

# Price Waterhouse Chartered Accountants LLP

## Independent Auditor's Report

To the Members of Alt Digital Media Entertainment Limited

Report on the audit of the financial statements

### Opinion

1. We have audited the accompanying financial statements of Alt Digital Media Entertainment Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

### Basis for Opinion

3. We conducted our audit 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 Responsibilities 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

4. 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 in the 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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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

# Price Waterhouse Chartered Accountants LLP

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### **Responsibilities of management and those charged with governance for the financial statements**

5. 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.
6. 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

7. 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.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 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.



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To the Members of Alt Digital Media Entertainment Limited

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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.
9. 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.
10. 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.

### Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

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- (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".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company was not required to recognise a provision as at March 31, 2022 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2022.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, 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, whether, 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 (Refer Note 37 (A) (g) to the financial statements);  
(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, 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, whether, 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 (Refer Note 37 (A) (g) to the financial statements); and  
(c) Based on such audit procedures that we 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 (a) and (b) contain any material misstatement.
  - v. The Company has not declared or paid any dividend during the year.



# Price Waterhouse Chartered Accountants LLP

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13. The Company has not paid/ provided for managerial remuneration during the year.  
Accordingly, reporting under Section 197 (16) of the Act is not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016



Ali Akbar

Partner

Membership Number: 117839

UDIN: 22117839AJHOYN5961

Place: Mumbai

Date: May 20, 2022

# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditor's Report

Referred to in paragraph 12 (f) of the Independent Auditor's Report of even date to the members of Alt Digital Media Entertainment Limited on the financial statements for the year ended March 31, 2022  
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### Report on the Internal Financial Controls with reference to financial statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Alt Digital Media Entertainment Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.



# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditor's Report

Referred to in paragraph 12 (f) of the Independent Auditor's Report of even date to the members of Alt Digital Media Entertainment Limited on the financial statements for the year ended March 31, 2022  
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### Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls 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 controls 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 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

7. 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 controls 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

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016



Ali Akbar  
Partner  
Membership Number: 117839  
UDIN: 22117839AJHOYN5961

Place: Mumbai  
Date: May 20, 2022

# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditor's Report

Referred to in paragraph 11 of the Independent Auditor's Report of even date to the members of Alt Digital Media Entertainment Limited on the financial statements for the year ended March 31, 2022

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- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.  
  
(B) The Company is maintaining proper records showing full particulars of Intangible Assets.  
  
(b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.  
  
(c) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable properties (Refer Note 4.1 to the financial statements). Therefore, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.  
  
(d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) or intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.  
  
(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The Company is into the business of providing digital content through mobile application platform, its inventory comprises of digital program and film rights and accordingly, does not hold inventory (i.e. goods) in physical form. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.  
  
(b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties during the year. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investments made. The Company has not granted any loans or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.





# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditor's Report

Referred to in paragraph 11 of the Independent Auditor's Report of even date to the members of Alt Digital Media Entertainment Limited on the financial statements for the year ended March 31, 2022

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- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, income tax, service tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) Loans and borrowings amounting to Rs. 1,199.72 lacs 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 year. Consequently, the question of our commenting under this clause does not arise.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that the Company has used funds raised on short-term basis aggregating Rs.8,747.65 lacs for long-term purposes.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, the reporting under clauses 3 (ix)(e) and 3 (ix)(f) of the Order are not applicable to the Company.
- x.(a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.



# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditor's Report

Referred to in paragraph 11 of the Independent Auditor's Report of even date to the members of Alt Digital Media Entertainment Limited on the financial statements for the year ended March 31, 2022

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- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv.(a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi.(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year and had incurred cash losses of Rs. 4,554.31 lacs(excluding amortisation of inventory accounted as direct cost) in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3 (xviii) of the Order is not applicable.



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Referred to in paragraph 11 of the Independent Auditor's Report of even date to the members of Alt Digital Media Entertainment Limited on the financial statements for the year ended March 31, 2022

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- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 39 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 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 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. Also refer Note 32 to the financial statements.
- xx. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016



Ali Akbar  
Partner  
Membership Number: 117839  
UDIN : 22117839AJHOYN5961

Place: Mumbai  
Date: May 20, 2022

ALT DIGITAL MEDIA ENTERTAINMENT LIMITED  
Balance Sheet as at March 31, 2022

Particulars	Note No.	As at	As at
		March 31, 2022	March 31, 2021
		(₹ in Lacs)	(₹ in Lacs)
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4.1	48.10	52.60
(b) Intangible assets	4.2	-	1.03
(c) Right of use Asset	5	25.22	119.16
(d) Financial assets			
(i) Investments	8	1,500.00	1,500.00
(e) Income tax assets	6	132.27	58.62
(f) Other non-current assets	12	7,375.17	9,094.21
<b>Total Non-Current Assets</b>		<b>9,080.76</b>	<b>10,825.62</b>
<b>Current assets</b>			
(a) Inventories	7	7,752.84	19,045.95
(b) Financial assets			
(i) Investments	8	-	1,002.98
(ii) Trade receivables	9	3,333.70	4,187.88
(iii) Cash and cash equivalents	10	177.99	401.07
(iv) Other financial assets	11	42.51	38.46
(c) Other current assets	12	8,283.34	3,589.18
<b>Total Current Assets</b>		<b>19,590.38</b>	<b>28,265.52</b>
<b>Total Assets</b>		<b>28,671.14</b>	<b>39,091.14</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	13	62,005.00	62,005.00
(b) Other equity- Reserves & Surplus	14	(61,671.89)	(48,317.70)
<b>Total Equity</b>		<b>333.11</b>	<b>13,687.30</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables			
(I) Total outstanding dues of micro and small enterprises	17	-	-
(II) Total outstanding dues other than (i) (I) above	17	-	34.56
(ii) Lease Liability	5	-	32.46
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>67.02</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	1,199.72	-
(ii) Trade payables			
(I) Total outstanding dues of micro and small enterprises	17	154.98	229.57
(II) Total outstanding dues other than (i) (I) above	17	23,542.56	23,092.47
(iii) Lease Liability	5	32.46	114.84
(b) Other current liabilities	18	3,408.31	1,899.94
<b>Total Current Liabilities</b>		<b>28,338.03</b>	<b>25,336.82</b>
<b>Total Equity and Liabilities</b>		<b>28,671.14</b>	<b>39,091.14</b>

The above Balance Sheet should be read in conjunction with the accompanying notes.  
This is the Balance Sheet referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No. 012754N/N500016

  
Ali Akbar  
Partner  
Membership No: 117839  
Place : Mumbai  
Date : May 20, 2022

For and on behalf of the Board of Directors

  
D.G Rajan  
(Director)  
DIN: 00303060

  
Ramesh Sippy  
(Director)  
DIN: 00652881

  
Sanjay Dwivedi  
(Group CFO)

  
Zulfikar Ahmad Khan  
(CEO)

  
Ruchita Gudhka  
(Company Secretary)

Place : Mumbai  
Date : May 20, 2022

ALT DIGITAL MEDIA ENTERTAINMENT LIMITED  
Statement of Profit and Loss for the Year ended March 31, 2022

