UTV SOFTWARE COMMUNICATIONS LIMITED
Notes to the Standalone Financial Statements for the year ended March 31, 2020
(All amounts in Rs. million, unless otherwise stated)

Background
UTV Software Communications Limited (the 'Company') was Incorporated under the laws of India on June 22, 1990 in Mumbai under the Companies Act, 1956. The Company was listed with National Stock Exchange and Bombay Stock Exchange upto March 16, 2012 and has been delisted pursuant to take over by The Walt Disney Company (Southeast Asia) Pte Limited. The Company is primarily engaged in the business of Film Distribution, Film (including Animation) Production, Mobile Value Added Services, Gaming and Interactive media, Content Development & Distribution, Media networks and Disney Consumer Products.

1 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements ("financial statements"). These policies have been consistently applied to all the years presented, unless otherwise stated.

a Basis of Preparation

i The Financials statements of the companies have been prepared to comply with the Indian Accounting Standards ('IND AS') including the rules notified under the relavant provisions of the Companies Act, 2013 ('The Act').

ii Historical cost convention
The financial statements have been prepared on a historical cost basis, except for the following:
- certain financial assets and liabilities that is measured at fair value,
- defined benefit plans - plan assets measured at faire value, and
- share-based payments

iii All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (i.e. 12 months) and other criteria set out in Schedule III (Division II) to the Act.

iv New and amended standards adopted by the Company
The Company has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2019:

Ministry of Corporate Affairs ('MCA') through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, using modified retrospective method. The Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by- lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

As required under the standard, the Company has recognized lease liability at the present value of remaining lease payments discounted at the incremental borrowing rate and right to use assets at an amount equal to lease liability at transition date, adjusted by the amount of any prepaid or accrued lease payments relating to lease recognised in the balance sheet immediately before the date of transition to Ind AS 116. Subsequently the ROU assets are depreciated over the lease term on straight line basis and the lease liability is remeasured at amortized cost at each reporting date. The Company therefore has changed its accounting policies following the adoption of Ind AS 116. This is disclosed in note 1 (f) Leases. Refer note 1(f) Leases under Significant accounting policies in the standalone financial statements of the Company for the year ended March 31, 2019, for the policy as per Ind AS 17.
The Company has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2018:

Ind AS 115, Revenue from Contract with the Customers: Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company applied Ind AS 115 for the first time by using cumulative catch-up approach of adoption with the date of initial application of April 1, 2018. Under the method, the Company has elected to apply the revenue standard only to contracts that are not completed as at the date of Initial application. In accordance with the cumulative catch-up approach, the numerical comparative information have not been retrospectively adjusted. The Company therefore has changed its accounting policies following the adoption of Ind AS 115. This is disclosed in note 1(c) Revenue Recognition.

Amendment to Ind AS 12, Income Taxes: The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and fair value is below the asset's tax base. They also clarify certain other aspects of accounting of deferred tax. The amendment does not have any impact of the Company's financial statements.

b Foreign currency translation

i Functional and presentation currency
Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian currency (INR), which is the Company's functional and presentation currency.

ii Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. 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 the year end exchange rates are recognised in profit or loss. All foreign exchange gain and losses are presented in the Statement of Profit and Loss on the net basis within other income/(expenses).
Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

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c Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of allowances, incentives, indirect taxes and amounts collected on behalf of third parties.
The Company recognises revenue when (or as) the Company satisfies a performance obligation by transferring a promised goods or services to customer. The promised goods or services is transferred when (or as) the customer obtains control over a good or service for each of the activities as described below:

i Revenue from licensing and distribution of movies are recognised at a point in time when the relevant content is delivered to customers or start of license period, whichever is later, and in accordance with the licensing and distribution agreement as the films are exhibited, for non-theatrical and theatrical revenue respectively, for most of the licenses due to their being limited ongoing involvement in the use of the license following its transfer to the customer. The Company evaluates if a license represents a right to access the content (revenue recognized over time) or represents a right to use the content (revenue recognized at a point in time).

ii Merchandise licensing minimum guarantee royalty payments are recognised as per the terms of the agreement over the license period on straight line basis. Royalty earned at contractual rate in excess of minimum guarantee is recognized as and when royalty earned exceeds minimum guarantee, based on the products sold by the licensee.

iii Support services to group companies relating to management support service, accounting / finance services, information technology services, administrative services and human resource services are recognised as per the terms of the agreement, on accrual basis.

iv Media Service fees relating to consultancy for media distribution and marketing services, advertising services and content production related services are recognised on service delivery as per the terms of the agreement, on accrual basis.

v Revenue from distribution of mobile content and subscription is recognised at a point in time in accordance with the terms of revenue sharing agreements entered by the Company with telecom operators / Internet Service Providers (ISPs) and on the basis of receipt of download / subscription reports by the Company. Until the receipt of download or subscription report from the telecom operators / ISPs revenue is recognised on a fair estimates by the Company. Revenues are stated at net of applicable taxes.

Revenue in excess of invoicing are classified as unbilled revenue, while invoicing in excess of revenue are classified as advance billing to customers, and difference between nominal value and fair value of revenue, if any, are classified to deferred interest income.

d Inventories

i Inventories is valued at lower of Cost and Net Realisable Value.

ii Raw Stock is stated at lower of Cost and Net Realisable Value. Cost of raw stock is determined on First in First Out (FIFO) basis.

iii Acquired rights pertaining to movies, animation and other content, are amortised on the exploitation of such rights based on the management estimates of revenue potential.

iv Cost of completed/ acquired movies is amortised over the movie life cycle based upon the ratio of the current period's revenues to the estimated remaining total revenues (Ultimate Revenues) for each movie. If estimate of Ultimate Revenues decreases, amortization of movie cost is accelerated. Conversely, if estimates of Ultimate Revenues increases, movie cost amortization is decelerated. Ultimate Revenues include revenues from all sources that will be earned over a period not to exceed ten years from the date of the first theatrical release.

v Movies under Production are stated at cost. Cost comprises of material cost, cost of services and other expenses. Costs get accumulated till the first theatrical release of the movie.

vi Cost of Digital Video Discs (DVDs)/ Video Compact Discs (VCDs)/ Blu-ray Discs (BDs), Toys and Books include product's purchase price and other incidental expenses incurred to bring the inventory to their present condition and location. Costs are determined on the basis of weighted average cost method.

vii The Company evaluates the realisable value and/or revenue potential of inventories on an annual basis and appropriate write down is made in cases where accelerated write down is warranted.

e Income taxes and deferred tax

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.
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 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 balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not accounted for if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period. 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 liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.
Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Current and deferred tax is recognised in profit or 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.

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.

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f Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a

The Company as lessee ;

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the balance sheet.

The Company applies Ind AS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the note 1(h) Impairment of Assets. Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in profit or loss.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company as lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

g Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition comprises:

- the fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Company; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred

The excess of the

- consideration transferred, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

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Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities or businesses are reflected at their carrying amounts after making adjustments necessary to harmonise the accounting policies. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. The identity of the reserves is preserved in the same form in which they appeared in the financial statements of the transferor and the difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

h Impairment of Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other 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 Company's of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

i Cash and cash equivalents

Cash and Cash equivalents comprise cash at banks, 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. These do not include bank balances earmarked/restricted for specific purposes.
For the purpose of cash flow statements, cash and cash equivalents includes cash on hand, cash at banks and short term deposits.

j Equity Investment in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

Investment in Equity Component of Preference Shares of subsidiaries:
Company considers issuance of non-market rate redeemable preference shares by subsidiary as equity. It is presented separately as 'Investment in equity component of preference shares of subsidiaries' under 'Equity investments in subsidiaries'. Equity Component is not subsequently remeasured.

k Investments and other financial assets

i Classification

The Company classifies its financial assets in the following measurement categories:
• those to be measured subsequently at fair value (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 be recorded in profit or loss. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

ii 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 profit or loss.

Debt instruments
Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

• Amortised cost:
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

• Fair value through other comprehensive income (FVTOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income/ expenses. Interest income from these financial assets is included in other income using the effective interest rate method.

• Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the Statement of Profit and Loss within other income/ expenses in the period in which it arises. Interest Income from these financial assets is included in other income.

Equity investments
The Company subsequently measures all equity investments (other than equity investments in subsidiaries) at fair value. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.
Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income/(expenses) in the Statement of Profit and Loss.

iii Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.
For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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iv 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 de-recognised. 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.

v Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognised in 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 reliably measured.

l Financial liabilities

i 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.

ii 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 amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

iii 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.

iv Derecognition

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

m 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.

n Property, Plant and Equipment (Including Capital Work-In-Progress)

Freehold land is carried at historical cost of acquisition. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or 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 their cost, net of their residual values, over their estimated useful lives which are as follows:

Assets	Useful Life (in years)
Computers & Servers	3 - 6
Leasehold Improvements	3 - 9
Electrical Installations & Equipments	10
Furniture & Fixtures	10
Office Equipments	5
Plant and Machinery	15

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss under income/(expenses).

Depreciation on assets purchased / disposed off during the year is provided on pro-rata basis with reference to the date of additions / deductions.

