) (a) is not applicable.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- iii. The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- iv. The Company has complied with the provisions of Sections 186 of the Companies Act, 2013 in respect of investments made. The Company has not granted any loans or provided guarantees or securities to the parties that are covered under the provisions of the Section 185 and 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposit or amount which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- vi. Having regard to the nature of the Company's business / activities, reporting under clause (vi) of Order is not applicable.



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vii. In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Income-tax, Provident Fund, Employees' State Insurance, Cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities.

We have been informed that the provisions of the Sales tax, Value Added Tax, duty of Customs, duty of Excise, are not applicable to the Company. There were no undisputed amounts payable in respect of Goods and Service tax, Income-tax, Provident Fund, Employees' State Insurance, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2023.

viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

ix. (a) Loans amounting to Rs. 309.08 lacs outstanding as at March 31, 2023 are repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. According to the information and explanations given to us, such loans and interest thereon have not been demanded for repayment during the financial year. Considering the above, in our opinion, the Company has not defaulted in the repayment of loans or other borrowings, or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations provided to us, the Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for the long-term purposes by the Company.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(f) of the Order is not applicable.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) The Company has made preferential allotment of shares during the year. For such allotment of shares, the Company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013, and the funds raised have been, *prima facie*, applied by the Company during the year for the purposes for which the funds were raised. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures or private placement of shares during the year.



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- xi. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. (a) In our opinion, the company has an adequate internal audit system commensurate with the size and the nature of the business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period up to December 2023 and the draft of the internal audit reports where issued after the balance sheet covering the period January 2023 to March 2023 for the period under audit.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its director and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence reporting under clause (xvi)(a), (b), (c) and (d) of the Order is not applicable.
- The Group does not have any Core Investment Company (CIC) as part of the group as per the definition of group contained in the Core Investments Companies (Reserve Bank) Directions, 2016 and hence the reporting under the clause (xvi)(d) of the order is not applicable.
- xvii. The Company has incurred cash losses amounting to Rs. 2,238.69 lacs during the financial year covered by our audit and Rs. 3,757.29 lacs in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities



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falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. The Company was not having net worth of rupees five hundred crores or more, or turnover of rupees one thousand crores or more or a net profit of rupees five crores or more during the immediately preceding financial year and hence the provisions of Section 135 of the Companies Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No. 117366W/W- 100018)



Pallavi Sharma

(Partner)

(Membership No. 113861)

(UDIN: 23113861BGXTSU3590)

Place: Mumbai

Date: May 30, 2023

ALT DIGITAL MEDIA ENTERTAINMENT LIMITED
Balance Sheet as at March 31, 2023

Particulars	Note No.	As at	As at
		March 31, 2023	March 31, 2022
		(₹ in Lacs)	(₹ in Lacs)
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4.1	29.73	48.10
(b) Intangible assets	4.2	-	-
(b) Right of use Asset	5	-	25.22
(c) Financial assets			
(i) Investments	6	775.38	1,500.00
(d) Non-current tax asset	8	89.52	132.27
(e) Other non-current assets	12	7,817.41	7,375.17
Total Non-current assets		8,712.04	9,080.76
Current assets			
(a) Inventories	7	3,478.28	7,752.84
(b) Financial assets			
(i) Trade receivables	9	2,135.16	3,333.70
(ii) Cash and cash equivalents	10	614.99	177.99
(iii) Other financial assets	11	43.67	42.51
(c) Other current assets	12	8,849.32	8,283.34
Total current assets		15,121.42	19,590.38
Total assets		23,833.46	28,671.14
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	13	69,464.59	62,005.00
(b) Other equity	14	(59,784.85)	(61,671.89)
Total equity		9,679.74	333.11
LIABILITIES			
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	309.08	1,199.72
(ii) Lease liability	5	-	32.46
(iii) Trade payables			
(I) Total outstanding dues of micro enterprises and small enterprises	16	151.38	154.98
(II) Total outstanding dues to creditors other than micro enterprises and small enterprises above	16	12,126.21	23,542.56
(b) Other current liabilities	17	1,567.05	3,408.31
Total current liabilities		14,153.72	28,338.03
Total equity and liabilities		23,833.46	28,671.14

Significant Accounting Policies

1-3

See accompanying Notes to the financial statements

4-41

As per our Report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm Registration No. 117366W/ W-100018

Pallavi Sharma

Pallavi Sharma

Partner

Membership No: 113861

Place : Mumbai

Date : May 30, 2023

For and on behalf of the Board of Directors

D.G. Rajan

D.G. Rajan

(Audit Committee Chairman)

DIN: 00303060

Place : Chennai

Ramesh Sippy

Ramesh Sippy

(Director)

DIN: 00652881

Place : Mumbai

Abhishek Kumar

Abhishek Kumar

(Group Chief Executive Officer)

Place : Mumbai

Sanjay Dwivedi

Sanjay Dwivedi

(Group Chief Financial Officer)

Place : Mumbai

Manisha Pathak

Manisha Pathak

(Company Secretary)

Place : Mumbai

Date : May 30, 2023



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ALT DIGITAL MEDIA ENTERTAINMENT LIMITED
Statement of Profit and Loss for the year ended March 31, 2023

Particulars	Note No.	Year ended	Year ended
		March 31, 2023	March 31, 2022
		(₹ in Lacs)	(₹ in Lacs)
(I) INCOME			
(I) Revenue from operations	18	5,492.53	10,262.46
(II) Other income	19	24.72	71.39
(III) Total income (I+II)		5,517.25	10,333.85
(IV) EXPENSES			
(a) Direct cost	20	8,020.75	15,193.52
(b) Employee benefits expense	21	407.53	432.10
(d) Finance cost	22	1,059.10	39.19
(c) Depreciation and amortization expense	23	50.14	131.50
(e) Marketing expenses	24	649.90	3,380.17
(f) Other expenses	25	3,005.62	4,811.98
Total expenses (IV)		13,193.04	23,988.46
(V) (Loss) before tax (III-V)		(7,675.79)	(13,654.61)
(VI) Tax expense	29		
(a) Current tax		-	-
(b) Deferred tax		-	-
Total		-	-
(VII) (Loss) for the year (VI-VII)		(7,675.79)	(13,654.61)
(VIII) Other comprehensive income			
Items that will not be reclassified to profit or loss			
Gain from investments in equity instruments designated at fair value through other comprehensive income	37	31.25	-
Remeasurements of post-employment benefit obligations	27	9.52	3.79
Total other comprehensive income for the year		40.77	3.79
(IX) Total comprehensive income for the year (VIII+IX)		(7,635.02)	(13,650.82)
(X) Earnings per Equity share (in ₹) (Face Value of ₹ 10 each)	28		
(1) Basic		(1.23)	(2.20)
(2) Diluted		(1.23)	(2.20)

Significant Accounting Policies 1-3
See accompanying Notes to the financial statements 4-41
As per our Report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. 117366W/ W-100018

Pallavi Sharma
Pallavi Sharma
Partner

Membership No: 113861
Place : Mumbai
Date : May 30, 2023



For and on behalf of the Board of Directors

D.G. Rajan

D.G Rajan
(Audit Committee Chairman)
DIN: 00303060
Place : Chennai

Ramesh Sippy

Ramesh Sippy
(Director)
DIN: 00652881
Place : Mumbai

Abhishek Kumar

Abhishek Kumar
(Group Chief Executive Officer)
Place : Mumbai

Sanjay Dwivedi

Sanjay Dwivedi
(Group Chief Financial Officer)
Place : Mumbai

Manisha Pathak

Manisha Pathak
(Company Secretary)
Place : Mumbai
Date : May 30, 2023

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ALT DIGITAL MEDIA ENTERTAINMENT LIMITED
Statement of Cash Flows for the year ended March 31, 2023