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
		(₹ in Lacs)	(₹ in Lacs)
(I) Revenue from operations	19	10,262.46	6,111.97
(II) Other income	20	71.39	153.95
<b>(III) Total income (I+II)</b>		<b>10,333.85</b>	<b>6,265.92</b>
<b>(IV) Expenses</b>			
(a) Direct cost	21	15,193.52	10,585.88
(b) Employee benefits expense	22	432.10	799.65
(c) Depreciation and amortization expense	23	131.50	226.07
(d) Finance cost	24	39.19	38.83
(e) Marketing expenses	25	3,380.17	4,600.95
(f) Other expenses	26	4,811.98	4,634.17
<b>(V) Total expenses</b>		<b>23,988.46</b>	<b>20,885.55</b>
<b>(VI) (Loss) before tax (III-V)</b>		<b>(13,654.61)</b>	<b>(14,619.63)</b>
(VII) Income Tax expense			
(a) Current tax		-	-
(b) Deferred tax	15	-	-
<b>Total tax expenses/(credit)</b>		<b>-</b>	<b>-</b>
<b>(VIII) (Loss) for the year (VI-VII)</b>		<b>(13,654.61)</b>	<b>(14,619.63)</b>
<b>(IX) Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		3.79	1.69
Income tax relating to above item		-	-
<b>Total other comprehensive income for the year</b>		<b>3.79</b>	<b>1.69</b>
<b>(X) Total comprehensive income for the year (VIII+IX)</b>		<b>(13,650.82)</b>	<b>(14,617.94)</b>
<b>(XI) Basic and diluted earnings/(loss) per share (in ₹)</b> (Face Value of ₹ 10 each)	29	(2.20)	(2.40)

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.  
This is the Statement of Profit and Loss referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No. 012754N/N500016

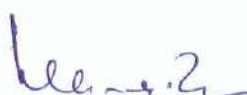


Ali Akbar  
Partner

Membership No: 117839

Place : Mumbai  
Date : May 20, 2022

For and on behalf of the Board of Directors



D.G Rajan  
(Director)

DIN: 00303060



Ramesh Sippy  
(Director)

DIN: 00652881



Sanjay Dwivedi  
(Group CFO)



Zulfqar Ahmad Khan  
(CEO)



Ruchita Gudhka  
(Company Secretary)

Place : Mumbai  
Date : May 20, 2022

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	₹ in Lacs)		₹ in Lacs)	
<b>A. Cash Flow from Operating Activities</b>				
Loss before tax		(13,654.61)		(14,619.63)
Adjustment for:				
Employee share based payment expense	296.63		(14.83)	
Provision for bad and doubtful debts	-		69.39	
Loss on fair valuation of current investments	37.29		45.18	
Lease rent concession	(42.28)		(49.69)	
Provision for gratuity expenses	7.94		8.84	
Interest on Income tax refund	(13.73)		(31.03)	
Foreign exchange (gain)/loss (Net)	12.54		(6.48)	
Amortisation of Inventory	10,169.92		9,922.81	
Unwinding of discount on security deposit	(4.05)		(3.65)	
Profit on sale of current investments (non-trade) (net)	(48.62)		(114.77)	
Depreciation and amortisation	131.50		226.07	
Discontinued Shows written off	581.58		-	
Interest on Lease liabilities	6.84		15.61	
Interest on borrowings	21.91		-	
Interest on deferred payment	10.44		23.22	
<b>Operating profit/(loss) before working capital changes</b>		<b>(2,506.71)</b>		<b>(4,528.96)</b>
Decrease in trade receivables	841.64		1,156.32	
(Increase) in Inventory	561.63		(14,774.27)	
(Increase)/Decrease in other current financial assets	-		1,511.59	
(Increase)/Decrease in other current assets	(4,694.16)		10,347.75	
Increase in trade payables	340.95		13,003.12	
Decrease/ (Increase) in other non-current assets	1,719.04		(9,094.21)	
Increase in other current liabilities	1,502.03		289.05	
<b>Cash from operations</b>	<b>271.12</b>		<b>2,419.35</b>	
Income taxes Refund / (paid)	(59.92)		387.94	
<b>Net cash used in operating activities</b>		<b>(2,295.51)</b>		<b>(1,741.67)</b>
<b>B. Cash Flow from Investing Activities</b>				
Proceeds from sale of investments	1,014.31		2,010.23	
Payment for purchase of investments	-		(2,300.00)	
Payment for Property, plant and equipment	(32.03)		(16.38)	
<b>Net cash flow from/(used in) investing activities</b>		<b>982.28</b>		<b>(306.15)</b>
<b>C. Cash Flow from Financing Activities</b>				
Proceeds from issue of Equity Share Capital	-		2,000.00	
Proceeds from borrowings	1,180.00		-	
Share issue costs	-		(0.10)	
Payment of principal portion of lease liability	(72.56)		(56.38)	
Interest expenses on lease liability	(8.84)		(15.61)	
Finance cost	(10.44)		(23.22)	
<b>Net cash flow from financing activities</b>		<b>1,090.16</b>		<b>1,904.69</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(223.07)</b>		<b>(143.13)</b>
Cash and cash equivalents at the beginning of the financial year (Refer Note 10)		401.07		544.20
Cash and cash equivalents at the end of the period (Refer Note 10)		177.99		401.07

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.  
This is the Statement of Cash Flows referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No. 012754N/N500016

  
Ali Akbar  
Partner

Membership No: 117839

Place : Mumbai  
Date : May 20, 2022

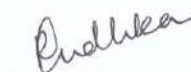
For and on behalf of the Board of Directors



D.G. Rajan  
(Director)  
DIN: 00303060



Sanjay Dwivedi  
(Group CFO)



Ruchita Gudhka  
(Company Secretary)

Place : Mumbai  
Date : May 20, 2022



Ramesh Sippy  
(Director)  
DIN: 00652881



Zulfikar Ahmad Khan  
(CEO)

ALT DIGITAL MEDIA ENTERTAINMENT LIMITED  
Statement Of Changes In Equity for the year ended March 31, 2022

A. Equity share capital

Particulars	(₹ in Lacs)
As at March 31, 2020	60,005.00
Changes in equity share capital during the year	2,000.00
As at March 31, 2021	62,005.00
Changes in equity share capital during the year	-
As at March 31, 2022	62,005.00


B. Other Equity

Particulars	Reserves and surplus	Share options outstanding account	Total
	Retained earnings/ (Deficit in statement of Profit and Loss)		
As at April 1, 2020	(34,023.99)	339.16	(33,684.83)
Share Issue costs	(0.10)	-	(0.10)
Loss for the year	(14,619.63)	-	(14,619.63)
Other comprehensive income for the year	1.69	-	1.69
Employee stock option expense (Refer note 33)	-	(14.83)	(14.83)
As at March 31, 2021	(48,642.03)	324.33	(48,317.70)
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)

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.  
This is the Statement of Changes in Equity referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No. 012754N/N500016

For and on behalf of the Board of Directors

  
Ali Akbar  
Partner  
Membership No: 117839

Place : Mumbai  
Date: May 20, 2022


  
D.G Rajan  
(Director)  
DIN: 00303060

  
Sanjay Dwivedi  
(Group CFO)

  
Ruchita Gudhka  
(Company Secretary)

Mumbai  
Date : May 20, 2022

  
Ramesh Sippy  
(Director)  
DIN: 00652881

  
Zulfiqar Ahmad Khan  
(CEO)

## ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of financial statements for the year ended March 31, 2022

### 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) New and amended standards adopted by the Company.

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 1, 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, and Ind AS 116, Leases.