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o Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is accounted as investment property. Investment property is measured initially at its cost, including related transaction costs.
Investment properties are depreciated using the straight-line method over their estimated useful lives. The useful life has been determined based on technical evaluation performed by the management's expert.

p Intangible assets

i Goodwill:

The Company has recognised goodwill on amalgamation pursuant to the Scheme of Amalgamation between the Company and its group company/subsidiary namely The Walt Disney Company (India) Private Limited (TWDC) and Indiagames Limited (Indiagames), sanctioned by the order of the National Company Law Tribunal dated June 8, 2017 (the 'Scheme'). (Refer Note 32)

Pursuant to the Scheme, goodwill on amalgamation is amortised over a period of 5 years on straight line basis.
Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated amortisation and accumulated impairment loss. Gains and losses on the disposals of a cash generating unit include the carrying amount of goodwill relating to the cash generating unit sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or group of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or group of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

ii Other intangible assets:

Intangible assets with finite useful lives acquired by the Company are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortisation methods and periods are:

Assets	Useful Life (in years)
Computer Software	3
Customer Contracts	3
Intellectual Property Rights	4
Brand	10

q Trade receivables and Trade & other payables

Trade Receivables:

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

Trade & other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

r Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income/(expenses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Compound instruments:

The component parts of compound instruments (convertible instruments) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured.

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s Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

t Provisions

Provisions for legal claims and discounts/incentives 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 not recognised for future operating losses.

At the end of each reporting period, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at a future date. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

u Contingent Liabilities

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 the obligation or a reliable estimate of the amount cannot be made.

v Employee benefits

i Short-term obligations

Liabilities for salaries and wages, 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 recognised in respect of employees services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

ii Other long-term employee benefit obligations

The liabilities for earned and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the Balance Sheet since the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii Post-employment obligations

The Company operates the following post-employment schemes:
- defined benefit plans such as gratuity, and
- defined contribution plans such as provident fund and employees' state insurance corporation

Gratuity obligations

The Company provide for gratuity covering eligible employees in accordance with the Payment of Gratuity (Amendment) Act, 2018. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to yields on Government Securities at the end of the reporting period 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 recognised 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 recognised immediately in profit or loss as past service cost.

Defined contribution plans

Provident fund and employees' state insurance corporation

The Company pays provident fund and employees' state insurance commission contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

iv Share-based payments

Share-based compensation benefits are provided to employees via Employee Stock Options (ESOPs) and Restricted Stock Units (RSUs) of The Walt Disney Company, USA, the ultimate holding company.

The fair value of options granted under the Employee Stock Options (ESOPs) and Restricted Stock Units (RSUs) is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)

- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and

- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

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w Contributed equity
Equity shares are classified as equity share capital.
Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

x Dividends
Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

y 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, adjusted for bonus elements in equity shares issued during the 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.

z Standards issued but not yet effective and have not been adopted early by the Company
Ministry of Corporate Affairs ('MCA') notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

aa Rounding off amounts
All amounts disclosed in the financial statements and notes have been rounded off to nearest rupees millions as per the requirement of Schedule III (Division II), unless otherwise stated.

2 Critical estimates and judgements
The preparation of financial statements require the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different that those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

a) Estimation of defined benefit obligation
The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.
The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability (Refer Note 15 and 21).

b) Estimation of current tax expense and deferred tax

The calculation of the Company's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. (Refer Note 26)

The recognition of deferred tax assets/ liabilities is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts.

c) Estimation of Provisions and Contingent Liabilities
The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision (Refer Notes 14 and 29).

d) Estimated useful life of Property, Plant and Equipment, Goodwill and Other Intangible assets
The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. For the relative size of the Company's property, plant and equipment and intangible assets (Refer Notes 3 and 4).

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e) Estimation of Provision for Inventory

The Company writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not realised. The identification of write-downs requires the use of estimates of ultimate revenue from the movies. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed (Refer Note 10).

f) Estimation of Impairment for Investments in Subsidiaries

To test the impairment of investment in subsidiaries, market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments. Changes in the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Company's impairment evaluation and hence results (Refer Note 5).

g) Exceptional items

Exceptional items are expense items recorded in the year in which they have been determined by management as being material by their size or incidence and are presented separately within the results of the Company. The determination of which items are disclosed as exceptional items will affect the presentation of profit for the year and requires a degree of judgement. Details relating to exceptional items reported during the year are set out in Note 25.

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3 : Property, Plant and Equipment and Capital work-in-progress [Refer Notes 1 (n) and 2(d)]

Particulars	Freehold land	Leasehold Improvements	Plant and Machinery	Office Equipments	Electrical Installations & Equipment	Furniture & Fixtures	Computers & Servers	Total
Gross carrying amount								
Opening gross carrying amount as at April 1, 2018	0.70	183.92	11.66	25.69	20.87	11.97	212.00	466.81
Additions	-	-	1.11	1.52	-	-	53.04	55.67
Disposals	-	-	-	(1.41)	-0.02	-0.03	-92.21	(93.67)
Closing gross carrying amount as at March 31, 2019	**0.70**	**183.92**	**12.77**	**25.80**	**20.85**	**11.94**	**172.83**	**428.81**
Accumulated depreciation								
Opening accumulated depreciation as at April 1, 2018	-	80.79	2.51	14.41	9.96	5.15	128.76	241.58
Depreciation charge during the year	-	27.33	1.06	3.76	3.52	2.57	47.20	85.44
Disposals	-	-	-	(1.39)	(0.02)	(0.01)	(88.72)	(90.14)
Closing accumulated depreciation as at March 31, 2019	-	**108.12**	**3.57**	**16.78**	**13.46**	**7.71**	**87.24**	**236.88**
Net carrying amount as at March 31, 2019	**0.70**	**75.80**	**9.20**	**9.02**	**7.39**	**4.23**	**85.60**	**191.93**
Gross carrying amount								
Opening gross carrying amount as at April 1, 2019	0.70	183.92	12.77	25.80	20.85	11.94	172.83	428.81
Additions	-	-	0.52	2.53	-	-	44.96	48.00
Disposals / Adjustments	-	-	(2.76)	(0.77)	-	-	(10.96)	(14.49)
Closing gross carrying amount as at March 31, 2020	**0.70**	**183.92**	**10.53**	**27.56**	**20.85**	**11.95**	**206.83**	**462.32**
Accumulated depreciation								
Opening accumulated depreciation as at April 1, 2019	-	108.12	3.57	16.78	13.46	7.71	87.24	236.88
Depreciation charge during the year	-	46.25	3.58	0.96	3.80	0.71	53.74	109.04
Disposals / Adjustments	-	-	(2.76)	(0.77)	-	-	(10.96)	(14.49)
Closing accumulated depreciation as at March 31, 2020	-	**154.37**	**4.39**	**16.97**	**17.26**	**8.42**	**130.02**	**331.43**
Net carrying amount as at March 31, 2020	**0.70**	**29.55**	**6.14**	**10.59**	**3.58**	**3.53**	**76.81**	**130.89**

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4 (a) : Goodwill and other Intangible assets [Refer Notes 1(p), 1(h) and 2(d)]

Particulars	Goodwill	Computer Software	Customer Contracts	Intellectual Property Rights	Brand	Total Other Intangibles
Gross carrying amount						
Opening gross carrying amount as at April 1, 2018	3,938.01	34.03	28.00	100.00	420.00	582.03
Disposals	-	(10.51)	-	-	-	(10.51)
Closing gross carrying amount as at March 31, 2019	**3,938.01**	**23.52**	**28.00**	**100.00**	**420.00**	**571.52**
Accumulated Amortisation						
Opening Accumulated Amortisation as at April 1, 2018	2,362.80	26.88	28.00	75.00	126.00	255.88
Amortisation charge during the year	787.60	3.65	-	25.00	42.00	70.65
Disposals	-	(10.51)	-	-	-	(10.51)
Closing Accumulated Amortisation as at March 31, 2019	**3,150.40**	**20.02**	**28.00**	**100.00**	**168.00**	**316.02**
Accumulated Impairment						
Opening accumulated Impairment as at April 1, 2018	-	-	-	-	-	-
Impairment charge during the year (Refer Note 25(a))	270.01	-	-	-	252.00	252.00
Closing Accumulated Imapairment as at March 31, 2019	**270.01**	-	-	-	**252.00**	**252.00**
Net carrying amount as at March 31, 2019	**517.60**	**3.50**	-	-	-	**3.50**
Gross carrying amount						
Opening gross carrying amount as at April 1, 2019	3,938.01	23.52	28.00	100.00	420.00	571.52
Disposals	-	(6.82)	-	-	-	(6.82)
Closing gross carrying amount as at March 31, 2020	**3,938.01**	**16.71**	**28.00**	**100.00**	**420.00**	**564.71**
Accumulated Amortisation						
Opening accumulated Amortisation as at April 1, 2019	3,150.40	20.02	28.00	100.00	168.00	316.02
Amortisation charge during the year	517.60	2.98	-	-	-	2.98
Disposals	-	(6.75)	-	-	-	(6.75)
Closing Accumulated Amortisation as at March 31, 2020	**3,668.00**	**16.25**	**28.00**	**100.00**	**168.00**	**312.25**
Accumulated Impairment						
Opening accumulated Impairment as at April 1, 2019	270.01	-	-	-	252.00	252.00
Impairment charge during the year (Refer Note 25(a))	-	-	-	-	-	-
Closing Accumulated Imapairment as at March 31, 2020	**270.01**	-	-	-	**252.00**	**252.00**
Net carrying amount as at March 31, 2020	-	**0.45**	-	-	-	**0.45**

Cash Generating Unit (CGU) level summary of goodwill allocation is presented below:

(All amounts in Rs. million, unless otherwise stated)	Media Networks	Disney Consumer Product	Gaming & Interactive Media	Total
As at year ended Mar 31, 2020	-	-	-	-
As at year ended March 31, 2019	103.53	414.07	-	517.60

The following table sets out the key assumption for those CGUs that have significant goodwill allocated to them.