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	(₹ in Lacs)		(₹ in Lacs)	
A. Cash Flow from Operating Activities				
Loss before tax as per the Statement of Profit and Loss		(7,675.79)		(13,654.61)
Adjusted for:				
Employee share based payment expense	(92.46)		296.63	
Provision for bad and doubtful debts	52.66		-	
Loss on fair valuation of current investments	-		37.29	
Lease rent concession	(6.42)		(42.28)	
Provision for gratuity expenses	5.24		7.94	
Interest on Income tax refund	(5.90)		(13.73)	
Foreign exchange (gain)/loss (Net)	3.68		12.54	
Amortisation of Inventory	4,675.52		10,169.92	
Unwinding of discount on security deposit	(1.16)		(4.05)	
Profit on sale of current investments (net)	-		(48.62)	
Depreciation and amortisation	50.14		131.50	
Discontinued Shows written off	-		561.56	
Interest on Lease liabilities	0.25		6.84	
Interest on borrowings	1,058.41		21.91	
Interest on deferred payment	0.44		10.44	
Operating (loss) before working capital changes		(1,935.39)		(2,506.71)
Adjusted for Working Capital Changes				
Decrease in trade receivables	1,142.19		841.64	
(Increase)/Decrease in Inventory	(400.96)		561.63	
(Increase) in other current assets	(554.74)		(4,694.16)	
(Decrease)/ Increase in trade payables	(11,422.94)		340.95	
(Increase)/Decrease in other non- current assets	(442.24)		1,719.04	
(Decrease)/ Increase in other current liabilities	(1,836.98)		1,502.03	
Cash from operations	(13,515.67)		271.12	
Taxes paid / (Refund) (net)	48.65		(59.92)	
Net cash used in operating activities		(15,402.41)		(2,295.51)
B. Cash Flow from Investing Activities				
Proceeds from sale of investments	755.87		1,014.31	
Payment for Property, plant and equipment	(6.54)		(32.03)	
Net cash flow from investing activities		749.33		982.28
C. Cash Flow from Financing Activities				
Proceeds from borrowings	15,420.96		1,180.00	
Repayment of borrowings	(295.00)		-	
Share issue costs	(0.88)		-	
Payment of principal portion of lease liability	(34.31)		(72.56)	
Interest expenses on lease liability	(0.25)		(6.84)	
Interest on deferred payment	(0.44)		(10.44)	
Net cash flow from financing activities		15,090.08		1,090.16
Net increase/ (decrease) in Cash and Cash equivalents		437.00		(223.07)
Opening balance of Cash and Cash equivalents (Refer Note 10)		177.99		401.07
Closing balance of Cash and Cash equivalents (Refer Note 10)		614.99		177.99

Significant Accounting Policies

1-3

See accompanying Notes to the financial statements:

4-41

As per our Report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. 117366W/ W-100018

Pallavi Sharma
Pallavi Sharma
Partner

Membership No: 113861
Place : Mumbai
Date : May 30, 2023

For and on behalf of the Board of Directors

D.G. Rajan
D.G. Rajan
(Audit Committee Chairman)

DIN: 00303060
Place : Chennai

Abhishek Kumar
Abhishek Kumar
(Group Chief Executive Officer)

Place : Mumbai

Mamisha Pathak
Mamisha Pathak
(Company Secretary)

Place : Mumbai
Date : May 30, 2023

Ramesh Sippy
Ramesh Sippy
(Director)

DIN: 00652881
Place : Mumbai

Sanjay Dwivedi
Sanjay Dwivedi
(Group Chief Financial Officer)

Place : Mumbai



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ALT DIGITAL MEDIA ENTERTAINMENT LIMITED
Statement Of Changes In Equity for the year ended March 31, 2023

A. Equity share capital

Particulars	(₹ in Lacs)
As at March 31, 2021	62,005.00
Changes in equity share capital during the year	-
As at March 31, 2022	62,005.00
Changes in equity share capital during the year	7,459.59
As at March 31, 2023	69,464.59

B. Other Equity

Particulars	Reserves and surplus	Share options outstanding account	Securities Premium Reserve	Total
	Retained earnings/ (Deficit in Statement of Profit and Loss)			
As at April 1, 2021	(48,642.03)	324.33	-	(48,317.70)
Loss for the year	(13,654.61)	-	-	(13,654.61)
Other comprehensive income for the year	3.79	-	-	3.79
Employee stock option expense (Refer note 33)	-	296.63	-	296.63
As at March 31, 2022	(62,292.85)	620.96	-	(61,671.89)
As at April 1, 2022	(62,292.85)	620.96	-	(61,671.89)
Share Issue costs	(0.88)	-	-	(0.88)
Loss for the year	(7,675.79)	-	-	(7,675.79)
Other comprehensive income for the year	40.77	-	-	40.77
Employee stock option expense (Refer note 33)	-	(92.46)	-	(92.46)
Increase on account of issue of equity shares	-	-	9,615.41	9,615.41
As at March 31, 2023	(69,928.76)	528.50	9,615.41	(59,784.85)

Significant Accounting Policies

1-3

See accompanying Notes to the financial statements

4-41

As per our Report of even date.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm Registration No. 117366W/ W-100018

Pallavi Sharma

Pallavi Sharma

Partner

Membership No: 113861

Place : Mumbai

Date : May 30, 2023

For and on behalf of the Board of Directors

D.G. Rajan

D.G Rajan
(Audit Committee Chairman)

DIN: 00303060

Place : Chennai

Abhishek Kumar

Abhishek Kumar
(Group Chief Executive Officer)

Place : Mumbai

Manisha Pathak

Manisha Pathak
(Company Secretary)

Mumbai

Date: May 30, 2023

Ramesh Sippy

Ramesh Sippy
(Director)

DIN: 00652881

Place : Mumbai

Sanjay Dwivedi

Sanjay Dwivedi
(Group Chief Financial Officer)

Place : Mumbai



ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of financial statements for the year ended March 31, 2023

Note 1: Background

ALT Digital Media Entertainment Limited was incorporated on July 1, 2015 under the Companies Act, 2013. The Company is in the B2C and B2B digital content business and operates a subscription based video on demand (SVOD) over the top (OTT) platform.

Note 2: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements.

(a) Basis of preparation

(I) The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

All assets and liabilities have been classified as current and non-current as per the company's normal operating cycle and other criteria's set out in the Schedule III to the Companies Act, 2013.

Based on the nature of products/services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

(II) Historical cost convention

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

- i. certain financial assets and liabilities that are measured at fair value;
- ii. defined benefit plans - plan assets measured at fair value.
- iii. Share based payments

(III) Standards Issued but Not Effective

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

- i) Ind AS 101 - First-time Adoption of Indian Accounting Standards
- ii) Ind AS 102 - Share-based Payment
- iii) Ind AS 103 - Business Combination
- iv) Ind AS 107 - Financial Instruments Disclosures
- v) Ind AS 109 - Financial Instruments
- vi) Ind AS 115 - Revenue from Contracts with Customers
- vii) Ind AS 1 - Presentation of Financial Statements
- viii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- ix) Ind AS 12 - Income Taxes
- x) Ind AS 34 - Interim Financial Reporting

Application of above standards are not expected to have any significant impact on the company's financial statements.

(b) Segment Reporting

Operating segments are reported in a manner consistent with the reporting provided to the chief operating decision maker (CODM). The chief operating decision maker of the Company consists



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ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of financial statements for the year ended March 31, 2023

of the directors who assesses the financial performance and position of the Company, and makes strategic decisions. Refer note 30.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency.

(ii) Transactions and balances:

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit and Loss. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(d) Revenue Recognition

The Company derives revenue from licensing, subscription and service fee for content development from its customers. Some of the contracts include multiple deliverables, such as promises to provide a library of content at inception as well as content updates over the term. The Company identifies and evaluate each performance obligation under the contract. Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognised either when the performance obligation in the contract has been performed ('point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer.

The Company has determined that most license revenues are satisfied at a point in time due to their being limited ongoing involvement in the use of the license following its transfer to the customer.

The Company recognises subscription revenue over the subscription period.