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

#### (IV) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 1, 2022.

- Onerous Contracts – Cost of fulfilling a contract - Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets
- References to the conceptual framework - Ind AS 103, Business combinations
- Ind AS 109, Financial Instruments
- Subsidiary as a first-time adopter - Ind AS 101, First-time adoption
- Ind AS 41, Agriculture



V. B. J.





## ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of financial statements for the year ended March 31, 2022

The amendments listed above did not have any material impact on the Company.

### (b) Segment Reporting

Operating segments are reported in a manner consistent with the reporting provided to the chief operating decision maker. The Chief operating decision maker of the Company consists of the Group Chief Executive Officer, Chief Executive Officer and Group Chief Financial Officer which assesses the financial performance and position of the Company, and makes strategic decisions. Refer note 31.

### (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.



## ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of financial statements for the year ended March 31, 2022

### (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.

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 income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Company generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred Tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### (g) Leases

#### As a lessee

Leases are recognised 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, except for short term leases and leases of low value assets.

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 company under residual value guarantee



V.B./



## ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of financial statements for the year ended March 31, 2022

Lease payments to be made under reasonably certain extension option are also included in the measurement of the liability. The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that lessee would have to pay to borrow the fund necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. Finance cost is charged to the Statement of profit and loss over the lease period so as to produce a constant periodical rate of interest on the remaining balance of the liability for each period.

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 and 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. For the purpose of Statement of Cash Flows, Cash and cash equivalents are considered net of outstanding overdrafts, if any, as they are considered an integral part of Company's cash management.

### (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.



11/2/22



**ALT DIGITAL MEDIA ENTERTAINMENT LIMITED**

**Notes forming part of financial statements for the year ended March 31, 2022**

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 receivable are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**(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 at fair value through profit or loss (FVTPL): Investments in instruments are classified as FVTPL, unless the Company has irrevocably elected on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in those instruments.

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. Note 35 A details how the Company determines whether there has been a significant increase in credit risk.



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## ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

### Notes forming part of financial statements for the year ended March 31, 2022

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.

##### 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.



V.B.I.



## ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

### Notes forming part of financial statements for the year ended March 31, 2022

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 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.



V. S. /



## ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of financial statements for the year ended March 31, 2022

### (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.

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.



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## ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of financial statements for the year ended March 31, 2022

### 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.

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.



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## ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of financial statements for the year ended March 31, 2022

- 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 28.

- 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 30.

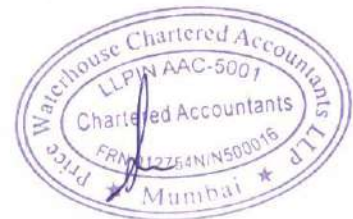
- Estimates of pattern of amortization of original web series:

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 in change in amortization of content in future periods on a prospective basis.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.



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ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2022

Note 4.1 - Property, plant and equipment

(₹ in Lacs)

Description of Assets	Computers	Furniture and fixtures	Office equipments	Electrical fittings	Lease Hold Improvements	Total
<b>I. Gross Carrying Amount</b>						
Balance as at April 1, 2020	225.90	5.92	49.22	0.21	58.19	339.44
Additions	13.46	-	2.93	-	-	16.39
Disposals	-	-	-	-	-	-
Balance as at March 31, 2021	239.36	5.92	52.15	0.21	58.19	355.83
<b>II. Accumulated Depreciation</b>						
Balance as at April 1, 2020	(151.47)	(2.18)	(30.41)	(0.11)	(57.93)	(242.10)
Depreciation expense	(50.75)	(0.59)	(9.50)	(0.02)	(0.26)	(61.12)
Disposals	-	-	-	-	-	-
Balance as at March 31, 2021	(202.22)	(2.77)	(39.91)	(0.13)	(58.19)	(303.23)
<b>III. Net Carrying Amount as at March 31, 2021</b>	<b>37.14</b>	<b>3.15</b>	<b>12.23</b>	<b>0.08</b>	<b>-</b>	<b>52.60</b>

(₹ in Lacs)

Description of Assets	Computers	Furniture and fixtures	Office equipments	Electrical fittings	Lease Hold Improvements	Total
<b>I. Gross Carrying Amount</b>						
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
<b>II. Accumulated Depreciation</b>						
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)
<b>III. Net Carrying Amount as at March 31, 2022</b>	<b>33.45</b>	<b>2.56</b>	<b>12.05</b>	<b>0.06</b>	<b>-</b>	<b>48.10</b>

Note 4.2 Intangible Assets

(₹ in Lacs)

Description of Assets	Computer Software	Total
<b>I. Gross Carrying Amount</b>		
Balance as at April 1, 2020	1,182.13	1,182.13
Additions	-	-
Disposals	-	-
Balance as at March 31, 2021	1,182.13	1,182.13
<b>II. Accumulated Amortisation</b>		
Balance as at April 1, 2020	(1,110.10)	(1,110.10)
Amortisation expense	(71.00)	(71.00)
Disposals	-	-
Balance as at March 31, 2021	(1,181.10)	(1,181.10)
<b>III. Net Carrying Amount as at March 31, 2021</b>	<b>1.03</b>	<b>1.03</b>

(₹ in Lacs)

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



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ALT DIGITAL MEDIA ENTERTAINMENT LIMITED  
Notes forming part of the financial statements for the year ended March 31, 2022

Note 5 Leases

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.

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

Right of use Asset

Particulars	As at March 31, 2022	As at March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
Leasehold Premises	25.22	119.16
<b>Total</b>	<b>25.22</b>	<b>119.16</b>

Lease Liability

Particulars	As at March 31, 2022	As at March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
Current	32.46	114.84
Non-current	-	32.46
<b>Total</b>	<b>32.46</b>	<b>147.30</b>

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

Particulars	As at March 31, 2022	As at March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
Amortisation on right of use assets (Refer note 23)	93.94	93.94
Interest on Lease liabilities (Refer note 24)	6.84	15.61
<b>Total</b>	<b>100.78</b>	<b>109.55</b>

Total cash outflow for leases for the year ended March 31, 2022 was Rs. 79.40 lacs.( March 31, 2021 Rs. 71.99 lacs)

Note 6 Income tax assets

Particulars	As at March 31, 2022	As at March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
Tax deducted at source	132.27	58.62
<b>Total</b>	<b>132.27</b>	<b>58.62</b>

Note 7 Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
Unamortised digital programs / film rights	6,321.08	11,338.42
Digital programs pending completion	1,431.76	7,707.53
<b>Total</b>	<b>7,752.84</b>	<b>19,045.95</b>