	Media Networks	Disney Consumer Product	Gaming & Interactive Media
As at year ended March 31, 2020			
Pre-tax discount rates	-	-	-
Long-term Growth Rate	-	-	-
As at year ended March 31, 2019			
Pre-tax discount rates	25.10%	19.60%	23.10%
Long-term Growth Rate	6.00%	6.00%	6.00%

In the previous year ended March 31, 2019, Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determining values
Long-term growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates have been considered keeping in mind the growth during the projected period, the expected growth rates of the industry and the overall economy in general.
Pre-tax discount rates	Reflect specific risks relating to the relevant segments and the countries in which they operate.

The recoverable amount of this CGU would equal its carrying amount if the key assumptions were to change as follows:

Media Networks	March 31, 2020		March 31, 2019	
	From	To	From	To
Pre-tax discount rates	-	-	22.50%	44.60%
Long-term growth rate	-	-	6.00%	**

Disney Consumer Product	March 31, 2020		March 31, 2019	
	From	To	From	To
Pre-tax discount rates	-	-	17.80%	159.90%
Long term growth rate	-	-	6.00%	**

Gaming & Interactive Media	March 31, 2020		March 31, 2019	
	From	To	From	To
Pre-tax discount rates	-	-	16.70%	*
Long-term growth rate	-	-	6.00%	*

*During the previous year, the carrying amount of Gaming & Interactive Media has been reduced to its recoverable amount by recognition of an impairment loss in Standalone Statement of Profit and Loss of Rs. 522.01 million.

**The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating units.

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4 (b) : Right-of-use assets

Particulars	Building	Total Right to Use
Gross carrying amount		
Opening gross carrying amount as at April 01,2018	-	-
Additions	-	-
Closing gross carrying amount as at March 31, 2019	-	-
Accumulated Depreciation		
Opening accumulated depreciation as at April 1, 2018	-	-
Depreciation charge during the year	-	-
Closing Accumulated Depreciation as at March 31, 2019	-	-
Net carrying amount as at March 31, 2019	-	-
Gross carrying amount		
Opening gross carrying amount as at April 1, 2019	342.98	342.98
Additions	-	-
Closing gross carrying amount as at March 31, 2019	**342.98**	**342.98**
Accumulated Depreciation		
Opening accumulated depreciation as at April 1, 2019	-	-
Depreciation charge during the year	154.87	154.87
Closing Accumulated Depreciation as at March 31, 2020	**154.87**	**154.87**
Net carrying amount as at March 31, 2020	**188.11**	**188.11**

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5: Equity Investments in Subsidiaries (Refer Notes 1(j), 2(f), 25 and 34)

Particulars	As at Mar 31, 2020		As at March 31, 2019	
	Number of Units	Rs.	Number of Units	Rs.
Investment at Cost (fully paid up)				
Unquoted Equity Shares				
IG Interactive Entertainment Limited [Net of Impairment aggregating to Rs. 2,969.62 million (March 31, 2019: Rs. 2,969.62 million)] of GBP 1 each	33,910,000	-	33,910,000	-
UTV Communications (USA) LLC [Net of Impairment aggregating to Rs. 391.22 million (March 31, 2019: Rs. 391.22)] of USD 10 each	585,000	-	585,000	-
UTV Games Limited [Net of Impairment aggregating to Rs. 570.27 million (March 31, 2019: Rs. 570.27 million)] of USD 1 each	12,000,000	-	12,000,000	-
Disney Entertainment (India) Limited [Net of Impairment aggregating to Rs. 3,396.62 million (March 31, 2019: Rs. 4,883.90 million)] of Rs. 10 each	3,126,280	8,692.78	3,126,280	7,205.50
		8,692.78		7,205.50
Investment in Equity Component of Preference Shares of subsidiaries				
IG Interactive Entertainment Limited [Net of Impairment aggregating to Rs. 3,546.70 million (March 31, 2019: Rs. 3,546.70)] of GBP 1 each	45,423,665	-	45,423,665	-
UTV Games Limited [Net of Impairment aggregating to Rs. 584.88 million (March 31, 2019: Rs. 584.88 million)] of USD 1 each	12,718,000	-	12,718,000	-
		-		-
Total		**8,692.78**		**7,205.50**
Aggregate amount of unquoted investments (gross)		20,152.08		20,152.08
Aggregate amount of impairment in the value of investments		11,459.30		12,946.58
Net carrying value of investments		8,692.78		7,205.50

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6 (a): Non-current Investments (Refer Note 1(k))

Particulars	As at Mar 31, 2020		As at March 31, 2019	
	Number of Units	Rs.	Number of Units	Rs.
Investments in Equity Shares (fully paid-up)				
Unquoted equity investments at Fiar value through P&L				
Homland Network Corporation of USD 0.001 each	352,000	0.01	352,000	0.01
Total equity investments		**0.01**		**0.01**
Investments in preference shares (fully paid-up)				
Unquoted preference shares at FVPL				
Homland Network Corporation	125,000	*	125,000	*
Total preference shares		-		-
Total non-current investments		**0.01**		**0.01**
Aggregate amount of unquoted investments		0.01		0.01
Net carrying value of investments		0.01		0.01

* Amount is below the rounding off norm adopted by the Company.

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6 (b) Loans

	As at Mar 31, 2020	As at March 31, 2019
Non-current		
Unsecured, considered good (unless otherwise stated)		
Loans to related parties (Refer Note 34)		
Considered doubtful [Refer Note below]	20.33	20.33
Less: Provision for doubtful loans	(20.33)	(20.33)
Security deposits	158.46	146.81
	158.46	146.81

Note:
This amount pertains to interest free loans of Rs. 20.33 million (March 31, 2019: Rs. 20.33 million) given to subsidiary company of the Company, for its working capital requirement. Considering significant accumulated losses of the subsidiary, provision was created towards doubtful recovery of this loan.

	As at Mar 31, 2020	As at March 31, 2019
Current		
Unsecured, considered good (unless otherwise stated)		
Loans to related party (Refer Note 34)	3,000.00	-
Security deposits		
Considered good	0.42	0.68
Considered doubtful	-	1.60
Less: Provision for doubtful security deposits	-	(1.60)
	3,000.42	0.68

6 (c) Other Financial assets

	As at Mar 31, 2020	As at March 31, 2019
Non-current		
Fixed deposits with maturity for more than 12 months (Refer Note below)	1.30	1.40
Unbilled revenue	37.50	406.58
	38.80	407.98

Note:
Fixed Deposits amounting to Rs. 1.30 million (March 31, 2019: Rs. 1.30 million) are provided as security against various bank guarantees given and Fixed Deposits amounting to Rs. NIL (March 31, 2019: 0.10 Millions) is provided as security to the Sales Tax Authorities, Delhi.

	As at Mar 31, 2020	As at March 31, 2019
Current		
Unsecured, considered good (unless otherwise stated)		
Interest accrued on bank deposits	1.51	2.94
Interest accrued on Loans to Related Parties		
Considered doubtful	89.98	89.98
Less : Provision for doubtful interest	(89.98)	(89.98)
Unbilled revenue	474.61	1,456.91
	476.12	1,459.85

6 (d) Trade receivables (Refer Notes 1(q) and 34)

	As at Mar 31, 2020	As at March 31, 2019
Unsecured, considered good	911.33	1,728.11
Doubtful	181.75	158.08
Total	1,093.08	1,886.19
Less: Allowance for bad and doubtful debts	(181.75)	(158.08)
	911.33	1,728.11

No trade receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, director or a member.

6 (e) Cash and cash equivalents (Refer Notes 1(i) and Note below)

	As at Mar 31, 2020	As at March 31, 2019
Balances with banks:		
- in current accounts	64.79	73.70
Fixed deposits with original maturity of less than three months	1,800.10	4,030.00
Cash on hand	0.04	0.03
	1,864.93	4,103.73

Note:
There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior periods.

6 (f) Bank balances other than cash and cash equivalents

	As at Mar 31, 2020	As at March 31, 2019
Fixed Deposits (Refer Note below)		
- with original maturity for more than 3 months but less than 12 months	0.43	0.40
- with original maturity of more than 12 months	0.10	-
	0.53	0.40

Note:
Fixed Deposits amounting to Rs. 0.25 million (March 31, 2019: Rs. 0.25 million) are provided as security against bank guarantee given and and Fixed Deposits amounting to Rs. 0.10 Million (March 31, 2019: Rs. NIL) is provided as security to the Sales Tax Authorities, Delhi.

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7 Income tax assets (net) [Refer Note 1(e)]

	As at Mar 31, 2020	As at March 31, 2019
Income tax assets (net)	2,963.45	2,891.43
	2,963.45	2,891.43

Movement in Income Tax Assets (net):

Particulars	Year Ended Mar 31, 2020	Year Ended March 31, 2019
Opening income tax asset/ (liability) at the beginning of the year	2,891.43	2,607.00
Withholding taxes / advance taxes paid during the year	384.38	663.66
Refund received during the year	(312.36)	(379.23)
Net income tax asset/ (liability) at the end of year	2,963.45	2,891.43

8 Deferred tax assets (net) [Refer Note 1(e)]

The balance comprises temporary differences attributable to:

Particulars	As at Mar 31, 2020	As at March 31, 2019
Deferred income tax assets		
Property, plant and equipments and intangible assets	317.69	267.77
Allowance for Doubtful Debts	45.75	39.79
Allowance for doubtful Financial and Non-Financial Assets	97.51	97.79
Provision on Unabsorbed Depreciation and Business Losses	1,302.52	1,831.04
Provision for Employee benefits obligations	14.23	12.97
Deferred interest income	6.37	-
Lease Liability (Net of Right-of-use assets)	23.95	-
Others		
Total deferred tax assets	1,808.02	2,249.36
Deferred income tax liabilities		
Inventory Amortisation	-	0.20
Total deferred tax liabilities	-	0.20
Net Deferred tax (liabilities)/assets	1,808.02	2,249.16

Note : During the current year, based on the estimated future taxable profits, defered tax assets has been recognised on temporary differences and unused tax losses.