The Company recognises revenue from service fee for content development where IP is shared with the customer, as the services are performed.

The transaction price, being the amount to which the Company expects to be entitled and has rights to under the contract is allocated to the identified performance obligations. The transaction price will also include an estimate of any variable consideration where the Company's performance may result in additional revenues based on the achievement of agreed targets.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the company does not adjust any of the transaction prices for the time value of money.

Revenue excludes any taxes and duties collected on behalf of the government.

(e) Interest and Dividend Income Recognition

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's carrying amount on initial recognition.



ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of financial statements for the year ended March 31, 2023

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(f) Income Taxes

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

(g) Leases

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives receivable
- Variable lease payments
- Amount expected to be payable by the group under residual value guarantee

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct cost and restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

(h) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



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ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of financial statements for the year ended March 31, 2023

(i) Inventories

Inventory comprises of web series and film rights which are carried at the lower of cost and net realizable value. Cost is determined at actual cost and includes all costs incurred to produce/acquire the web series/film rights. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Inventory is amortized as per the amortization policy of the company based on expected pattern of realization of economic benefits.

Original web series are amortised on an accelerated basis considering the expected pattern of realisation of economic benefits and the expected viewing pattern associated with the content. The amortization begins when the series/episode is launched on the company's OTT platform.

For acquired web series and film rights, amortization is done on straight line basis over the period of the license.

For music, amortization starts when songs are being featured and utilized in web series till the end of license period.

For any additional cost incurred to acquire an item of inventory after its launch date, accelerated amortization is provided on an episodic basis from the original launch date of the particular episode in the month of the additional cost being incurred.

Dubbing and Subtitling costs are charged to the Statement of Profit and Loss as and when incurred.

(j) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at the fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate method, less loss allowance.

(k) Financial Instruments

(i) Financial Assets

Classification:

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or Other Comprehensive Income.

Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging



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ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of financial statements for the year ended March 31, 2023

relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income:

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

Other financial assets are designated as at fair value through profit or loss on initial recognition.

Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of Financial Assets

A financial asset is de-recognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(ii) Financial Liabilities:

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.



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ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of financial statements for the year ended March 31, 2023

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

(l) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(m) Property, Plant and Equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate the cost of the asset, net of their residual values, if any, over their estimated useful lives which are in accordance with the useful lives prescribed under Schedule II to the Companies Act, 2013 except for the following assets which are depreciated as per management estimates of their useful life which are as under:

Leasehold improvements – on a straight-line basis over the period of lease

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is higher than its estimated recoverable amount.

Losses arising from the retirement of, and gains or losses arising from the disposal of a tangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

(n) Intangible assets:

(i) Recognition and Measurement

Intangible assets are recognized if they are separately identifiable and the company controls the future economic benefits arising out of them. All other expenses on intangible items are charged to the Statement of Profit and Loss. Intangible assets acquired are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

(ii) Amortisation methods and periods

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

- Computer Software: 2-3 years

(o) Impairment of assets

Non-Financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable



ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of financial statements for the year ended March 31, 2023

amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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

(p) Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of managements best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are not recognized for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Where the likelihood of outflow of resources is remote, no provision or disclosure as specified in Ind AS -37 - "Provision, contingent liabilities and contingent assets" is made.

(q) Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled.

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity;
- (b) defined contribution plans such as provident fund

Defined benefit plans:

The Company has taken a Gratuity cum Life Assurance Policy from the Life Insurance Corporation of India (LIC).

The liability recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. Contributions are made to LIC in respect of gratuity based upon actuarial valuation done at the end of every financial year using 'Projected Unit Credit Method'.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.



ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of financial statements for the year ended March 31, 2023

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the statement of Profit and Loss as past service cost.

Defined contribution plans:

Contributions to Provident Fund and Pension Fund are charged to the Statement of Profit and Loss as incurred. Provident fund contributions are made to a government administered provident fund towards which the Company has no further obligations beyond its monthly contributions.

(iii) Share-based payments:

Under the Balaji Telefilms ESOP, 2017 ("the ESOP Scheme"), Balaji Telefilms Limited (the Parent Company) has granted employee stock options to the Company's employees where new shares will be issued directly to the Company's eligible employees. The fair value of the stock option is calculated using Binomial model. The cost calculated using this method is recognised as an employee benefit expense over the vesting period of the options; and a corresponding credit is recognised in equity.

(r) Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

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

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

(s) Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest two decimal digits after lacs as per the requirement of Schedule III of the Act, unless otherwise stated.

Note 3: Critical Estimates and Judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involve a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included below together with information about the basis of calculation for each affected line item in the financial statements.



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ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of financial statements for the year ended March 31, 2023

The areas involving critical estimates or judgments are:

- **Estimated useful life of Tangible and Intangible Assets:**

The Company reviews the useful lives and carrying amount of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

- **Estimation of Defined Benefit Obligation:**

The Company's obligation on account of gratuity is determined based on actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, this liability is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 27.

- **Recognition of Deferred Tax Assets:**

The recognition of deferred tax assets is based upon whether it is probable that sufficient taxable profits will be available in the future against which the reversal of temporary differences will be offset. In assessing the realizability of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Also Refer Note 29.

- **Estimates of pattern of amortization of original web series:**

The company periodically reviews the expected pattern of realization of economic benefits relating to original web series taking into account the to date and future expected viewing patterns. This reassessment may result is change in amortization of content in future periods on a prospective basis.



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ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2023

Note 4.1 - Property, plant and equipment

(₹ in Lacs)

Description of Assets	Computers	Furniture and fixtures	Office equipments	Electrical fittings	Lease Hold Improvements	Total
I. Gross Carrying Amount						
Balance as at April 1, 2022	263.08	5.92	60.46	0.21	58.19	387.86
Additions	3.36	-	3.18	-	-	6.54
Disposals	-	-	-	-	-	-
Balance as at March 31, 2023	266.44	5.92	63.64	0.21	58.19	394.40
II. Accumulated Depreciation						
Balance as at April 1, 2022	(229.63)	(3.36)	(48.41)	(0.15)	(58.19)	(339.76)
Depreciation expense	(19.35)	(0.59)	(4.97)	(0.02)	-	(24.93)
Disposals	-	-	-	-	-	-
Balance as at March 31, 2023	(248.98)	(3.95)	(53.38)	(0.17)	(58.19)	(364.67)
III. Net Carrying Amount as at March 31, 2023	17.46	1.97	10.26	0.04	-	29.73

(₹ in Lacs)

Description of Assets	Computers	Furniture and fixtures	Office equipments	Electrical fittings	Lease Hold Improvements	Total
I. Gross Carrying Amount						
Balance as at April 1, 2021	239.36	5.92	52.15	0.21	58.19	355.83
Additions	23.72	-	8.31	-	-	32.03
Disposals	-	-	-	-	-	-
Balance as at March 31, 2022	263.08	5.92	60.46	0.21	58.19	387.86
II. Accumulated Depreciation						
Balance as at April 1, 2021	(202.22)	(2.77)	(39.91)	(0.13)	(58.19)	(303.23)
Depreciation expense	(27.41)	(0.59)	(8.50)	(0.02)	-	(36.53)
Disposals	-	-	-	-	-	-
Balance as at March 31, 2022	(229.63)	(3.36)	(48.41)	(0.15)	(58.19)	(339.76)
III. Net Carrying Amount as at March 31, 2022	33.45	2.56	12.05	0.06	-	48.10

Note 4.2 Intangible assets

(₹ in Lacs)

Description of Assets	Computer Software
I. Gross Carrying Amount	
Balance as at April 1, 2022	1,182.13
Additions	-
Disposals	-
Balance as at March 31, 2023	1,182.13
II. Accumulated Amortisation	
Balance as at April 1, 2022	(1,182.13)
Amortisation expense	-
Disposals	-
Balance as at March 31, 2023	(1,182.13)
III. Net Carrying Amount as at March 31, 2023	-

(₹ in Lacs)

Description of Assets	Computer Software
I. Gross Carrying Amount	
Balance as at April 1, 2021	1,182.13
Additions	-
Disposals	-
Transfers	-
Balance as at March 31, 2022	1,182.13
II. Accumulated Amortisation	
Balance as at April 1, 2021	(1,181.10)
Amortisation expense	(1.03)
Disposals	-
Balance as at March 31, 2022	(1,182.13)
III. Net Carrying Amount as at March 31, 2022	-



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ALT DIGITAL MEDIA ENTERTAINMENT LIMITED
Notes forming part of the financial statements for the year ended March 31, 2023

Note 5 Right of use asset / Lease Liability

This note provides information for leases where Company is a lessee. The Company leases office premises with a lease term of 6 to 7 years. During the year, the Company has vacated the leased premises and is operating from rent free premises of the Holding Company.