Note 8 Non-Current investments

Particulars	As at March 31, 2022	As at March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
Investment in fully paid equity shares (unquoted) (314 shares) in B.D Inno Ventures Pvt Ltd (carried at fair value through OCI).	1,500.00	1,500.00
<b>Total</b>	<b>1,500.00</b>	<b>1,500.00</b>

Current investments

Particulars	As at March 31, 2022	As at March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
Investment in mutual funds (Non Trade) (Unquoted) (Carried at fair value through Profit & Loss)	-	1,002.98
<b>Total</b>	<b>-</b>	<b>1,002.98</b>

Particulars	As at March 31, 2022	As at March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
<b>Total investments</b>		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	1,500.00	2,502.98
Aggregate amount of impairment in the value of investments	-	-
<b>Total</b>	<b>1,500.00</b>	<b>2,502.98</b>



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**ALT DIGITAL MEDIA ENTERTAINMENT LIMITED**

Notes forming part of the financial statements for the year ended March 31, 2022

**Note 9 Trade receivables**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
Trade receivables from contract with customers-billed	3,049.93	4,193.38
Trade receivables from contract with customers- unbilled <sup>A</sup>	412.09	122.82
Less: Loss Allowance	(128.32)	(128.32)
<b>Total</b>	<b>3,333.70</b>	<b>4,187.88</b>

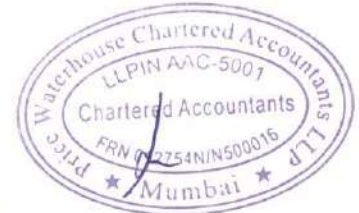
<sup>A</sup>The receivable is 'unbilled' because the company has not yet issued an invoice; however, the balance has been included under trade receivables because it is an unconditional right to consideration.

**Break-up of security details**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	3,462.02	4,316.20
Trade receivables which have significant increase in credit risk	-	-
Trade receivables- credit impaired	-	-
<b>Total</b>	<b>3,462.02</b>	<b>4,316.20</b>
Loss allowance	(128.32)	(128.32)
<b>Total</b>	<b>3,333.70</b>	<b>4,187.88</b>



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ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2022

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, 2022								
Undisputed trade receivables :								
Considered good	412.09	2,705.06	216.48	0.08	-	128.32	-	3,462.02
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables :								
considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>412.09</b>	<b>2,705.06</b>	<b>216.48</b>	<b>0.08</b>	<b>-</b>	<b>128.32</b>	<b>-</b>	<b>3,462.02</b>

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, 2021								
Undisputed trade receivables :								
Considered good	122.82	86.25	3,417.79	561.02	128.32	-	-	4,316.20
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables :								
considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>122.82</b>	<b>86.25</b>	<b>3,417.79</b>	<b>561.02</b>	<b>128.32</b>	<b>-</b>	<b>-</b>	<b>4,316.20</b>



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**ALT DIGITAL MEDIA ENTERTAINMENT LIMITED**

Notes forming part of the financial statements for the year ended March 31, 2022

**Note 10 Cash and cash equivalents**

Particulars	As at March 31, 2022	As at March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
<b>Cash and cash equivalents:</b>		
Cash on hand	-	0.31
Bank balances:		
- In current accounts	177.99	400.76
<b>Total</b>	<b>177.99</b>	<b>401.07</b>

**Note 11 Other current financial assets**

Particulars	As at March 31, 2022	As at March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
(Unsecured, considered good)		
Security Deposits	42.51	38.46
<b>Total</b>	<b>42.51</b>	<b>38.46</b>

**Note 12 Other non- current assets**

Particulars	As at March 31, 2022	As at March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
Balances with government authorities	7,375.17	9,094.21
<b>Total</b>	<b>7,375.17</b>	<b>9,094.21</b>

**Other current assets**

Particulars	As at March 31, 2022	As at March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
Prepaid expenses	-	6.67
Balances with government authorities	3,600.00	-
Advance to suppliers	4,391.48	2,894.43
Other receivables	291.86	688.08
<b>Total</b>	<b>8,283.34</b>	<b>3,589.18</b>



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**ALT DIGITAL MEDIA ENTERTAINMENT LIMITED**

Notes forming part of the financial statements for the year ended March 31, 2022

**Note 13 Equity Share capital**

Particulars	As at March 31, 2022	As at March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
(a) Authorised 1,00,00,00,000 (Previous year 1,00,00,00,000) Equity shares of Rs. 10/- 2,00,000 (Previous year 2,00,000) Preference shares of Rs. 10/- each	1,00,000.00 20.00	1,00,000.00 20.00
	<b>1,00,020.00</b>	<b>1,00,020.00</b>
(b) Issued subscribed and paid-up 62,00,50,000 (Previous year 62,00,50,000) Equity shares of Rs. 10/- each, Fully paid-up	62,005.00	62,005.00
<b>Total</b>	<b>62,005.00</b>	<b>62,005.00</b>

**Authorised Equity Share Capital Movement**

Particulars	Number of Shares	Amount (₹ in Lacs)
As at 31 March 2020	1,00,00,00,000	1,00,000.00
Increase during the year	-	-
As at 31 March 2021	1,00,00,00,000	1,00,000.00
Increase during the year	-	-
As at 31 March 2022	1,00,00,00,000	1,00,000.00

**Notes :**

(i) Shares held by holding company/ultimate holding company

Particulars	As at March 31, 2022	As at March 31, 2021
	Number of Shares	Number of Shares
Balaji Telefilms Limited (immediate and ultimate holding company)	62,00,50,000	62,00,50,000

(ii) Details of Equity shares held by each shareholder holding more than 5%

Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Balaji Telefilms Limited (including nominee shareholders)	62,00,50,000	100%	62,00,50,000	100%

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	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	60,00,50,000	60,005.00
Add: Issue of Equity Shares during the year	-	-	2,00,00,000	2,000.00
<b>Equity shares outstanding at the end of the year</b>	<b>62,00,50,000</b>	<b>62,005.00</b>	<b>62,00,50,000</b>	<b>62,005.00</b>

(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) No shares are issued for consideration other than cash during the 5 years immediately preceding March 31, 2022.

(vi) Details of shareholding of Promoters:

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%	0.00%
March 31, 2021			
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%	3.33%



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**ALT DIGITAL MEDIA ENTERTAINMENT LIMITED**

Notes forming part of the financial statements for the year ended March 31, 2022

**Note 14 Other Equity- Reserves & Surplus**

Particulars	As at March 31, 2022	As at March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
Retained Earnings / (Deficit in statement of Profit and Loss)	(62,292.85)	(48,642.03)
Share options outstanding account	620.96	324.33
<b>Total</b>	<b>(61,671.89)</b>	<b>(48,317.70)</b>

**Note 14.1 Retained Earnings / (Deficit in statement of Profit and Loss)**

Particulars	As at March 31, 2022	As at March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
Balance at the beginning of the year	(48,642.03)	(34,023.99)
Share Issue Costs	-	(0.10)
Loss for the year	(13,654.61)	(14,619.63)
Other comprehensive income for the year (net of tax)	3.79	1.69
<b>Balance at the year end</b>	<b>(62,292.85)</b>	<b>(48,642.03)</b>

**Note 14.2 Share options outstanding account**

Particulars	As at March 31, 2022	As at March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
Balance at beginning of year	324.33	339.16
Add: Additions during the year (Refer note 33)	296.63	(14.83)
<b>Balance at the year end</b>	<b>620.96</b>	<b>324.33</b>

Nature and purpose of reserves :

Share options outstanding account : The share options outstanding account is used to recognise the grant date fair value of option issued to employees under Balaji Telefilms ESOP 2017 Scheme.