9 Other non-current assets

	As at Mar 31, 2020	As at March 31, 2019
Unsecured, considered good (unless otherwise stated)		
Balance with Government Authorities	71.97	93.87
	71.97	93.87

10 Inventories [Refer Note 1(d) and 2(e)]

	As at Mar 31, 2020	As at March 31, 2019
Unamortised cost of Completed/ Acquired Movie Copyrights	-	0.81
	-	0.81

11 Other current assets

	As at Mar 31, 2020	As at March 31, 2019
Unsecured, considered good (unless otherwise stated)		
Balance with Government Authorities	373.11	506.04
Advance to Suppliers		
Considered good	2.83	8.42
Considered doubtful	277.10	276.62
Less : Allowance for doubtful advances to supplier	(277.10)	(276.62)
Prepaid expenses	12.83	20.65
	388.77	535.11

Movement in Allowance for doubtful advance to supplier:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Allowance as at the beginning of the year	276.62	284.70
Changes in allowance during the year	0.48	(8.08)
Allowance as at the end of the year	277.10	276.62

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12 (a) Share capital

	As at Mar 31, 2020	As at March 31, 2019
Authorised		
1,66,02,41,500 (March 31, 2019: 1,66,02,41,500) equity shares of Rs. 10 each	16,602.42	16,602.42
1,666,000 (March 31, 2019: 1,666,000) Compulsory Convertible Preference Shares of Rs. 1,500 each	2,499.00	2,499.00
	19,101.42	**19,101.42**
Issued, subscribed and paid-up		
891,708,579 (March 31, 2019: 891,865,574) equity shares of Rs. 10 each, fully paid-up	8,917.08	8,918.65
Total	**8,917.08**	**8,918.65**

Notes:

(i) **Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period (Refer Note 34):**

Equity Shares:	Year ended March 31, 2020		Year ended March 31, 2019	
	Numbers	Amount	Numbers	Amount
Balance as at the Beginning of the year	891,865,574	8,918.65	891,865,574	8,918.65
Less: Capital Reduction (Refer Note below)	156,995	1.57		
Balance as at the end of the year	891,708,579	8,917.08	891,865,574	8,918.65

Note:
During the year ended March 31, 2020, the Company has reduced its 153,562 equity Shares of Rs. 10 each at a premium of Rs. 1,090 per share and 3,433 equity shares of Rs. 10 each at a premium of Rs. 16.30 per share of resident shareholders and foreign shareholders respectively, pursuant to the National Company Law Tribunal ('NCLT') order dated July 18, 2019 and ROC certificate of registration of the said order dated September 11, 2019 registering the equity share capital reduction.

(ii) **Rights, preferences and restrictions attached to shares**
Equity Shares:
The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholding.

(iii) **Details of shareholders holding more than 5% of the aggregate share in the Company (No. of shares)**

	As at Mar 31, 2020	As at March 31, 2019
Equity Shares:		
The Walt Disney Company (Southeast Asia) Pte. Limitedthe Holding Company	880,313,756	880,313,756

(iv) **Details of shareholders holding more than 5% of the aggregate share in the Company (% shareholding)**

	As at Mar 31, 2020	As at March 31, 2019
Equity Shares:		
The Walt Disney Company (Southeast Asia) Pte. Limitedthe Holding Company	98.72%	98.70%

(v) **Authorised Share Capital**

There are no changes in Authorised Share Capital in both the years.

(vi) **Details of shares held by the Holding Company (No. of shares)**

	As at Mar 31, 2020	As at March 31, 2019
Equity Shares:		
The Walt Disney Company (Southeast Asia) Pte. Limited	880,313,756	880,313,756

(vii) **Details of shares held by the Holding Company (% shareholding)**

	As at Mar 31, 2020	As at March 31, 2019
Equity Shares:		
The Walt Disney Company (Southeast Asia) Pte. Limited	98.72%	98.70%

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12 (b) - Other equity

	Reserves and Surplus			Total
	Securities premium reserve	Retained earnings	Shares Options Outstanding Reserve	
Balance at the April 1, 2019	14,826.31	**(11,786.48)**	**75.22**	**3,115.05**
Profit for the year	-	3,534.61	-	3,534.61
Loss on remeasurements of post-employment benefit obligations (Net of tax)	-	(2.33)	-	(2.33)
Share based payments	-	-	(46.46)	(46.46)
Balance as at March 31, 2019	**14,826.31**	**(8,254.20)**	**28.76**	**6,600.87**
Balance at the April 1, 2019	**14,826.31**	**(8,254.20)**	**28.76**	**6,600.87**
Profit for the year	-	2,476.72	-	2,476.72
Loss on remeasurements of post-employment benefit obligations (Net of tax)	-	(1.28)	-	(1.28)
Share based payments	-	-	(19.60)	(19.60)
Premium on equity share capital reduction	(167.44)	-	-	(167.44)
Balance as at March 31, 2020	**14,658.87**	**(5,778.76)**	**9.16**	**8,889.27**

Nature and Purpose:

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Shares Options Outstanding Reserve

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under Employee stock option plan under which the employees are entitled for shares of the ultimate holding company (Refer Note 38). The amount includes share based payment expense recognised Rs. (5.64) million (March 31, 2019 Rs. 12.81 million) netted off with Rs. 13.96 million (March 31, 2019 Rs. 59.27 million) towards options exercised during the year.

(All amounts in Rs. million, unless otherwise stated)

13 (a) Lease liability on Right-of-use assets (non-current)

	As at Mar 31, 2020	As at March 31, 2019
Lease liability on Right-of-use assets	93.92	-
	93.92	**-**

Lease liability on Right-of-use assets (current)

	As at Mar 31, 2020	As at March 31, 2019
Lease liability on Right-of-use assets	188.16	-
	188.16	**-**

13 (b) Trade payables (Refer Note 1(q))

	As at Mar 31, 2020	As at March 31, 2019
Trade payables (Refer Note 34)		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 30)	3.87	1.90
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	1,613.75	3,959.29
	1,617.62	**3,961.19**

13 (c) Other financial liabilities (current)

	As at Mar 31, 2020	As at March 31, 2019
Security deposits from distributors	1.25	1.25
Interest accrued but not due on Lease Liability	1.84	-
	3.09	**1.25**

14 Provisions (non-current) (Refer Note 1(t) and 2(c))

	As at Mar 31, 2020	As at March 31, 2019
Provision for Contingencies (Refer Note below)	0.31	19.22
	0.31	**19.22**

Note:
Provision with respect to disputed tax matters (Custom duty, Sales tax, Service tax and Withholding taxes) is made in accordance with the Company's policy stated in Note 1 (t):

Particulars	**Year Ended Mar 31, 2020**	**Year Ended March 31, 2019**
Opening Balance	19.22	19.99
Add: Additional provision made during the year	0.02	1.43
Less: Provision Reversed	(18.93)	(2.20)
Unused amounts reversed during the year	-	-
Closing Balance	**0.31**	**19.22**

The timing and the amount of cash outflows, if any, that may arise from the above matters will be determined only in future.

(All amounts in Rs. million, unless otherwise stated)

15 Employee benefits obligation (Non-current) [Refer Notes 1(v), 2(a) and 21]

	As at Mar 31, 2020	As at March 31, 2019
Provision for gratuity	16.68	1.51
Provision for leave encashment	12.46	20.65
	29.14	**22.16**

Employee benefits obligation (Current) [Refer Note 1(v), 2(a) and 21]

	As at Mar 31, 2020	As at March 31, 2019
Provision for gratuity	25.22	26.93
Provision for leave encashment	2.17	2.42
	27.39	**29.35**

16 Income tax liabilities (net)

	As at Mar 31, 2020	As at March 31, 2019
Income tax (net of Advances)	-	19.99
	-	**19.99**

17 Other liabilities (non-current)

	As at Mar 31, 2020	As at March 31, 2019
Deferred operating lease obligation [Refer Note 1(a)(iv)]	-	121.86
Deferred interest income	0.83	22.50
	0.83	**144.36**

Other liabilities (Current)

	As at Mar 31, 2020	As at March 31, 2019
Statutory dues (including Provident Fund and Tax Deducted at Source)	344.15	932.58
Advance Billing to Customers	546.33	679.92
Advance from customers	13.26	50.59
Deferred operating lease obligation [Refer Note 1(a)(iv)]	-	55.67
Deferred interest income	24.49	100.68
	928.23	**1,819.44**

(All amounts in Rs. million, unless otherwise stated)

18 Revenue from operations [Refer Notes 1(c) and 34]

	Year ended Mar 31, 2020	Year ended March 31, 2019
Sales and services revenue (Net) :		
Distribution and Licensing of Movies	854.78	1,739.91
Royalty on Merchandise Licensing	126.02	111.50
Support Services to Group Companies (Refer Note 34)	479.29	581.26
Media Service Fees	178.50	342.47
Interactive Media and Mobile Services	219.60	680.33
Others	6.50	1.66
	1,864.69	**3,457.33**

19 Other income

	Year ended Mar 31, 2020	Year ended March 31, 2019
Interest income from financial assets measured at amortised cost:		
On Fixed Deposits	285.66	168.36
On Loans given to related parties (Refer Note 34)	19.07	-
On Unwinding of discount on security deposits	15.65	14.54
On Others	103.75	88.25
Gain on derecognition of financial assets	-	0.65
Interest income on income tax refund	85.48	74.23
Compensation from Inter Company (Refer Note below)	-	149.00
Miscellaneous income	3.18	5.17
	512.79	**500.20**

(Note: As per Advance Pricing Agreement ('APA'), entered on October 17, 2019 by the Company, with the Central Board of Direct Taxes ('CBDT') representing the Government of India, agreed that a one-time non-recurring compensation is to be earned and received by the Company (now representing The Walt Disney Company (India) Private Limited, the then Applicant to the APA), from Buena Vista International Inc, fellow subsidiary of the Company, towards the non-renewal of erstwhile Disney Channel distribution arrangement ('compensation'). Accordingly, this is the one time compensation amount determined and agreed to upon in the APA (Refer Note 34 (b) (3)).