(i) The Balance Sheet shows following amounts relating to leases :

Right of use Asset

Particulars	As at March 31, 2023	As at March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Leasehold Premises	-	25.22
Total	-	25.22

Lease Liability

Particulars	As at March 31, 2023	As at March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Current	-	32.46
Total	-	32.46

(ii) Amount recognised in the statement of Profit and Loss

Particulars	As at March 31, 2023	As at March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Amortisation on right of use assets (Refer Note 23)	25.21	93.94
Interest on Lease liabilities (Refer Note 22)	0.25	6.84
Expenses relating to short term leases (Refer note 25)	23.71	-
Total	49.18	100.78

(iii) Extension and termination options:

Extension and termination options are included in a number of property leases. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not with the respective lessor.

(iv) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

Particulars	As at March 31, 2023	As at March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Less than one year	-	50.00
One to five years	-	-
More than five years	-	-
Total	-	50.00

Note 6 Non-Current investments

Particulars	As at March 31, 2023	As at March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Investment in fully paid equity shares (unquoted) (159 shares, previous year 314 shares) in B.D Inno Ventures Private Limited (carried at fair value through OCI).	775.38	1,500.00
Total	775.38	1,500.00

Particulars	As at March 31, 2023	As at March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Total investments		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	775.38	1,500.00
Aggregate amount of impairment in the value of investments	-	-
Total	775.38	1,500.00

Note 7 Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Unamortised digital programs / film rights	1,818.12	6,321.08
Digital programs	1,660.16	1,431.76
Total	3,478.28	7,752.84

Note 8 Non-current tax asset

Particulars	As at March 31, 2023	As at March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Tax deducted at source	89.52	132.27
Total	89.52	132.27



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ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2023

Note 9 Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Trade receivables - billed	2,038.27	3,049.93
Trade receivables - unbilled [^]	277.87	412.09
Less: Loss allowance for credit impaired	(180.98)	(128.32)
Total	2,135.16	3,333.70

[^]The receivable is 'unbilled' because the Company has not yet issued an invoice; however, the balance has been included under trade receivables because it is an unconditional right to consideration.

Break-up of security details

Particulars	As at March 31, 2023	As at March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	2,135.16	3,333.70
Trade receivables which have significant increase in credit risk	-	-
Trade receivables- credit impaired	180.98	128.32
Total	2,316.14	3,462.02
Less: Loss allowance for credit impaired	(180.98)	(128.32)
Total	2,135.16	3,333.70



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ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2023

Ageing of trade receivables:

Particulars	Unbilled	Not due	Outstanding for following periods from due date of receipt					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023								
Undisputed trade receivables :								
Considered good	277.87	336.40	254.91	637.31	628.67	-	-	2,135.16
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	52.67	69.39	58.92	180.98
Disputed trade receivables :								
considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Total	277.87	336.40	254.91	637.31	681.34	69.39	58.92	2,316.14

Particulars	Unbilled	Not due	Outstanding for following periods from due date of receipt					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022								
Undisputed trade receivables :								
Considered good	412.09	2,705.06	216.47	0.08	-	-	-	3,333.70
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	69.39	58.93	-	128.32
Disputed trade receivables :								
considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Total	412.09	2,705.06	216.47	0.08	69.39	58.93	-	3,462.02



ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2023

Note 10 Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Cash and cash equivalents: Balances with Bank *	614.99	177.99
Total	614.99	177.99

* Note: There are no repatriation restrictions regarding cash and cash equivalents as at the end of the reporting period and previous period

Note 11 Other-current financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
(Unsecured, considered good) Security Deposits	43.67	42.51
Total	43.67	42.51

Note 12 Other non-current assets

Particulars	As at March 31, 2023	As at March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Balances with government authorities	7,817.41	7,375.17
Total	7,817.41	7,375.17

Other-current assets

Particulars	As at March 31, 2023	As at March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Balances with government authorities	4,120.00	3,600.00
Advance to suppliers	4,509.34	4,391.48
Gratuity fund asset	11.24	-
Other receivables	208.74	291.86
Total	8,849.32	8,283.34



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ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2023

Note 13 Equity Share capital

Particulars	As at March 31, 2023	As at March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
(a) Authorised 1,00,00,00,000 (Previous year 1,00,00,00,000) Equity shares of Rs. 10/- each 2,00,000 (Previous year 2,00,000) Preference shares of Rs. 10/- each	1,00,000.00 20.00 1,00,020.00	1,00,000.00 20.00 1,00,020.00
(b) Issued subscribed and paid-up 69,46,45,893 (Previous year 62,00,50,000) Equity shares of Rs. 10/- each, Fully paid-up	69,464.59	62,005.00
Total	69,464.59	62,005.00

Notes :

(i) Shares held by Holding Company/ Ultimate Holding Company

Particulars	As at March 31, 2023	As at March 31, 2022
	Number of Shares	Number of Shares
Balaji Telefilms Limited (immediate and Ultimate Holding Company)	69,46,45,893	62,00,50,000

(ii) Details of shareholders holding more than 5% shares are:

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Balaji Telefilms Limited (including nominee shareholders)	69,46,45,893	100%	62,00,50,000	100%

(iii) The reconciliation of the number of shares outstanding is set out below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	(₹) in Lacs	No. of shares	(₹) in Lacs
Equity shares outstanding at the beginning of the year	62,00,50,000	62,005.00	62,00,50,000	62,005.00
Add: Issue of Equity Shares during the year (Refer Note (V) below)	7,45,95,893	7,459.59	-	-
Equity shares outstanding at the end of the year	69,46,45,893	69,464.59	62,00,50,000	62,005.00

(iv) The Company has only one class of equity shares having a par value of INR 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the shareholders will be eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

(v) During the year, the Company has issued 7,45,95,893 Equity Shares of Rs. 10/- each at Rs. 22.89 per share (including premium of Rs. 12.89 per share) for consideration other than cash. The aforesaid Equity Shares have been issued to the Holding Company in lieu of short-term loans availed from the Holding Company. Except the aforesaid, no shares are issued for consideration other than cash during the 5 years immediately preceding March 31, 2023.

(vi) Details of shareholding of Promoters:

March 31, 2023			
Name of the Promoter	Number of shares	% of Total Shares	% Change during the year
Balaji Telefilms Limited (Including nominee shareholders)	69,46,45,893	100.00%	12.03%

March 31, 2022			
Name of the Promoter	Number of shares	% of Total Shares	% Change during the year
Balaji Telefilms Limited (Including nominee shareholders)	62,00,50,000	100.00%	-



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ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2023

Note 14 Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Deficit in Statement of Profit and Loss	(69,928.76)	(62,292.85)
Share options outstanding account	528.50	620.96
Securities Premium Reserve	9,615.41	-
Total	(59,784.85)	(61,671.89)

Note 14.1 Deficit in statement of Profit and Loss

Particulars	As at March 31, 2023	As at March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Balance at the beginning of the year	(62,292.85)	(48,642.03)
Share Issue Costs	(0.88)	-
Loss for the year	(7,675.79)	(13,654.61)
Other comprehensive income for the year	40.77	3.79
Balance at the year end	(69,928.76)	(62,292.85)

Note 14.2 Contributed equity on account of Employee stock options

Particulars	As at March 31, 2023	As at March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Balance at beginning of year	620.96	324.33
Add: Additions during the year (Refer Note 32)	(92.46)	296.63
Balance at the year end	528.50	620.96

Note 14.3 Securities Premium Reserve

Particulars	As at March 31, 2023	As at March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Balance at beginning of year	-	-
Add: Additions during the year (Refer Note 13(v))	9,615.41	-
Balance at the year end	9,615.41	-

Nature and purpose of reserves :

1) Contributed equity on account of Employee stock options : The Contributed equity on account of Employee stock options outstanding account is used to recognise the grant date fair value of option issued to employees under Balaji Telefilms ESOP 2017 Scheme.