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Note 15 Deferred tax liability (Refer Note 30)

Particulars	As at March 31, 2022 (₹ in Lacs)	As at March 31, 2021 (₹ in Lacs)
Deferred tax asset	(0.12)	(12.14)
Deferred tax liability	0.12	12.14
<b>Total</b>	-	-

For the Year Ended March 31, 2022			
Particulars	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)	0.00
Deferred payment to trade payable	2.75	(2.63)	0.12
	<b>12.14</b>	<b>(12.02)</b>	<b>0.12</b>
<u>Tax effect of items constituting deferred tax assets</u>			
Carried forward tax losses	12.14	12.02	0.11
	<b>12.14</b>	<b>12.02</b>	<b>0.11</b>
<b>Net Tax Asset/(Liabilities)</b>	-	-	-

For the Year Ended March 31, 2021			
Particulars	Opening Balance	Charged/ (Credited) to Profit or Loss	Closing Balance
<u>Tax effect of items constituting deferred tax liabilities</u>			
Fair value of investments	20.76	(11.37)	9.39
Deferred payment to trade payable	8.59	(5.84)	2.75
	<b>29.35</b>	<b>(17.21)</b>	<b>12.14</b>
<u>Tax effect of items constituting deferred tax assets</u>			
Carried forward tax losses	29.35	17.21	12.14
	<b>29.35</b>	<b>17.21</b>	<b>12.14</b>
<b>Net Tax Asset/(Liabilities)</b>	-	-	-

Note 16 Current Borrowings

Particulars	As at March 31, 2022 (₹ in Lacs)	As at March 31, 2021 (₹ in Lacs)
Loan from holding company (unsecured)	1,199.72	-
<b>Total</b>	<b>1,199.72</b>	<b>-</b>

Note: Loan is taken from Holding Company, basis Simple interest on reducing balance and is repayable on demand. Interest charged in current year - 7.40 % (Previous year: nil) basis Company's bankers MCLR at the start of the financial year.



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**ALT DIGITAL MEDIA ENTERTAINMENT LIMITED**  
Notes forming part of the financial statements for the year ended March 31, 2022

**Net debt reconciliation**

This section sets out an analysis of net debt and the movements in net debt for the year ended March 31, 2022

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
Cash and cash equivalents	177.99	401.07
Current borrowings	(1,199.72)	-
<b>Net debt</b>	<b>(1,021.73)</b>	<b>401.07</b>

Particulars	Other Assets	Liabilities from	Total
	Cash and cash equivalents	financing activities	
		Borrowings	
<b>Net debt as at March 31, 2021</b>	401.07	-	401.07
Cash flows (net)	(223.08)	(1,180.00)	(1,403.08)
Interest expense	-	(21.91)	(21.91)
TDS on interest (classified in other current liabilities)	-	2.19	2.19
<b>Net debt as at March 31, 2022</b>	<b>177.99</b>	<b>(1,199.72)</b>	<b>(1021.73)</b>

**Note 17 Trade payables**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
<b>Non-Current</b>		
(a) Trade payables: micro and small enterprises	-	-
(b) Trade payables: others	-	-
(c) Trade payables to related parties (Refer Note 27)	-	34.55
<b>Total</b>	<b>-</b>	<b>34.55</b>

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
<b>Current</b>		
(a) Trade payables: micro and small enterprises	154.98	229.57
(b) Trade payables: others	4,643.69	6,147.22
(c) Trade payables to related parties (Refer Note 27)	18,898.87	16,945.25
<b>Total</b>	<b>23,697.54</b>	<b>23,322.04</b>

**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, 2022	March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	78.15	191.95
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	44.04	16.41
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(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	32.79	21.22
(vii) Interest accrued and remaining unpaid at the end of the accounting year	76.84	37.63
(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	76.84	37.63

**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	
<b>Undisputed trade payables :</b>						
Micro and small enterprises	-	101.26	42.89	5.87	4.96	154.98
Others	-	17,197.70	6,333.46	11.39	-	23,542.56
<b>Disputed trade payables :</b>						
Micro and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-

**Trade Payable Ageing Schedule as on March 31, 2021**

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	
<b>Undisputed trade payables :</b>						
Micro and small enterprises	-	218.74	5.87	4.96	-	229.57
Others	-	23,109.02	18.01	-	-	23,127.03
<b>Disputed trade payables :</b>						
Micro 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, 2022

**Note 18 Other current liabilities**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
Statutory liabilities	183.74	230.50
Employee benefits payable	87.86	207.80
Deferred revenue/ Contract Liabilities	2,373.03	1,461.64
Advances from customers	763.68	-
<b>Total</b>	<b>3,408.31</b>	<b>1,899.94</b>



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**ALT DIGITAL MEDIA ENTERTAINMENT LIMITED**

Notes forming part of the financial statements for the year ended March 31, 2022

**Note 19 Revenue from operations**

Particulars	For the year ended March 31, 2022	For the Year ended March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
Subscription income	5,239.10	5,404.75
Licensing of digital content rights	4,436.54	632.92
Service Income	576.00	20.31
Marketing income	10.82	53.99
<b>Total</b>	<b>10,262.46</b>	<b>6,111.97</b>

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 20 Other income**

Particulars	For the year ended March 31, 2022	For the Year ended March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
Unwinding of discount on security deposit	4.05	3.65
Net gain on investments mandatorily measured at fair value through profit and loss *	11.33	69.59
Income from rent concession	42.28	49.69
Interest on Income Tax Refund	13.73	31.03
<b>Total</b>	<b>71.39</b>	<b>153.95</b>

\* Total net gain on investments mandatorily measured at fair value through profit and loss includes Rs. 48.62 lacs (Previous year Rs. 114.77 lacs ) as net gain on sale of investments.