20 Direct Costs

	Year ended Mar 31, 2020	Year ended March 31, 2019
Amortisation of movie costs	0.81	110.57
Participation Costs	9.14	39.31
Print Costs	0.01	1.52
Royalty Expenses	59.81	211.78
Advertisement and publicity	0.01	2.83
Footage and Programming Cost	7.34	36.20
Miscellaneous expenses	0.91	0.64
	78.03	**402.85**

21 Employee benefits expense [Refer Notes 1(v) and 2(a)]

	Year ended Mar 31, 2020	Year ended March 31, 2019
Salaries, Wages, Allowances and Other Benefits	1,016.34	1,004.34
Contribution to Provident and Other Funds	37.20	38.13
Gratuity (Refer Note (i) below)	12.19	15.31
Share based Payments (Refer Note 38)	(5.64)	12.81
Staff welfare expenses	6.82	22.63
Less: Recovery from Group company	(552.67)	(427.12)
	514.24	**666.10**

Notes:

(i) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments

(ii) Leave encashment

The leave obligation cover the company's liability for sick and earned leave. Provision for leave encashment as at March 31, 2020 is Rs. 14.63 million (March 31, 2019: Rs. 23.07 million)

(iii) Defined contribution plans

The Company contributes on a defined contribution basis to Employees' Provident Fund, Employees' Pension Scheme, Employees' State Insurance Corporation and Maharashtra Labour Welfare Fund towards post employment benefits. Contributions are made to registered funds, administered by the government, in India for employees at the rate as per regulations. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Amount recognised in Statement of Profit and Loss	Year Ended March 31, 2020	Year Ended March 31, 2019
Provident and Pension Fund	37.20	38.13
Maharashtra Labour Welfare Fund	-*	-
Total	37.20	38.13

* Amount is below rounding off norms adopted by the company.

(iv) Defined Benefit Plan - Gratuity

(a) The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
Balance at the beginning of the year as at April 1, 2018	98.56	(42.44)	**56.12**
Current service cost	10.98	-	10.98
Interest expense/(income)	7.60	(3.27)	4.33
Past Service Cost	-	-	-
Total amount recognised in profit and loss	**18.58**	**(3.27)**	**15.31**
Remeasurements			
Return on plan assets, excluding amount included in interest expense	-	(1.56)	(1.56)
Gain from change in demographic assumptions	(0.79)	-	(0.79)
Loss from change in financial assumptions	1.00	-	1.00
Losses on Obligations due to Experience	3.68	-	3.68
Total amount recognised in other comprehensive Loss/ (Income)	3.89	(1.56)	2.33
Exchange difference	-	-	-
Employer contributions	-	(45.32)	(45.32)
Benefit payments	(8.45)	8.45	-
Balance at the end of the year as at March 31, 2019	**112.57**	**(84.14)**	**28.44**

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Particulars	Present value of obligation	Fair value of plan assets	Net amount
Balance at the beginning of the year as at April 1, 2019	**112.57**	**(84.14)**	**28.44**
Current service cost	10.03	-	10.03
Interest expense/(income)	8.54	(6.39)	2.16
Past Service Cost	-	-	-
Total amount recognised in profit and loss	**18.57**	**(6.39)**	**12.19**
Return on plan assets, excluding amount included in interest expense/(income)		1.32	1.32
Loss from change in demographic assumptions	2.44		2.44
Gain from change in financial assumptions	(0.45)		(0.45)
Gain on Obligations due to Experience	(2.03)		(2.03)
Total amount recognised in other comprehensive Loss/ (Income)	**(0.04)**	**1.32**	**1.28**
Exchange difference			
Employer contributions	-		-
Benefit payments	(20.60)	20.60	-
Balance at the end of the year as at March 31, 2020	110.50	**(68.60)**	**41.90**

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	March 31, 2020	March 31, 2019
Present value of funded obligations	110.50	112.57
Fair value of plan assets	(68.60)	(84.14)
Deficit of funded plan	41.90	28.44

(b) Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
a. Discount rate (Per annum)	6.59%	7.59%
b. Estimated rate of Planned Asset (Per annum)	6.59%	7.59%
c. Rate of escalation in salary (Per Annum)	9.00%	11.00%
d. Rate of Employee Turnover (Per Annum)	12.00%	8.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

(c) Sensitivity Analysis
The sensitivity of the desired benefit obligation to change in the weighted principal assumptions is:

	As at March 31, 2020		As at March 31, 2019	
Particulars	Increase	Decrease	Increase	Decrease
Discount rate (+1% / -1%)	(5.71)	6.38	(7.86)	8.99
Salary growth rate (+1% / -1%)	3.39	(3.37)	3.93	(4.03)
Attrition Rate (Employee Turnover) (+1% / -1%)	0.30	(0.35)	0.73	(0.88)

The above sensitivity analysis 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 defined benefit obligation calculated with the project 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 method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(d) The major categories of plan assets are as follows:

Particulars	As at Mar 31, 2020	As at March 31, 2019
Insurance Managed Funds (LIC)	68.60 (100%)	84.14 (100%)
Total	**68.60**	**84.14**

(e) Risk Exposure

The Company is exposed to below risks, pertaining to its defined benefit plans

Asset volatility	The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets
Changes in bond yields	A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings

The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Company's ALM objective is to match assets to the pension obligations by investing in insurance managed fund, which in turn make investment in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

All portion of assets consists of investment made in Life Insurance Corporation (LIC)

(f) Defined benefit liability and employer contribution

Funding levels are monitored on an annual basis. The Company considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

Expected contributions to post-employment benefit plans for the year ending March 31, 2021 are INR Rs. 25.22 millions

The weighted average duration of the defined benefit obligation is 9 years (2018 – 9 years). The expected maturity analysis of undiscounted gratuity obligation is as follows:

Particulars	1st Following Year	2nd Following Year	3rd Following Year	4th Following Year	5th Following Year	Sum of Years 6 To 10
As at March 31, 2020						
Defined Benefit Obligation (Gratuity)	14.16	13.62	13.40	11.84	10.62	44.60
Total	**14.16**	**13.62**	**13.40**	**11.84**	**10.62**	**44.60**
As at March 31, 2019						
Defined Benefit Obligation (Gratuity)	9.21	9.84	10.76	10.78	9.93	48.29
Total	**9.21**	**9.84**	**10.76**	**10.78**	**9.93**	**48.29**

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22 Depreciation and amortisation expense

	Year ended Mar 31, 2020	Year ended March 31, 2019
Depreciation on Property, plant and equipment (Refer Note 3)	109.03	85.44
Amortisation of Goodwill (Refer Note 4 (a))	517.60	787.60
Amortisation of Other Intangible assets (Refer Note 4 (a))	2.58	70.65
Depreciation on Right-of-use assets (Refer Note 4 (b))	154.87	-
Less: Recovery from Group companies	(652.70)	(489.66)
	131.78	454.03

23 Other expenses

	Year ended Mar 31, 2020	Year ended March 31, 2019
Rent (Refer Note 31)	99.57	289.32
Repairs and Maintenance - Others	77.95	104.58
Legal and Professional fees	122.28	106.15
Payment to Auditors		
- Audit fees	3.18	3.18
- Certification services	0.30	0.35
- Reimbursement of Expenses	0.19	0.10
Rates and taxes	144.50	31.97
Electricity expenses	25.99	27.62
Insurance expenses	17.07	20.18
Travel, Conveyance and Accommodation expenses	81.05	105.07
Advertising, publicity and business promotion	116.41	131.34
Communication and Postage Expenses	15.61	23.97
Allowance for doubtful debts	23.67	18.35
Bad debts written off	16.10	11.93
Net Loss on Disposal of Property, Plant & Equipment and Intangible Assets	0.07	0.30
Net Loss on foreign currency transactions and translations	109.71	185.97
Advances written off	1.80	9.09
Add/(Less) : Allowance for doubtful Financial and Non-Financial Assets	(1.12)	(7.28)
Corporate Social Responsibilty Expenditure (Refer Note (a) below)	1.26	-
Central Support Expenses (Refer Note 34)	140.06	191.67
Miscellaneous expenses	26.86	45.93
Less : Recovery from Group companies	(832.50)	(874.02)
	190.00	425.77

(a) Corporate social responsibility expenditure

	Year ended Mar 31, 2020	Year ended March 31, 2019
Amount required to be spent as per Section 135 of the Act	1.26	-
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	1.26	-