2) Security premium reserve is used to record the premium on issue of Equity shares. It is utilised in accordance with the provisions of the Companies Act, 2013



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ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2023

Note 15 Current Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Loan repayable on demand from related party (unsecured)	309.08	1,199.72
Total	309.08	1,199.72

Note: Loan is taken from Holding Company, basis Simple interest on reducing balance and is repayble on demand. Interest charged in current year - (7.40 % - 14%) (Previous year: 7.40 %)

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for the year ended March 31, 2023

Particulars	As at March 31, 2023	As at March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Cash and cash equivalents	614.99	177.99
Current borrowings	(309.08)	(1,199.72)
Net debt	305.89	(1,021.73)

Particulars	Other Assets	Liabilities from financing activities	Total
	Cash and cash equivalents	Borrowings	
Net debt as at March 31, 2022	177.99	(1,199.72)	(1,021.73)
Cash flows (net)	437.00	(15,125.96)	(14,688.96)
Interest expense	-	(1,058.41)	(1,058.41)
Loan converted to Equity Share Capital	-	17,075.00	17,075.00
Net debt as at March 31, 2023	614.99	(309.08)	305.90

Particulars	Other Assets	Liabilities from financing activities	Total
	Cash and cash equivalents	Borrowings	
Net debt as at March 31, 2021	401.07	-	401.07
Cash flows (net)	(223.08)	(1,180.00)	(1403.08)
Interest expense	-	(21.91)	(21.91)
TDS on interest (classified in other current liabilities)	-	2.19	2.19
Net debt as at March 31, 2022	177.99	(1,199.72)	(1,021.73)



Note 16 Trade payables

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Current		
(a) Total outstanding dues of micro enterprises and small enterprises	151.38	154.98
(b) Total outstanding dues to creditors other than micro enterprises and small enterprises above	2,815.21	4,643.59
(c) Trade payables to related parties (Refer Note 32)	9,311.00	18,898.87
Total	12,277.59	23,697.54

Due to micro and small enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The details pursuant to the said MSMED Act are as follows:

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	151.38	78.15
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	10.14	6.41
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	880.73	802.99
(iv) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(v) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(vi) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	34.91	32.80
(vii) Interest accrued and remaining unpaid at the end of the accounting year	121.88	76.83
(viii) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

The above information has been determined to the extent such parties could be identified on the basis of information available with the Management regarding the status of suppliers under the MSME Act.

Trade Payable Ageing Schedule as on March 31, 2023

Particulars	Outstanding for following periods from the due date of payment					Total
	Not Due	Less than 1 year	1 to 2 year	2-3 years	More than 3 years	
Undisputed trade payables :						
Micro enterprises and small enterprises	-	112.52	35.35	2.43	1.08	151.38
Others	10,839.14	750.31	523.19	3.56	10.00	12,126.20
Disputed trade payables :						
Micro enterprises and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-

Trade Payable Ageing Schedule as on March 31, 2022

Particulars	Outstanding for following periods from the due date of payment					Total
	Not Due	Less than 1 year	1 to 2 year	2-3 years	More than 3 years	
Undisputed trade payables :						
Micro enterprises and small enterprises	-	101.26	42.89	5.87	4.96	154.98
Others	11,087.62	6,110.08	6,333.46	11.39	-	23,542.56
Disputed trade payables :						
Micro enterprises and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-



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ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2023

Note 17 Other current liabilities

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Statutory liabilities	74.77	183.74
Employee benefits payable	91.33	87.86
Revenue received in advance	496.42	2,373.03
Advances from customers	904.53	763.68
Total	1,567.05	3,408.31



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ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2023

Note 18 Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Income from Services		
Subscription income	1,897.70	5,239.10
Licensing of digital content rights	3,129.48	4,436.54
Service Income	68.60	576.00
Marketing income	130.11	10.82
Other Operating Income:		
Other Income from Operations	266.65	-
Total	5,492.53	10,262.46

The Revenue recognised is equivalent to the contract price and there is no element of discount, rebates, incentives, etc. which are adjusted to revenue. There are no unsatisfied performance obligations in respect of revenue contract.

Note 18.1 Disaggregated Revenue from Operations

The Company derives revenue from transfer of goods and services over time and at a point in time as given below: -

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Timing of recognition		
1) Over time:		
Subscription income	1,897.70	5,239.10
2) Point in time:		
Licensing of digital content rights	3,129.48	4,436.54
Service Income	68.60	576.00
Marketing income	130.11	10.82
Other Income from Operations	266.65	-
Total	5,492.54	10,262.46

Note 19 Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Unwinding of discount on security deposit	1.16	4.05
Net gain on investments measured at fair value through profit and loss	-	11.33
Rent concession	6.42	42.28
Interest on Income Tax refund	5.90	13.73
Miscellaneous income	11.24	-
Total	24.72	71.39



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ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2023

Note 20 Direct Cost

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Amortisation of content	4,675.52	10,169.92
Cost of production	3,241.03	4,122.41
Dubbing & subtitling cost	20.34	13.23
Discontinued shows written off	-	561.56
Creative curation service fee	83.86	326.40
Total	8,020.75	15,193.52

Note 21 Employee benefits expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Salaries, wages and bonus	385.22	395.89
Contributions to provident and other funds (Refer Note 27 (a))	16.61	27.61
Gratuity (Refer Note 27 (b))	5.24	7.94
Staff welfare expenses	0.46	0.66
Total	407.53	432.10

Note 22 Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Interest on deferred payment	0.44	10.44
Interest on Lease Liability (Refer Note 5)	0.25	6.84
Interest on borrowings	1,058.41	21.91
Total	1,059.10	39.19

Note 23 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Depreciation of property, plant and equipment (Refer Note 4.1)	24.93	36.53
Amortisation of Intangible assets (Refer Note 4.2)	-	1.03
Amortisation of Right of use Assets (Refer Note 5 (ii))	25.21	93.94
Total	50.14	131.50



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ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2023

Note 24 Marketing Expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Marketing Expenses	649.90	3,380.17
Total	649.90	3,380.17

Note 25 Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Electricity expense	6.53	15.66
Rent including lease rentals	23.71	-
Repairs and maintenance - Others	7.63	2.98
Rates and taxes	146.71	485.77
Communication expenses	11.74	16.40
Legal and professional charges (Refer note 25.1)	864.12	1,277.54
Cross charge by Holding Company (Refer Note 32)	367.23	796.53
Travelling and conveyance expenses	17.94	8.80
Digital space charges	469.65	1,048.18
Software expenses	146.58	248.64
Directors sitting fees	14.75	16.75
License and hosting fees	645.73	501.56
Net Foreign exchange loss/ (gain)	3.68	12.54
Loss allowance for credit impaired	52.66	-
Sales Commission	163.51	284.03
Miscellaneous expenses	63.45	96.60
Total	3,005.62	4,811.98

Note 25.1 Details of auditors remuneration (included in Legal and Professional charges)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
As Auditors:		
Audit fee	18.50	16.50
Total	18.50	16.50



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ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2023