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**ALT DIGITAL MEDIA ENTERTAINMENT LIMITED**

Notes forming part of the financial statements for the year ended March 31, 2022

**Note 21 Direct Cost**

Particulars	For the year ended March 31, 2022	For the Year ended March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
Amortisation of content	10,169.92	9,922.81
Cost of production	4,122.41	-
Dubbing & subtitling cost	13.23	10.19
Discontinued shows written off	561.56	-
Creative curation service fee	326.40	652.88
<b>Total</b>	<b>15,193.52</b>	<b>10,585.88</b>

**Note 22 Employee Benefit Expense**

Particulars	For the year ended March 31, 2022	For the Year ended March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
Salaries, wages and bonus	395.89	750.13
Contributions to provident and other funds (Refer Note 28)	27.61	38.72
Gratuity (Refer Note 28)	7.94	8.84
Staff welfare expenses	0.66	1.96
<b>Total</b>	<b>432.10</b>	<b>799.65</b>

**Note 23 Depreciation and amortisation expense**

Particulars	For the year ended March 31, 2022	For the Year ended March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
Depreciation of property, plant and equipment (Refer Note 4.1)	36.53	61.13
Amortisation of Intangible assets (Refer Note 4.2)	1.03	71.00
Amortisation of Right of use Assets (Refer Note 5)	93.94	93.94
<b>Total</b>	<b>131.50</b>	<b>226.07</b>

**Note 24 Finance costs**

Particulars	For the year ended March 31, 2022	For the Year ended March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
Interest on deferred payment	10.44	23.22
Interest on Lease Liabilities (Refer Note 5)	6.84	15.61
Interest on borrowings	21.91	-
<b>Total</b>	<b>39.19</b>	<b>38.83</b>



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**ALT DIGITAL MEDIA ENTERTAINMENT LIMITED**

Notes forming part of the financial statements for the year ended March 31, 2022

**Note 25 Marketing Expenses**

Particulars	For the year ended March 31, 2022	For the Year ended March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
Marketing Expenses	3,380.17	4,600.95
<b>Total</b>	<b>3,380.17</b>	<b>4,600.95</b>

**Note 26 Other expenses**

Particulars	For the year ended March 31, 2022	For the Year ended March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
Power and fuel	15.66	16.07
Repairs and maintenance - Others	2.98	11.44
Rates and taxes	485.77	142.30
Communication expenses	16.40	16.23
Legal and professional charges (Refer note 26.1)	1,277.54	1,296.47
Cross charge by Parent Company	796.53	427.53
Travelling and conveyance expenses	8.80	-
Digital space charges	1,048.18	1,291.48
Software expenses	248.64	236.13
Directors sitting fees	16.75	18.00
License and hosting fees	501.56	685.55
Net Foreign exchange loss/ (gain)	12.54	(6.48)
Provision for bad and doubtful debts	-	69.39
Sales Commission	284.03	379.04
Miscellaneous expenses	96.60	51.02
<b>Total</b>	<b>4,811.98</b>	<b>4,634.17</b>

**Note 26.1 Details of auditors remuneration (included in Legal and Professional charges)**

Particulars	For the year ended March 31, 2022	For the Year ended March 31, 2021
	(₹ in Lacs)	(₹ in Lacs)
<b>As Auditors:</b>		
Audit fee	16.50	16.50
<b>Total</b>	<b>16.50</b>	<b>16.50</b>



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**ALT DIGITAL MEDIA ENTERTAINMENT LIMITED**

Notes forming part of the financial statements for the year ended March 31, 2022

**Note 27 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 (till October 21,2020)
Ding Infinity Private Limited	Fellow Subsidiary (w.e.f May 25, 2021 onwards)
Mr. Jeetendra Kapoor	Key management person
Mrs. Shobha Kapoor	Key management person (till July 22, 2021)
Ms. Ekta Kapoor	Key management person (till July 22, 2021)
Mr. Tusshar Kapoor	Relative of Key management person
Mr. Nachiket Panivaidya	Key management person
Mr. Sanjay Dwivedi	Key management person
Mr. Zulfiqar Khan	Key management person
Mr. D G Rajan	Key management person
Mr. Devender Kumar Vasal	Key management person
Mr. V B Dalal	Key management person (till November 8, 2021)
Mr. Ramesh Sippy	Key management person (w.e.f November 30, 2021)

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

(₹ in Lacs)

Nature of Transactions	Holding Company	Key Management Person & Relative of KMP	Fellow Subsidiary
Creative curation service fee	326.40		
	(652.88)		
Cross Charge (Reimbursement of Expenses)	499.90		
	(442.36)		
Employee stock option expense (Refer note 33)	296.63		
	*(14.83)		
<b>Director Sitting Fees</b>			
D G Rajan		6.00	
		(6.00)	
Devender Kumar Vasal		6.00	
		(6.00)	
V B Dalal		3.50	
		(6.00)	
Ramesh Sippy		1.25	
		-	
Issue of Shares	-		
	(2,000.00)		
Purchase of Content (Web Series & Films)	626.55		1,117.72
	(7,691.69)		-
Marketing Expenses	6.75		
	(141.53)		
Interest on deferred payment	10.44		
	(23.22)		
Advance given for Content	-		311.07
	-		-
Loan Taken	1,180.00		
	-		
Interest on Loan taken	21.91		
	-		-

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

(₹ in Lacs)

Nature of Transactions	Holding Company	Key Management Person & Relative of KMP	Fellow Subsidiary
Trade payable	18,662.39	-	236.48
	(16,979.81)	-	-
Advance given for Content	-	-	311.07
	-	-	-
Loan Payable	1,199.72		
	-		

Note:

(i) Figures in bracket relate to the previous year.

(ii) There are no provision for doubtful debts, amounts written off or written back during the year in respect of debts due from or due to related party

(iii)\* 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, 2022

Note 28 Employee benefits

(a) Defined Contribution Plan

Both the employees and the Company make pre-determined contributions to provident fund. Amount recognized as expense amounts to ₹ 27.61 lacs (Previous year ₹ 38.72 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-22	31-Mar-21
Discount rate	5.66%	5.18%
Salary growth rate	5.00%	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 (2006-08) Ultimate

Defined benefit plans – as per actuarial valuation on March 31, 2022

Particulars	(₹ in Lacs)	
	Funded Plan	
	Gratuity	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Actuarial (Gains)/Losses on Obligation for the year	(4.27)	(0.35)
Return on Plan Assets, Excluding Interest Income	0.48	(1.33)
<b>Net (Income)/Expense for the year recognised in other comprehensive income (OCI)</b>	<b>(3.79)</b>	<b>(1.69)</b>
<b>Expense Recognised in the Statement of Profit and Loss</b>		
Current Service Cost	8.34	9.66
Net interest cost	(0.40)	(0.82)
<b>Expenses Recognized</b>	<b>7.94</b>	<b>8.84</b>
<b>I. Net Asset/(Liability) recognised in the Balance Sheet</b>		
1. Present value of defined benefit obligation at the end of the year	(24.38)	(36.78)
2. Fair value of plan assets at the end of the year	29.17	44.59
3. Surplus/(Deficit)	4.79	7.82
4. Net (liability)/ Asset	4.79	7.82
<b>5. Net liability recognised in the Balance sheet (Refer note below)</b>	<b>-</b>	<b>-</b>
<b>II. Change in the obligation during the year</b>		
1. Present value of defined benefit obligation at the beginning of the year	36.78	26.88
2. Expenses Recognised in Statement of Profit or Loss		
- Current Service Cost	8.34	9.66
- Interest Expense/(Income)	1.91	1.47
(Benefit paid from the Fund)	(18.37)	(0.87)
3. Actuarial (Gains)/ Losses on Obligations - Due to change in Demographic Assumptions	-	-
4. Actuarial (Gains)/ Losses on Obligations - Due to change in Financial Assumptions	(0.39)	(3.29)
5. Actuarial (Gains)/ Losses on Obligations- Due to experience	(3.88)	2.94
<b>6. Present value of defined benefit obligation at the end of the year</b>	<b>24.39</b>	<b>36.78</b>
<b>III. Change in fair value of assets during the year</b>		
1. Fair value of plan assets at the beginning of the year	44.59	41.85
2. Contributions by employer	1.11	-
3. Benefits paid from the fund	(18.37)	(0.87)
3. Interest Income	2.31	2.28
4. Return on Plan Assets, excluding Interest Income	(0.48)	1.33
<b>5. Fair value of plan assets at the end of the year</b>	<b>29.16</b>	<b>44.59</b>

Note:- Since the plan assets are contributed to insurer managed fund, the company does not have a right to get refund on any excess contribution made. Accordingly no asset is recognised.