24 Finance Costs

	Year ended Mar 31, 2020	Year ended March 31, 2019
Interest and finance charges on financial liabilities not at fair value through profit or loss:		
- Borrowing from banks	1.24	0.45
Interest on borrowings from Related Parties (Refer Note 34)	(0.33)	0.33
Interest on Lease Liability	31.04	-
Other borrowing costs	0.90	1.17
	32.85	1.95

25 Exceptional Items [Refer Note 2(g)]

	Year ended Mar 31, 2020	Year ended March 31, 2019
Impairment of Goodwill (Refer Note (a) below)	-	270.01
Impairment of Other Intangible Assets (Refer Note (a) below)	-	252.00
Provision for dimunition in the value of Investments Written-back [Refer Note (b) below]	(1,487.28)	-
Impairment in the value of Investments (Refer Note (b) below)	-	148.72
	(1,487.28)	670.73

(a) The Company performed annual impairment test as at year ended March 31, 2019, for cash generating units (CGUs), which were generally taken as legal entities or businesses within the Company. The recoverable amount, as at year end, has been determined based on a "Value-in-use" method using cash flow projections / forecasts from the financial budget for 8 years, as approved by the management of the Company. The Company prepares future cash flows for periods longer than 5 years, as a practice, on an annual basis and is confident that such projections over 5 years are reliable given the robust internal process followed and also on account of its ability, basis past experience, of estimating future cash flows accurately over such a longer period. It was concluded that carrying amount of the CGU's exceed its recoverable amount.

The discounting rate used for the value-in-use calculations were based on the pre-tax weighted average cost of capital at 15.40 %

The recoverable amount of goodwill and intangible assets pertaining to 'Gaming and Interactive Media' CGU as at year end has been determined based on a 'value-in-use' method using cashflow projections / forecasts from the financial budget approved by the management of the Company. The Company has recognised an impairment loss on goodwill of Rs. NIL (March 31, 2019 : Rs. 270.01 million) and an impairment loss on intangible assets of Rs. NIL (March 31, 2019 : Rs 252 million).

The Company does not have goodwill as at March 31, 2020

(b) The Company performed impairment test for its investment in subsidiaries as at year ended March 31, 2020. The recoverable amount of investment in Disney Entertainment (India) Limited (DEIL) as at year end has been determined based on a "Value-in-use" method using cash flow projections / forecasts from the financial budget for 8 years, as approved by the management of the Company. The Company prepares future cash flows for periods longer than 5 years, as a practice, on an annual basis and is confident that such projections over 5 years are reliable given the robust internal process followed and also on account of its ability, basis past experience, of estimating future cash flows accurately over such a longer period. It was concluded that the fair value less costs of disposal did not exceed the value-in-use. As a result of this analysis, the management has recognized an impairment provision write back of Rs.1,487.28 million (March 31, 2019: Impairment Provision of Rs. 148.72 million) in the Statement of Profit and Loss. In determining the value-in-use, the cash flows were discounted at a rate of 15.86% (March 31, 2019 : 15.40%) on a pre-tax basis considering current market assessment of the risk specific to the subsidiary company

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26 Income tax expense [Refer Note 1(e) and 2(b)]

Particulars	Year ended Mar 31, 2020	Year ended March 31, 2019
a) Income tax expense		
Current Tax		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	50.65
Total current tax expense	-	50.65
Deferred Tax		
Decrease/(increase) in deferred tax assets	441.34	(2,210.80)
Decrease in deferred tax liabilities	(0.20)	(38.36)
Total deferred tax benefit	441.14	(2,249.16)
Total Income tax credit	**441.14**	**(2,198.51)**

b) Effective tax reconciliation:

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	Year ended Mar 31, 2020	Year ended March 31, 2019
Total Comprehensive Income (before tax)	2,916.58	1,333.77
Statutory Tax rate (%)	25.17%	25.17%
Tax at the Indian Statutory Tax Rate	734.10	335.71
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	155.38	414.19
Tax effect of amounts which are deductible (not taxable) in calculating taxable income	(241.02)	(535.91)
Income not taxable	(374.35)	-
Effect of tax on tax losses	167.03	(2,412.50)
Income Tax Expense	**441.14**	**(2,198.51)**

c) The details of carried forward losses and unabsorbed depreciation for which no deferred tax asset is recognised is as follows:

Particulars	Year ended Mar 31, 2020	Year ended March 31, 2019
Carried forward Business Losses (Refer Note (i) below)	5,896.91	7,247.63
Long Term Capital Losses (Refer Note (i) below)	-	71.72
Short Term Capital Losses (Refer Note (i) below)	38.54	38.54
Unabsorbed Depreciation (Refer Note (i) below)	2,309.10	2,394.58
	8,244.55	9,752.46

(i) Year wise break up of Carried forward Losses:

Financial year	As at Mar 31, 2019		As at March 31, 2018		Year of Expiry for business losses
	Unused tax losses	Potential tax benefits	Unused tax losses	Potential tax benefits	
Business Losses:					
2011-12	-	-	331.24	83.37	March 31, 2020
2012-13	314.71	79.21	1,334.18	335.81	March 31, 2021
2013-14	1,832.41	461.22	1,832.41	461.22	March 31, 2022
2014-15	1,476.75	371.70	1,476.75	371.70	March 31, 2023
2015-16	2,263.56	569.74	2,263.58	569.74	March 31, 2024
2016-17	9.49	2.39	9.49	2.39	March 31, 2025
Long Term Capital Losses:					
2011-12	-	-	71.72	16.41	March 31, 2020
Short Term Capital Losses:					
2013-14	36.34	9.15	36.34	9.15	March 31, 2022
2014-15	2.21	0.56	2.21	0.56	March 31, 2023
Unabsorbed depreciation:					
2006-07 to 2017-18	2,309.10	581.20	2,394.58	602.71	No expiry
Total	**8,244.55**	**2,075.17**	**9,752.46**	**2,453.08**	

Note: The tax loss numbers carried forward for year ending March 2020 is based on Management estimates of the income as per Income Tax Act, 1961.

27 Earnings per share (Refer Note 1(y))

	Year ended Mar 31, 2020	Year ended March 31, 2019
Basic and Diluted		
Earning for the year (A)	2,476.72	3,534.61
Weighted average number of equity shares outstanding during the year (B) (Nos.)	891,778,259	891,865,574
Number of shares for Diluted Loss per share (C) (Nos.)	891,778,259	891,865,574
Basic Earning per Equity share (A)/(B) (Rs.)	2.78	3.96
Diluted Earning per Equity share (A)/(C) (Rs.)	2.78	3.96

28 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Strategic Steering Committee of the Company.
As per Ind AS 108-Operating Segments - 'If a financial report contains both the consolidated financial statements of a parent that is within the scope of this Ind AS as well as the parent's separate financial statements, segment information is required to be disclosed only in the consolidated financial statements.' Accordingly, the Segment information is disclosed in the consolidated financial Statements of the Company.

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29 Contingent liability [Refer Notes 1(u) and 2(c)]

		As at Mar 31, 2020	As at March 31, 2019
a)	Claims against the Company not acknowledged as debts	576.29	548.28
b)	On account of disputed demand of:		
	Income tax matters	511.34	527.16
	Services tax matters	35.38	798.29
	Sales Tax / VAT/ Lease Tax	846.60	972.64

Notes:

(a) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(b) The Company does not expect any reimbursements in respect of the above contingent liabilities.

(c) The Company believes that it has merit in these cases and it is only possible, but not probable, that these cases may be decided against the Company. Hence, these have been disclosed as contingent liability and no provision for any liability has been deemed necessary in the financial statements.

(d) During the year, the management committee of the Board of Directors, by virtue of a resolution dated August 13, 2019, has approved the issuance of corporate guarantee under Section 186 of the Companies Act, 2013 in favor of IG Interactive Entertainment Limited, subsidiary of the Company for an amount not exceeding GBP 7.31 million due from UTV Communications (USA) LLC, another subsidiary of the Company.

30 Details under the MSMED Act, 2006 for dues to micro, small and medium enterprises

		As at Mar 31, 2020	As at March 31, 2019
i)	the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of		
	- Principal	2.58	1.08
	- Interest due thereon	1.29	0.82
ii)	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act,		
	- Principal	-	-
	- Interest	-	-
iii)	the 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 Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv)	the amount of interest accrued and remaining unpaid at the end of each accounting year;		
	-Total interest Accrued during the year	0.47	0.54
	- Interest remaining unpaid	0.47	0.54
v)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	1.29	0.82

The above information and that given in Note 13(b) - 'Trade Payables' regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

31 Leases

Operating Lease [Refer Note 1(a)(iv)] :

In the previous year, the Company's significant leasing arrangements are mainly in respect of office premises. These lease arrangements range for a period between 11 months and 9 years, which include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Other Expenses" in Note 23.

Lease obligations	Year ended Mar 31, 2020	Year ended March 31, 2019
Total Lease expenses:		
Lease payments recognised in the Statement of Profit and Loss	-	289.32
Total minimum lease commitments	-	**289.32**

32 Scheme of Amalgamation

Pursuant to the Composite Scheme of Amalgamation between the Company and its group company/subsidiary company namely, The Walt Disney Company (India) Private Limited (TWDC) and Indiagames Limited (Indiagames) sanctioned by the order of the Hon'ble National Company Law Tribunal dated June 8, 2017 (the 'Scheme'); all assets and liabilities of these entities were transferred and vested in the Company with effect from the appointed date of April 1, 2015. The Scheme has accordingly been given effect to in these financial statements with effective from April 1, 2015.