Note 26 Related Party Transactions

(a) **Name of related parties and description of relationship.**

Name of the Related Party	Relationship
Balaji Telefilms Limited	Holding Company
Balaji Motion Pictures Limited	Fellow Subsidiary
Marinating Films Private Limited	Fellow Subsidiary
Chhayabani Balaji Entertainment Private Limited	Fellow Subsidiary (liquidated on April 11, 2022)
Ding Infinity Private Limited	Fellow Subsidiary (w.e.f May 25, 2021 onwards)
Mr. Jeetendra Kapoor	Relative of Key Managerial person
Mrs. Shobha Kapoor	Key Managerial person (till July 22, 2021)
Ms. Ektaa R. Kapoor	Relative of Key Managerial person
Mr. Tusshar Kapoor	Relative of Key Managerial person
Mr. Nachiket Pantvaldya	Key Managerial person (till May 31, 2022)
Mr. Sanjay Dwivedi	Key Managerial person
Mr. D G Rajan	Key Managerial person
Mr. Devender Kumar Vasal	Key Managerial person
Mr. Ramesh Sippy	Key Managerial person (w.e.f November 30, 2021)
Ms. Manisha Pathak	Key Managerial person (w.e.f December 27, 2022)
Ms. Ruchita Gudhka	Key Managerial person (w.e.f November 9, 2021 till October 12, 2022)

(b) **Details of Transactions with related parties during the period**

(₹ in Lacs)

Nature of Transactions	Holding Company	Key Management Person & Relative of KMP	Fellow Subsidiary
Creative curation service fee	83.86	-	-
	(326.40)	-	-
Cross Charge (Reimbursement of Expenses)	459.69	-	-
	(499.90)	-	-
Employee stock option expense*	(92.46)	-	-
	(296.63)	-	-
Director Sitting Fees			
D G Rajan	-	5.25	-
	-	(6.00)	-
Devender Kumar Vasal	-	5.25	-
	-	(6.00)	-
V B Dalal	-	-	-
	-	(3.50)	-
Ramesh Sippy	-	4.25	-
	-	(1.25)	-
Remuneration			
Ruchita Gudhka	-	3.19	-
	-	(1.92)	-
Manisha Pathak	-	2.05	-
	-	-	-
Conversion of loan and Issue of Equity Shares (Including Securities Premium Reserve) (Refer Note 13(v))	17,075.00	-	-
	-	-	-
Purchase of Content (Web Series & Films)	117.03	-	6.50
	(626.55)	-	(1,117.72)
Marketing Expenses	-	-	-
	(6.75)	-	-
Interest on deferred payment	0.44	-	-
	(10.44)	-	-
Advance given for Content	-	-	8.00
	-	-	(311.07)
Loan Taken	15,420.96	-	-
	(1,180.00)	-	-
Loan Repayment	295.00	-	-
	-	-	-
Interest on Loan taken	1,058.41	-	-
	(21.91)	-	-

Note: The Company operates from rent free premises of the Holding Company.

(c) **Closing balances as at period end**

Nature of Transactions	Holding Company	Key Management Person & Relative of KMP	Fellow Subsidiary
Trade payable	9,305.15	-	5.85
	(18,662.39)	-	(236.48)
Trade receivables	-	-	-
Advance given for Content	-	-	339.07
	-	-	(311.07)
Loan Payable	309.08	-	-
	(1,199.72)	-	-

Note:

(i) Figures in bracket relate to the previous year.
(ii) Represents reversal of expense.



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ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2023

Note 27 Employee benefits

(a) Defined Contribution Plan

Both, employees and the Company make pre-determined contributions to provident fund. Amount recognized as expense amounts to ₹ 16.61 lacs (Previous year ₹ 27.61 lacs)

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable are calculated as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
	31-Mar-23	31-Mar-22
Discount rate	7.29%	5.66%
Salary growth rate	10.00%	5.00%
Rate of Employee Turnover	25.00%	25.00%
Mortality Rate during employment	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban

Defined benefit plans – as per actuarial valuation on March 31, 2023

Particulars	Funded Plan	
	Gratuity	
	Year Ended March 31, 2023	Year Ended March 31, 2022
Amounts recognised in comprehensive income in respect of these defined benefit plans are		
Expenses recognised in other comprehensive income (OCI) for current year		
Actuarial (Gains)/Losses on Obligation for the year	(9.61)	(4.27)
Return on Plan Assets, Excluding Interest Income	0.09	0.48
Net (Income)/Expense for the year recognised in other comprehensive income (OCI)	(9.52)	(3.79)
Expense Recognised in the Statement of Profit and Loss		
Current Service Cost	5.51	8.34
Net interest cost	(0.27)	(0.40)
Expenses Recognized	5.24	7.94
I. Net Asset/(Liability) recognised in the Balance Sheet		
1. Present value of defined benefit obligation at the end of the year	(17.25)	(24.38)
2. Fair value of plan assets at the end of the year	28.49	29.17
3. Surplus/(Deficit)	11.24	4.79
4. Net Asset / (liability) (Refer Note below)	11.24	4.79
II. Change in the obligation during the year		
1. Present value of defined benefit obligation at the beginning of the year	24.38	36.78
2. Expenses Recognised in Statement of Profit or Loss		
- Current Service Cost	5.51	8.34
- Interest Expense/(Income)	1.38	1.91
(Benefit paid from the Fund)	(4.42)	(18.37)
3. Actuarial (Gains)/ Losses on Obligations - Due to change in Demographic Assumptions	-	-
4. Actuarial (Gains)/ Losses on Obligations - Due to change in Financial Assumptions	1.70	(0.39)
5. Actuarial (Gains)/ Losses on Obligations- Due to experience	(11.31)	(3.88)
6. Present value of defined benefit obligation at the end of the year	17.25	24.38
III. Change in fair value of assets during the year		
1. Fair value of plan assets at the beginning of the year	29.17	44.59
2. Contributions by employer	2.18	1.11
3. Benefits paid from the fund	(4.42)	(18.37)
3. Interest Income	1.65	2.31
4. Return on Plan Assets, excluding Interest Income	(0.09)	(0.48)
5. Fair value of plan assets at the end of the year	28.49	29.17

(Note:- The Company contributes to planned assets to insurer managed fund. Since, Fair value of planned assets is higher than the defined benefit obligation, the Company has recognized planned assets as at the year-end)

The sensitivity of the defined benefit obligation to the weighted principle assumptions is:	₹ in Lacs	
	March 31, 2023	March 31, 2022
Projected Benefit Obligation on Current Assumptions	17.25	24.38
Delta Effect of +1% Change in Rate of Discounting	(0.54)	(0.78)
Delta Effect of -1% Change in Rate of Discounting	0.58	0.84
Delta Effect of +1% Change in Rate of Salary Increase	0.56	0.83
Delta Effect of -1% Change in Rate of Salary Increase	(0.53)	(0.79)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.17)	(0.21)
Delta Effect of -1% Change in Rate of Employee Turnover	0.17	0.21



ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2023

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous year.
The Company expects to contribute NIL (Previous year ₹ 0.73 Lacs) to the gratuity fund during the next financial year.

Maturity profile of defined benefit obligation:

Projected Benefits Payable in future years from Date of Reporting	₹ in Lacs	
	March 31, 2023	March 31, 2022
1st Following year	3.26	3.22
2nd Following year	2.78	4.80
3rd Following year	3.28	4.39
4th Following year	2.30	4.08
5th Following year	2.10	2.97
Sum of Years 6 to 10	6.03	7.59
Sum of Years 11 and above	3.03	3.03

Plan Assets

The fair value of Company's pension plan asset as of March 31, 2023 and March 31, 2022 by category are as follows:

Asset category:	₹ in Lacs	
	As at March 31, 2023	As at March 31, 2022
Insurer managed funds	28.49	29.17
	100%	100%

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2023

28 Earnings / (Loss) per share

Basic and diluted earnings/(loss) per share

Earnings per share is calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as under:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) (Loss) for the year attributable to equity share holders (₹ in lacs)	(7,675.79)	(13,654.61)
(b) Weighted average number of equity shares outstanding during the year (Nos.)	62,22,98,095	62,00,50,000
(c) Loss per share - Basic and diluted (₹) (a / b)	(1.23)	(2.20)
(d) Nominal value of shares (₹)	10	10

- 29 In accordance with the Indian Accounting Standard 12 (Ind AS 12) on "Income Taxes", deferred tax assets and liabilities should be recognized for all timing differences. However, considering the present financial position and accumulated tax losses and the requirement of the Ind AS 12 the deferred tax asset is recognised only to the extent of deferred tax liability, the deferred tax asset is not accounted for, to the extent of ₹ 17,182.84 lacs (previous year ₹ 15,815.84 lacs) as at March 31, 2023. However, the same will be reassessed at subsequent reporting date and will be accounted for in the year in which reasonable certainty in accordance with the aforesaid Ind AS 12 is established.