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**ALT DIGITAL MEDIA ENTERTAINMENT LIMITED**

Notes forming part of the financial statements for the year ended March 31, 2022

	(₹ in Lacs)	
The sensitivity of the defined benefit obligation to the weighted principle assumptions is:	March 31, 2022	March 31, 2021
<b>Projected Benefit Obligation on Current Assumptions</b>	<b>24.38</b>	<b>36.78</b>
Delta Effect of +1% Change in Rate of Discounting	(0.78)	(1.20)
Delta Effect of -1% Change in Rate of Discounting	0.84	1.29
Delta Effect of +1% Change in Rate of Salary Increase	0.83	1.28
Delta Effect of -1% Change in Rate of Salary Increase	(0.79)	(1.21)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.21)	(0.33)
Delta Effect of -1% Change in Rate of Employee Turnover	0.21	0.34

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 ₹ 0.73 Lacs (Previous year ₹ 0.52 Lacs) to the gratuity fund during the next financial year.

	(₹ in Lacs)	
Maturity profile of defined benefit obligation:	March 31, 2022	March 31, 2021
Projected Benefits Payable in future years from Date of Reporting		
1st Following year	3.22	5.54
2nd Following year	4.80	6.35
3rd Following year	4.39	6.43
4th Following year	4.08	5.53
5th Following year	2.97	4.70
Sum of Years 6 to 10	7.59	11.69
Sum of Years 11 and above	3.03	4.49

**Plan Assets**

The fair value of Company's pension plan asset as of March 31, 2022 and March 31, 2021 by category are as follows:

	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Asset category:		
Insurer managed funds	29.17	44.59
	100%	100%

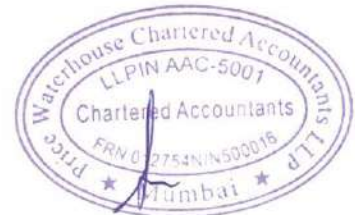
The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. 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.



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**ALT DIGITAL MEDIA ENTERTAINMENT LIMITED**

Notes forming part of the financial statements for the year ended March 31, 2022

**29 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, 2022	For the year ended March 31, 2021
(a) (Loss) for the year attributable to equity share holders (₹ in lacs)	(13,654.61)	(14,619.63)
(b) Weighted average number of equity shares outstanding during the year (Nos.)	62,00,50,000	60,97,48,630
(c) Loss per share - Basic and diluted (₹) (a / b)	(2.20)	(2.40)
(d) Nominal value of shares (₹)	10	10

30 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 ₹ 15,815.84 lacs (previous year ₹ 12,255.24 lacs) as at March 31, 2022. 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.

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

Revenue of approximately ₹ 704.98 lacs during the year ended March 31, 2021 are derived from major six external customer.

32 As at March 31, 2022 the Company has accumulated losses of ₹ 62,292.85 lacs. The company has necessary financial support from its parent 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, 2022 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.

**33 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, 2022	March 31, 2021
Employee Stock Option Expenses	296.63	(14.83)

The above Employee Stock Option Expenses of ₹ 296.63 lacs ( March 31, 2021 Rs. -14.83 lacs) is included in the statement of Profit and Loss as under-

Particular	March 31, 2022	March 31, 2021
Cross charge by Parent Company (Refer Note 27)	296.63	(14.83)
<b>Total</b>	<b>296.63</b>	<b>(14.83)</b>



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**ALT DIGITAL MEDIA ENTERTAINMENT LIMITED**

Notes forming part of the financial statements for the year ended March 31, 2022

**34 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, 2022			March 31, 2021		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Non-Current Financial assets</b>						
Investments	-	1,500.00	-	-	1,500.00	-
<b>Current financial assets</b>						
Investments	-	-	-	1,002.98	-	-
Trade receivables	-	-	3,333.70	-	-	4,187.88
Cash and cash equivalents	-	-	177.99	-	-	401.07
Other financial assets	-	-	42.51	-	-	38.46
<b>Total Financial Assets</b>	-	<b>1,500.00</b>	<b>3,554.20</b>	<b>1,002.98</b>	<b>1,500.00</b>	<b>4,627.41</b>
<b>Non-Current Financial Liabilities</b>						
Trade payables	-	-	-	-	-	34.56
<b>Current Financial Liabilities</b>						
Trade payables	-	-	23,697.54	-	-	23,322.04
Borrowings	-	-	1,199.72	-	-	-
Other financial liabilities	-	-	-	-	-	-
<b>Total Financial Liabilities</b>	-	-	<b>24,897.26</b>	-	-	<b>23,356.60</b>

(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 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, 2022	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in B.D Inno Ventures Pvt Ltd	-	-	1,500.00	1,500.00
<b>Total Financial Assets</b>	-	-	<b>1,500.00</b>	<b>1,500.00</b>
<b>Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2022</b>				
<b>Non-current liabilities</b>				
Trade Payables	-	-	-	-
<b>Total Financial Liabilities</b>	-	-	-	-

(₹ in Lacs)

Financial assets and liabilities measured at fair value-recurring fair value measurement at March 31, 2021	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Mutual Funds	1,002.98	-	-	1,002.98
Investments in B.D Inno Ventures Pvt Ltd	-	-	1,500.00	1,500.00
<b>Total Financial Assets</b>	<b>1,002.98</b>	-	<b>1,500.00</b>	<b>2,502.98</b>
<b>Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2021</b>				
<b>Non-current liabilities</b>				
Trade Payables	-	-	34.99	34.99
<b>Total Financial Liabilities</b>	-	-	<b>34.99</b>	<b>34.99</b>



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**ALT DIGITAL MEDIA ENTERTAINMENT LIMITED**

Notes forming part of the financial statements for the year ended March 31, 2022

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 NAV.

**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 NAV available from issuer of Mutual Fund.

- Fair value of investment in equity instruments measured at Fair value through OCI is determined using discounted cash flow method.

**(iii) Fair value of financial assets and liabilities measured at amortised cost**

Particulars	March 31, 2022		March 31, 2021	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>Non Current Financial Liabilities</b>				
Trade Payables	-	-	34.56	34.99



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**35 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, 2022 and March 31, 2021 is the carrying value of each class of financial assets as disclosed in note 34.