Particulars	As at March 31, 2023	As at March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Deferred tax asset	-	(0.12)
Deferred tax liability	-	0.12
Total	-	-

Particulars	For the Year Ended March 31, 2023		
	Opening Balance	Charged/ (Credited) to Profit or Loss	Closing Balance
<u>Tax effect of items constituting deferred tax liabilities</u>			
Fair value of investments	-	-	-
Deferred payment to trade payable	0.12	0.12	-
	0.12	0.12	-
<u>Tax effect of items constituting deferred tax assets</u>			
Carried forward tax losses	0.12	0.12	-
	0.12	0.12	-
Net Tax Asset/(Liabilities)	-	-	-

Particulars	For the Year Ended March 31, 2022		
	Opening Balance	Charged/ (Credited) to Profit or Loss	Closing Balance
<u>Tax effect of items constituting deferred tax liabilities</u>			
Fair value of investments	9.39	(9.39)	-
Deferred payment to trade payable	2.75	(2.63)	0.12
	12.14	(12.02)	0.12
<u>Tax effect of items constituting deferred tax assets</u>			
Carried forward tax losses	12.14	12.02	0.12
	12.14	12.02	0.12
Net Tax Asset/(Liabilities)	-	-	-



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Notes forming part of the financial statements for the year ended March 31, 2023

ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2023

30 Segment Information

The Company is primarily engaged in the business of subscription based sale/licensing of digital content, which in the context of Ind AS 108 on "Operating Segments", constitutes a single reportable segment.

Revenue of approximately ₹ 4,573.31 lacs during the year ended March 31, 2023 are derived from major six external customer.

Revenue of approximately ₹ 5,002.07 lacs during the year ended March 31, 2022 are derived from major six external customer.

- 31 As at March 31, 2023 the Company has accumulated losses of ₹ 69,928.76 lacs. The Company has necessary financial support from its Holding Company Balaji Telefilms Limited and given the long term corporate strategies and future profit projections, the Company has followed the fundamental accounting assumption of 'Going Concern' for preparation of financials for the year ended March 31, 2023 as the Company neither has the intention nor the necessity of liquidation or curtailing materially the scale of the operations. In the opinion of the Board of Directors, the Company will meet all its financial obligations as they fall due for payment for at least 12 months from the date of signatures of these financial statements.

32 Share Based Payments

Certain employees of the Company were allotted employee stock options of the Holding Company. Currently there are no employees of the Company who hold any ESOP. These plans are subject to eligibility criteria based on employee's period of service (Service Conditions) with the Group. The Holding Company does not charge any cost for this benefit. An expenses for grant date fair value of the award is recognised over the vesting period of the options; and a corresponding credit is recognised in equity. The credit to equity is treated as a capital contribution. The fair value of the option has been arrived at using Binomial Mode.

- (i) Expense arising from share based payment transaction

Particulars	(₹ in lacs)	
	March 31, 2023	March 31, 2022
Employee Stock Option Expenses	(92.46)	296.63

The above Employee Stock Option Expenses of ₹ (92.46) lacs (March 31, 2022 Rs. 296.63 lacs) is included in the statement of Profit and Loss as under-

Particular	(₹ in lacs)	
	March 31, 2023	March 31, 2022
Cross charge by Holding Company (Refer Note 26)	(92.46)	296.63
Total	(92.46)	296.63



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ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2023

33 Fair Value Measurements

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received.

Financial instruments by category

(₹ in Lacs)

	March 31, 2023			March 31, 2022		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Non-Current Financial assets						
Investments	-	775.38	-	-	1,500.00	-
Current financial assets						
Investments	-	-	-	-	-	-
Trade receivables	-	-	2,135.16	-	-	3,333.70
Cash and cash equivalents	-	-	614.99	-	-	177.99
Other financial assets	-	-	43.67	-	-	42.51
Total Financial Assets	-	775.38	2,793.82	-	1,500.00	3,554.20
Current Financial Liabilities						
Trade payables	-	-	12,277.59	-	-	23,697.54
Borrowings	-	-	309.08	-	-	1,199.72
Other financial liabilities	-	-	-	-	-	-
Total Financial Liabilities	-	-	12,586.67	-	-	24,897.26

(i) Fair Value hierarchy

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

(₹ in Lacs)

Financial assets and liabilities measured at fair value- recurring fair value measurement at March 31, 2023	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in B.D Inno Ventures Pvt Ltd	-	-	775.38	775.38
Total Financial Assets	-	-	775.38	775.38

(₹ in Lacs)

Financial assets and liabilities measured at fair value- recurring fair value measurement at March 31, 2022	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in B.D Inno Ventures Pvt Ltd	-	-	1,500.00	1,500.00
Total Financial Assets	-	-	1,500.00	1,500.00

The carrying value of trade receivables, cash and cash equivalents, current trade payables, borrowings and other financial assets are considered to be the same as their fair values due to their short term nature.

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in valuation technique. The hierarchy gives highest priority to quoted prices in active market for identical assets or liabilities (Level 1 measurement) and lowest priority to unobservable inputs (Level 3 measurement). The categories used are as follows:

Level-1 Hierarchy includes financial instruments measured using quoted price. Mutual funds are valued at the closing Net Asset Value

Level-2 The fair value of financial instruments that are not traded in an active market is determined using valuation technique which maximise the use of observable market data and rely as little as possible on entity -specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level-2.

Level -3 If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include:

-The mutual funds are valued using closing Net Asset Value available from issuer of Mutual Fund.

- Fair value of investment in equity instruments measured at Fair value through OCI is determined based on a valuation report from an independent valuer.



34 Financial Risk Management

Risk management framework

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the management is responsible for overseeing the Company's risk assessment and management policies and processes.

(A) Credit Risk

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company deals with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are regularly monitored and the aggregate value of transactions concluded is spread amongst counterparties.

Credit Risk Management

Financial instruments and cash deposits

The Company maintains exposure in cash and cash equivalents, term deposits with banks and investments in mutual funds. The Company has diversified portfolio of investment with various number of counter-parties which have good credit ratings and hence the risk is reduced. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good. As a practice, the Company only invests with high rated banks/institutions.

The Company's maximum exposure to credit risk as at March 31, 2023 and March 31, 2022 is the carrying value of each class of financial assets as disclosed in note 33.

Security deposits given to lessors

The Company has given security deposit to lessors for premises leased by it as at March 31, 2023 and March 31, 2022. The credit worthiness of such lessors is evaluated by the management on an ongoing basis and is considered to be good.

Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

The Company measures the expected credit loss of trade receivables and other financial assets which are subject to credit risk, based on historical trend, industry practices and the business environment in which the entity operates and adjusted for forward looking information. Loss rates are based on actual credit loss experience and past trends.

The Company has used practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix taken into account historical credit loss experience and adjusted to reflect current and forward looking information. The expected credit loss allowance is based on ageing of the days the receivables are due.

The following table summarizes the Gross carrying amount of the financial assets and provision made:

	(₹ in Lacs)			
	March 31, 2023		March 31, 2022	
	Gross Carrying Amount	Loss Allowance	Gross Carrying Amount	Loss Allowance
Trade Receivables	2,316.14	(180.98)	3,462.02	(128.32)
Other financial assets	43.67	-	42.51	-

The following table summarizes the changes in the Provisions made for the receivables:

	(₹ in Lacs)	
	March 31, 2023	March 31, 2022
Opening balance	(128.32)	(128.32)
Provided during the year	(52.66)	-
Reversals of provisions	-	-
Closing balance	(180.98)	(128.32)

Of the Trade Receivables balance as at March 31, 2023 of Rs. 2,135.16 lacs (as at March 31, 2022 of Rs. 3,333.70 lacs), the top 3 customers of the Company represent the balance of Rs. 1,915.69 lacs as at March 31, 2023 (as at March 31, 2022 of Rs. 2,797.45 lacs).

No significant changes in estimation techniques or assumptions were made during the reporting period.



ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2023

(B) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The responsibility for liquidity risk management rests with the Board of directors, which has an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by regularly monitoring forecast and actual cash flows.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity grouping based on their contractual maturities.

Contractual maturities of financial liabilities	Carrying Amount	Undiscounted amount					Total
		Less than 6 months	6-12 months	Between 1-2 years	Between 2-5 years	Over 5 Years	
		(₹ in Lacs)					
March 31, 2023							
Trade payables	12,277.59	12,277.59	-	-	-	-	12,277.59
Borrowings	309.08	309.08	-	-	-	-	309.08
Total financial liabilities	12,586.67	12,586.67	-	-	-	-	12,586.67

Contractual maturities of financial liabilities	Carrying Amount	Undiscounted amount					Total
		Less than 6 months	6-12 months	Between 1-2 years	Between 2-5 years	Over 5 Years	
		(₹ in Lacs)					
March 31, 2022							
Trade payables	23,697.54	23,697.54	-	-	-	-	23,697.54
Borrowings	1,199.72	1,199.72	-	-	-	-	1,199.72
Lease Liabilities	32.46	32.46	-	-	-	-	32.46
Total financial liabilities	24,929.72	24,929.72	-	-	-	-	23,730.00

(C) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of reporting period expressed in ₹ lacs, are as follows:

	March 31, 2023	March 31, 2022
	(₹ in Lacs)	(₹ in Lacs)
Trade Receivables	1,477.24	2,230.84

As at March 31, 2023, the unhedged exposure to the Company on holding financial assets (trade receivables) other than in their functional currency amounted to ₹ 1,477.24 lacs (March 31, 2022 ₹ 2,230.84 lacs).

(a) (i) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated receivables.

	Impact on profit after tax	
	March 31, 2023	March 31, 2022
USD Sensitivity		
INR/USD-increase by 10% (March 31, 2022 – 10%)	147.72	223.08
INR/USD-decrease by 10% (March 31, 2022 – 10%)	(147.72)	(223.08)

(b) Interest rate risk

The Company does not have any variable interest rate borrowing and is thus not exposed to interest rate risk as at March 31, 2023 (Previous year Nil).

(c) Price risk

(i) Exposure

The Company's exposure to price risk arises from investment held by the Company in mutual funds and classified in the balance sheet as fair value through profit or loss.

To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.



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ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2023

35 Capital Management

The Company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business.

The Company considers the following components of its balance sheet to be managed capital:

Total equity as shown in the balance sheet including reserves, retained earnings and share capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders or issue new shares.

36 (A) Additional regulatory information required by Schedule III

- a) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- b) No borrowings were obtained by the Company from banks and financial institutions.
- c) The Company has not been declared wilful defaulter by any banks or financial institution or government authority.
- d) The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
- e) The Company has complied with the number of layers prescribed under Companies Act 2013.
- f) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- g) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
 - ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- h) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- i) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- j) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- k) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(B) Other regulatory information

(i) Title deeds of immovable properties not held in name of the Company

The Company does not own any immovable properties. The properties where the Company is the lessee, the lease agreements are duly executed in favour of the lessee.

(ii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(iii) Utilisation of borrowings availed from banks and financial institutions

There are no borrowings obtained by the Company from banks and financial institutions.



ALT DIGITAL MEDIA ENTERTAINMENT LIMITED
Notes forming part of the financial statements for the year ended March 31, 2023

ALT DIGITAL MEDIA ENTERTAINMENT LIMITED
Notes forming part of the financial statements for the year ended March 31, 2023

37 Contingent Liabilities (to the extent not provided for)

Particulars	₹ in Lacs	
	As at March 31, 2023	As at March 31, 2022
In respect of Claims against the Company not acknowledged as debt	344.50	-

38 Financial Ratios

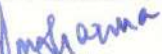
Particulars	As at March 31, 2023	As at March 31, 2022	% Change	Reason for variance
Current Ratio = $\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.07	0.69	54.54%	Decrease in Borrowing due to conversion to Equity Share Capital and reduction in Trade payables
Debt Equity Ratio = $\frac{\text{Debt}}{\text{Shareholder's Equity}}$	0.03	3.60	-99.11%	Conversion of Borrowing from Holding Company to Equity Share Capital
Debt Service Coverage Ratio = $\frac{\text{Earnings available for debt service}}{\text{Debt Service (Refer Note 1)}}$	-21.23	-10.95	93.96%	Reduction in expenditure and conversion of Borrowing from Holding Company to Equity Share Capital
Return On Equity Ratio = $\frac{\text{Profit After Taxes}}{\text{Average Shareholder's Equity}}$	-1.53	-1.95	-21.29%	
Inventory Turnover Ratio = $\frac{\text{Cost Of Goods Sold}}{\text{Average Inventory}}$	1.43	1.13	25.95%	Impact due to reduction in inventory of shows.
Trade Receivables Turnover Ratio = $\frac{\text{Credit Sales}}{\text{Average Trade Receivables}}$	1.31	1.34	-1.58%	
Trade Payables Turnover Ratio = $\frac{\text{Credit Purchases}}{\text{Average Trade Payables}}$	0.21	0.17	25.62%	Marginal decrease in credit purchase and decrease in Trade payables
Net Capital Turnover Ratio = $\frac{\text{Sales}}{\text{Working Capital}}$	3.71	-0.57	-746.90%	Improvement in working capital due to conversion of Borrowing from Holding Company to Equity Share Capital
Net Profit ratio = $\frac{\text{Net Profit After Taxes}}{\text{Sales}}$	-2.14	-2.72	-21.45%	
Return On Capital Employed = $\frac{\text{Earning Before Interest and Taxes (EBIT)}}{\text{Capital Employed (Refer note 2)}}$	-0.66	-8.88	-92.54%	Impact due to reduction in expenses and conversion of Borrowing from Holding Company to Equity Share Capital
Return On Investment = $\frac{\text{Profit After Taxes}}{\text{Total Assets}}$	-0.32	-0.48	-32.38%	Impact is due to reduction in expenses during the year

Note 1:- Debt Service = Current Borrowings + Current Lease Liabilities
Note 2:- Capital employed = Tangible Networth + Total Debt + Deferred Tax Liability (net)

- 39 The figures of the corresponding year have been regrouped wherever necessary in accordance with the requirements of Schedule III of the Companies Act 2013, to make them comparable.
- 40 The financial statements of the Company for the year ended March 31, 2022, were audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 20, 2022.
- 41 **Approval of Financial Statements**
The Financial Statements were approved by the Board of Directors on May 30, 2023.

Signatures to note 1 to 41


For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. 117366W/W-100018

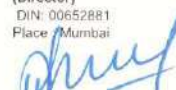

Pallavi Sharma
Partner
Membership No: 113861
Place: Mumbai
Date: May 30, 2023

For and on behalf of the Board of Directors


D.G. Rajan
(Audit Committee Chairman)
DIN: 00303080
Place: Chennai


Ramesh Sippy
(Director)
DIN: 00652881
Place: Mumbai


Abhishek Kumar
(Group Chief Executive Officer)
Place: Mumbai


Sanjay Dwivedi
(Group Chief Financial Officer)
Place: Mumbai


Mapisha Pathak
(Company Secretary)
Place: Mumbai
Date: May 30, 2023