**Security deposits given to lessors**

The Company has given security deposit to lessors for premises leased by it as at March 31, 2022 and March 31, 2021. 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:

	March 31, 2022		March 31, 2021	
	Gross Carrying Amount	Loss Allowance	Gross Carrying Amount	Loss Allowance
Trade Receivables	3,462.02	(128.32)	4,316.20	(128.32)
Other financial assets	42.51	-	38.46	-

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

	March 31, 2022		March 31, 2021	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Opening balance	(128.32)	(58.93)	(128.32)	(58.93)
Provided during the year (net of write off)	-	(69.39)	-	(69.39)
Reversals of provisions	-	-	-	-
<b>Closing balance</b>	<b>(128.32)</b>	<b>(128.32)</b>	<b>(128.32)</b>	<b>(128.32)</b>

Of the Trade Receivables balance as at March 31, 2022 of Rs 3,333.70 lacs (as at March 31, 2021 of Rs.4,187.88 lacs), the top 3 customers of the company represent the balance of Rs. 2,797.45 lacs as at March 31, 2022 (as at March 31, 2021 of Rs.4,043.62 lacs).

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



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**ALT DIGITAL MEDIA ENTERTAINMENT LIMITED**  
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**(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	
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	32.71	-	-	-	-	32.71
<b>Total financial liabilities</b>	<b>24,929.72</b>	<b>24,929.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,929.97</b>

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	
March 31, 2021							
Trade payables	23,356.50	23,322.04	35.00	-	-	-	23,357.04
Lease Liabilities	147.30	60.84	60.84	32.71	-	-	154.39
<b>Total financial liabilities</b>	<b>23,503.89</b>	<b>23,382.88</b>	<b>95.84</b>	<b>32.71</b>	<b>-</b>	<b>-</b>	<b>23,511.43</b>

**(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 INR lacs, are as follows:

	March 31, 2022	March 31, 2021
	USD	USD
Trade Receivables	2,230.84	-

As at March 31, 2022, the unhedged exposure to the Company on holding financial assets (trade receivables) other than in their functional currency amounted to ₹ 2,230.84 lacs (March 31, 2021 ₹ Nil 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, 2022	March 31, 2021
USD Sensitivity		
INR/USD-increase by 10% (March 31, 2021 – 10%)	223.08	-
INR/USD-decrease by 10% (March 31, 2021 – 10%)	(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, 2022 (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.

**(ii) Sensitivity**

Particulars	Impact on profit after tax	
	March 31, 2022	March 31, 2021
Net asset value - Increase 5% (March 31, 2021 5%)*	-	50.15
Net asset value - Decrease 5% (March 31, 2021 5%)*	-	(50.15)

\*Profit after tax for the year would increase/ (decrease) as a result of gains/ losses on investments classified at fair value through profit or loss.



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**ALT DIGITAL MEDIA ENTERTAINMENT LIMITED**

Notes forming part of the financial statements for the year ended March 31, 2022

**36 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.

**37 (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
- 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 beneficiariesThe 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
- h) 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.
- i) The company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- j) 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**

(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.

- 38 The COVID-19 pandemic had adversely impacted the entire media and entertainment industry, now the operations are normalised and are operating as per the schedule.

The Company's Management has done an assessment of the current situation, including the liquidity position and the recoverability and carrying value of all its assets and liabilities as at March 31, 2022 and concluded that there were no material adjustments required in the financial statements as on March 31, 2022.

The impact assessment of COVID-19 pandemic is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.



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39 Financial Ratios

Particulars	As at March 31, 2022	As at March 31, 2021	% Change	Reason for variance
Current Ratio = $\frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.69	1.12	-38.03%	Increase in liabilities due to Borrowings which were "NIL" in FY2020-21, and reduction in inventory of shows.
Debt Equity Ratio = $\frac{\text{Debt}}{\text{Shareholder's Equity}}$	3.60	-	100.00%	Short-term borrowings taken from Holding Company during the year, which were "NIL" in the previous year.
Debt Service Coverage Ratio = $\frac{\text{Earnings available for debt service}}{\text{Debt Service (Refer Note 1)}}$	-11.01	-126.29	-91.28%	Short-term borrowings taken from Holding Company during the year, which were "NIL" in the previous year.
Return On Equity Ratio = $\frac{\text{Profit After Taxes}}{\text{Average Shareholder's Equity}}$	-1.95	-0.73	166.52%	Due to increase in accumulated losses.
Inventory Turnover Ratio = $\frac{\text{Cost Of Goods Sold}}{\text{Average Inventory}}$	1.13	0.64	78.03%	Impact due to reduction in inventory of shows.
Trade Receivables Turnover Ratio = $\frac{\text{Credit Sales}}{\text{Average Trade Receivables}}$	2.73	1.27	114.19%	Impact of higher Licensing sale income and higher Service income as compared to previous year.
Trade Payables Turnover Ratio = $\frac{\text{Credit Purchases}}{\text{Average Trade Payables}}$	0.17	0.92	-81.90%	Increase in payables as compared to previous year, and decrease in credit purchase.
Net Capital Turnover Ratio = $\frac{\text{Sales}}{\text{Working Capital}}$	-1.17	2.09	-156.22%	Increase in liabilities due to Borrowings which were "NIL" in FY2020-21, and reduction in inventory of shows.
Net Profit ratio = $\frac{\text{Net Profit After Taxes}}{\text{Sales}}$	-1.33	-2.39	-44.37%	Impact of higher Licensing sale income and higher Service income as compared to previous year.
Return On Capital Employed = $\frac{\text{Earning Before Interest and Taxes (EBIT)}}{\text{Capital Employed ( Refer note 2)}}$	-8.88	-1.06	737.84%	Impact due to reduction in inventories in the current year, and increase in Borrowings (NIL in previous year).
Return On Investment = $\frac{\text{Profit After Taxes}}{\text{Total Assets}}$	-0.48	-0.37	27.34%	Due to liquidation of entire Current investments, and reduction in inventory, reducing the total Assets.

Note 1:- Debt Service = Current Borrowings + Current Lease Liabilities

Note 2:- Capital employed = Tangible Networth + Total Debt + Deferred Tax Liability (net)

40 The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 1, 2021. Consequent to above, the Company has changed the classification/presentation of security deposits in the current year. The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Rs in Lacs

Balance sheet (extract)	March 31, 2021	Increase/ (Decrease)	March 31, 2021
	(as previously reported)		(restated)
Current Assets			
Other financials assets	122.82	-84.36	38.46
Trade receivables	4,065.06	122.82	4,187.88
Loans	38.46	-38.46	-

Signatures to note 1 to 40

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No. 012754N/N500016

Ali Akbar  
Partner  
Membership No: 117839  
Place: Mumbai

Date: May 20, 2022

For and on behalf of the Board of Directors

D.G Rajan  
(Director)  
DIN: 00303060

Ramkish Sippy  
(Director)  
DIN: 00652881

Sanjay Dwivedi  
(Group CFO)

Zulfiqar Ahmad Khan  
(CEO)

Ruchita  
Ruchita Gudinka  
(Company Secretary)

Place: Mumbai  
Date: May 20, 2022