TWDC was into four main business segments namely, Media Networks Services, Disney Consumer Products right licensing, Home Entertainment and Interactive. Indiagames were in the business of developing, aggregating and distributing content on interactive media and digital platforms and also creating digital applications.

The amalgamation had been accounted based on the Composite Scheme of Amalgamation and Arrangement given under the Scheme and accordingly, the Company has not applied pooling of interest method prescribed under Ind AS 103 - Business Combination with respect to accounting for common control business combinations. Accordingly, the assets and liabilities of TWDC and Indiagames as at April 1, 2015 have been taken over at their fair values as determined by an independent valuer.

1. Pursuant to scheme, USCL has issued 11,394,818 equity shares subsequently on July 24, 2017 to Disney Enterprises Inc., on amalgamation of TWDC into the Company.

2. The Company's investment (56%) in the equity share capital of Indiagames Limited stand cancelled. Further, the Company has also issued 4,882,271 equity shares subsequently on July 24, 2017 to The Walt Disney Company (Southeast Asia) Pte Limited for the remaining 44% stake on amalgamation of Indiagames into the Company. These additional equity shares issued subsequently by the company on amalgamation have been disclosed as "Shares to be issued" under "Other Equity" as at April 1, 2015; March 31, 2016 and March 31, 2017.

There were no differences in Accounting Policies of the Company and its above mentioned amalgamated companies.

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As approved under the Scheme, the difference between the amount of fair value of consideration over the fair value of the overall net assets taken over (including Other Intangible Assets), has been debited to Goodwill Account, such Goodwill would be amortised over a period of five consecutive financials years beginning the financial year ended March 31, 2016 in line with above Scheme.

	TWDC	Indiagames	Total
Consideration (including adjustment in investment held)			
Fair Value of shares to be issued	4,466.77	1,913.85	6,380.62
Investment as on April 1, 2015 held by the Company	-	259.19	259.19
Total	**4,466.77**	**2,173.04**	**6,639.81**
Fair Value of Assets and Liabilities taken over			
Property, plant and equipment	312.73	23.27	336.00
Goodwill	2,587.95	1,350.06	3,938.01
Other Intangible Assets	31.50	524.37	555.87
Current assets	2,654.15	1,196.90	3,851.05
Current liabilities	(1,119.56)	(921.56)	(2,041.12)
Total	**4,466.77**	**2,173.04**	**6,639.81**

Had the Company followed accounting for the above business combination in line with guidance give by business combination amongst entities under common control, as specified under Ind AS 103 on Business Combination, the impact would have been as under:

i) Impact on loss, in the Statement of Profit and Loss Account:

Particulars	For the Year ended March 31, 2020 Increase /(Decrease)	For the Year ended March 31, 2019 Increase /(Decrease)
Amortisation of Goodwill	(517.60)	(787.60)
Amortisation on other intangibles	-	(67.00)
Impairment of Goodwill	-	(270.01)
Impairment of Other Intangible Assets	-	(252.00)
Depreciation on Property, Plant & Equipment	(1.56)	(2.02)
Decrease in Loss Before Tax	**(519.16)**	**(1,378.63)**
Decrease in Loss After Tax	**(519.16)**	**(1,378.63)**

ii) In the Balance Sheet:

Particulars	As at March 31, 2020 Increase/ (Decrease)	As at March 31, 2019 Increase/ (Decrease)
Assets		
Goodwill	-	(517.60)
Other Intangible Assets	-	-
Property, Plant & Equipment	(2.19)	(3.75)
Other Financial Assets (Non-current)	87.00	87.00
Other Equity	84.81	(434.35)

33 a) The Board of Directors and Shareholders in their meeting held on April 06, 2018 and on May 29, 2018 respectively, had approved the reduction of paid up equity share capital of the Company pursuant to the provisions of Section 66 and Section 52 and all other applicable provisions of the Companies Act, 2013 ("Act") read with the National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 from Rs. 8,918.65 million to Rs. 8,917.09 million by cancelling 1,56,995 of equity shares held by the Non-promoters for a fair consideration of Rs. 500 (Rupees Five Hundred only) per equity share and the consequential reduction of the securities premium account by a sum not exceeding Rs. 76.93 million subject to requisite approvals from the National Company Law Tribunal, Mumbai Bench ("Tribunal") and other regulatory authorities and concerned persons as may be necessary.

Pursuant to the aforesaid approvals, the Company had filed an application with the Hon'ble National Company Law Tribunal, Mumbai Bench ("Hon'ble Tribunal") on June 14, 2018 to seek confirmation for reduction of paid-up equity share capital and consequential reduction of securities premium account of the Company. Accordingly the reduction application was admitted by the Hon'ble Tribunal on July 04, 2018.

The petition, under Section 66 of the Companies Act, 2013, filed before the National Company Law Tribunal, Mumbai Bench ("Hon'ble Tribunal") was heard on July 18, 2019 and based on the submissions made, the Hon'ble Tribunal was pleased to confirm the reduction of capital by cancellation of the entire non-promoter shares except 5 employee shares for statutory requirement i.e. 1,56,995 fully paid up equity shares of Rs.10/- each ("capital reduction") and consequential reduction of securities premium account by a sum not exceeding Rs 171.12 million under Section 66 and 52 of the Companies Act, 2013 vide its order dated July 18, 2019 ("NCLT Order").

ROC, upon filing of INC-28, had issued a certificate of registration of order dated September 11, 2019 registering the capital reduction and consequential reduction of securities Premium account ("certificate") and accordingly the entire underlying non-promoter public holding of 1,56,995 fully paid up equity shares of Rs 10/- each was cancelled with effect from September 11, 2019.

During the year, the Company had paid necessary amounts to the non-promoter public shareholders in terms of the NCLT Order and/or RBI guidelines wherever applicable. Post the Capital reduction being effective, The Walt Disney Company (Southeast Asia) Pte. Ltd holds 98.72% and Disney Enterprises. Inc., USA ("DEI") holds 1.28% (rounded off) shareholding in the Company.

b) The Board of Directors of Genx Entertainment Limited ('Transferor' / 'Genx') at its meeting held on March 9, 2018, had approved the draft Scheme of Merger by absorption between Genx and Disney Broadcasting (India) Limited ('Transferee' / 'DBIL') and their respective shareholders and creditors (the 'Scheme') and filing of the same with the Hon'ble National Company Law Tribunal, Mumbai Bench (the 'Tribunal'). The Scheme is envisaged under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and is to come into effect from April 1, 2017 (the 'Appointed Date'). The Scheme was approved by the Members at their meeting convened on May 22, 2018, on the direction of the Hon'ble Tribunal where the application seeking permission for the Scheme was filed. Accordingly, Joint Petition was filed before the Hon'ble Tribunal for sanctioning the Scheme on June 8, 2018, which was heard by the Hon'ble Tribunal on August 30, 2018 and based on the submission made, the Hon'ble Tribunal on August 30, 2018, sanctioned the Scheme. The Scheme of Merger was effected on June 1, 2019 upon the filing of E-Form INC-28 by DBIL with the Registrar of Companies pursuant to the order of the Hon'ble National Company Law Tribunal dated August 30, 2018 and of the Ministry of Information & Broadcasting dated June 1, 2019.

(All amounts in Rs. million, unless otherwise stated)

34 Related party transactions

The names of related parties with relationship and transactions with them:

(a) Relationship:

(1) Ultimate Holding Company

Name
The Walt Disney Company, USA

(2) Intermediate/Immediate Holding Company

Name	Relationship
The Walt Disney Company (Southeast Asia) Pte Limited	Intermediate Holding Company
Disney Enterprises, Inc.	Intermediate Holding Company

(3) Subsidiaries of the Company:

Name	Principal Activity	Place of Incorporation	Ownership interest % As at March 31, 2019	Ownership interest % As at March 31, 2018
UTV Communications (USA) LLC	Engaged in Film Distribution business	United States of America	100%	100%
IG Interactive Entertainment Limited	Engaged in Film Distribution business	United Kingdom	100%	100%
UTV Games Limited	Investment holding	Mauritius	100%	100%
Disney Entertainment (India) Private Limited (formerly known as Disney Entertainment (India) Limited)	Engaged in television channel broadcast business and Stage play	India	57.43%	57.43%
Genx Entertainment Limited **	Engaged in television channel broadcast business	India	57.43%	57.43%
Disney Broadcasting (India) Private Limited (formerly known as Disney Broadcasting (India) Limited) **	Engaged in television channel broadcast business.	India	57.43%	57.43%

(4) Fellow Subsidiaries of the Company:

Name
The Walt Disney Company (Australia) P/L
The Walt Disney Co, UK
ABC Cable Networks Group
American Broadcasting Companies, Inc
Buena Vista Home Entertainment Inc.
Buena Vista International Inc.
DCP International Inc.USA
Disney Asia Pacific Shared Business Services (Shanghai) Co Ltd
Disney Consumer Product Latin America Inc, USA
Disney Destinations, LLC
Disney Shopping, Inc. (Formerly known as Disney Direct Marketing
Disney Financial Services LLC
Disney International Employee Service Ltd.
Disney Online, USA
Disney publishing Worldwide
Disney Store USA, LLC
Disney Worldwide Services, Inc
ESPN Digital Media (India) Private Limited
Integration Services, LLC
Magical Cruise Company Limited
Marvel Characters B.V.
The Walt Disney Company (Asia Pacific) Ltd.
The Walt Disney Company (China) Limited
The Walt Disney Company (Hong Kong)
The Walt Disney Company (Shanghai) Limited
The Walt Disney Company (Southeast Asia) Pte Limited
United Home Entertainment Private Limited **
Walt Disney Entertainment - Walt Disney World Resort
Walt Disney Internet Group
Walt Disney Parks & Resorts US, Inc.
Walt Disney Pictures and Television, USA
WEDCO Internationas Rokt.
PT. Walt Disney Indonesia
The Walt Disney Company (Malaysia) Sdn. Bhd.
The Walt Disney Company (Philippines), Inc.
The Walt Disney (Thailand) Co Ltd
Marvel Brands LLC
Walt Disney Co Japan Ltd
Disney FTC Services (Singapore) Pte
The Walt Disney Company (Taiwan) Ltd
Star India Pvt Ltd
Novi Digital Entertainment Pvt Ltd
Tata Sky Ltd
20TH Century Fox
Asianet Star Communications Pvt Ltd
The Walt Disney Company (Korea) LLC

(5) Other related parties:

Name	Principal Activity	Place of Incorporation
UTV Software Communication Limited Employee's Group Gratuity	Gratuity benefit plan	India
The Walt Disney Company (India) Private Limited Employee's Group Gratuity	Gratuity benefit plan	India
Indiagames Limited Employee's Group Gratuity	Gratuity benefit plan	India

(6) Key Management Personnel:

Particulars	Designation
Mr. Mahesh Samat	Managing Director (Resigned w.e.f. March 31, 2019)
Mr. Charles Jacob	Whole Time Director (w.e.f. October 14, 2019)
Mr. Sujit Vaidya	Whole Time Director (Resigned w.e.f. May 26, 2020)
Ms. Monisha Shroff	Non-Executive Director (w.e.f. July 01, 2017)
Mr. Narendra Kumar Ambwani	Independent Director (w.e.f. March 31, 2015)
Mr. Prem Raj Mehta	Independent Director (w.e.f. March 31, 2015)
Mr. Vishwas Joshi	Chief Financial Officer (resigned w.e.f Sep 30, 2020)
Mr. Venkata Subramanian	Chief Financial Officer (w.e.f. Nov 10, 2020)
Mr. Puneet Juneja	Company Secretary

Note: All the global and other entities under common control of The Walt Disney Company, USA, which do not have any transactions with the company during these years are not disclosed.

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(b) Transactions during the year with related parties referred to in item (a) (1) to (6) above:

(1) Transactions with Key management personnel referred in (a)(6) above:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Short Term Employee Benefits	76.85	135.55
Long term Employee Benefits	2.56	1.91
Employee share-based payment	15.97	32.77
Sitting Fees	0.60	1.00
Total compensation	95.97	171.23

(2) Transactions with related party referred in (a)(5) above:

For information on transactions with other related parties, refer Note 21.

(3) Transactions with related parties referred in (a)(1) to (a)(4) above:

Particulars	Holding Company/ Immediate Holding Company		Subsidiary Companies/ Fellow Subsidiary Companies	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Sales and services revenue				
- UTV Communications (USA) LLC *	-	-	-	1.30
- Disney Broadcasting (India) Limited **	-	-	237.70	445.11
- Walt Disney Co Japan Ltd	-	-	-	0.18
- Star India Pvt Ltd	-	-	553.58	-
- Tata Sky Ltd	-	-	8.56	-
- 20TH Century Fox	-	-	21.37	-
- Novi Digital Entertainment Pvt Ltd	-	-	317.37	6.64
- The Walt Disney Company (Hong Kong)	-	-	-	0.16
- Buena Vista International Inc.	-	-	34.36	-
Support Services to Group Companies				
- Disney Online, USA	-	-	14.54	14.73
- The Walt Disney Company, USA	0.84	0.72	-	-
- Disney Broadcasting (India) Limited **	-	-	320.50	249.03
- Walt Disney Parks & Resorts US, Inc.	-	-	12.69	13.14
- Disney Destinations, LLC	-	-	38.68	36.35
- Disney Entertainment (India) Limited	-	-	0.83	0.39
- Disney Financials Services LLC	-	-	9.71	11.70
- Buena Vista International Inc.	-	-	4.06	4.09
- WEDCO International Hold.	-	-	18.44	18.49
- Walt Disney Co Japan Ltd	-	-	5.14	5.16
- The Walt Disney Company (Southeast Asia) Pte Limited	32.23	99.01	-	-
- PT. Walt Disney Indonesia	-	-	8.69	46.45
- The Walt Disney Company (Malaysia) Sdn. Bhd.	-	-	2.83	19.19
- The Walt Disney Company (Philippines), Inc.	-	-	4.47	32.47
- The Walt Disney (Thailand) Co Ltd	-	-	4.50	29.35
Compensation Income				
- Buena Vista International Inc.	-	-	-	149.00
Purchases				
- Disney Broadcasting (India) Limited **	-	-	57.22	56.58
- The Walt Disney Company (Korea) LLC	-	-	1.58	-
- The Walt Disney Company (Taiwan) Ltd	-	-	-	1.53
- Asianet Star Communications Pvt Ltd	-	-	5.86	-
- Star India Pvt Ltd	-	-	275.98	-
- Novi Digital Entertainment Pvt Ltd	-	-	4.50	-
- The Walt Disney Company (Southeast Asia) Pte Limited	3.59	1.04	-	-
- The Walt Disney Company (Hong Kong)		-	28.27	12.99
- Walt Disney Co Japan Ltd		-	1.22	-
- ESPN Digital Media (India) Private Limited	-	-	-	0.63
Reimbursement of Expenses from				
- Disney Enterprises, Inc. *	24.54	-	-	-
- Marvel Brands LLC *	-	-	12.44	-
Royalty Expenses				
- Disney Enterprises, Inc *	-	39.89	-	-
- Disney Broadcasting (India) Ltd	-	-	0.46	10.03
- Buena Vista Home Entertainment Inc.	-	-	9.04	11.63
- Disney Online, USA	-	-	1.50	1.50
- Buena Vista International Inc. *	-	-	2,778.97	3,539.85
- Marvel Brands LLC *	-	-	-	20.57
Expenses Reimbursed to				
- Asianet Star Communications Pvt Ltd	-	-	0.95	-
- Star India Pvt Ltd	-	-	85.96	-
- IG Interactive Entertainment Limited	-	-	-	0.08
- Disney financial Services LLC	-	-	0.81	-
Central Support Fees Expenses / (reversals)				
- Disney financial Services LLC	-	-	-	-
- Disney Online, USA	-	-	14.95	14.49
- Disney Worldwide Services Inc.	-	-	54.95	46.88
- The Walt Disney Company, USA	26.51	40.85		
- Disney Asia Pacific Shared Business Services (Shanghai) Co Ltd	-	-	14.97	23.06
- The Walt Disney Company (Australia) P/L	-	-	6.00	14.58
- The Walt Disney Company (Hong Kong)	-	-	0.06	0.05
- The Walt Disney Company (Southeast Asia) Pte Limited	1.36	28.02		
- Disney FTC Services (Singapore) Pte	-	-	6.67	7.14
- Disney Broadcasting (India) Limited **	-	-	7.49	6.97
- ESPN Digital Media (India) Private Limited	-	-	4.99	2.50
- Disney Entertainment (India) Limited	-	-	-	7.14
Expenses recovered from				
- Disney Entertainment (India) Limited	-	-	0.19	0.12
- Disney Broadcasting (India) Limited **	-	-	196.44	207.22
- ESPN Digital Media (India) Private Limited	-	-	3.30	3.67
- Star India Pvt Ltd	-	-	22.54	-
- Asianet Star Communications Pvt Ltd	-	-	14.78	-
- Novi Digital Entertainment Pvt Ltd	-	-	1.01	-
Interest Received from				
- Star India Pvt Ltd	-	-	19.07	-
Interest Charged/(reversed) by				
- The Walt Disney Company, USA	(0.33)	0.33	-	-
Impairment of Investments / Loans / (written back)				
- Disney Entertainment (India) Limited	-	-	(1,487.29)	149.72
Loan given during the year				
- Star India Pvt Ltd			3,000.00	-
Expenses for Cash/Equity share based compensation				
- The Walt Disney Company, USA	23.43	39.84	-	-

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(c) Outstanding balances of related parties referred to in item (a)(1) to (a)(4) above:

	Holding Company/ Immediate Holding Company		Subsidiary Companies/ Fellow Subsidiary Companies	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Outstanding Corporate Guarantee taken from				
- Disney Enterprises, Inc.	600	2,050.00	-	-
Loans Outstanding				
- Star India Pvt Ltd	-	-	3,000	-
Unbilled Revenue				
- Star India Pvt Ltd			119.79	428.88
- Novi Digital Entertainment Pvt Ltd			30.24	70.35
Outstanding Balance				
- Net Payable to				
- The Walt Disney Company (Hongkong)	-	-	2.30	2.12
- Buena Vista International Inc.	-	-	981.86	2,991.62
- The Walt Disney Company, USA	29.75	48.27	-	-
- Buena Vista Home Entertainment Inc.	-	-	13.18	14.94
- Disney Shopping, Inc. (Formerly known as Disney Direct Marketing Services, Inc)	-	-	0.06	0.61
- Disney Online, USA	-	-	5.65	-
- The Walt Disney Co, UK	-	-	3.91	3.41
- Marvel Characters B.V	-	-	17.34	17.34
- Marvel Brands LLC	-	-	-	17.57
- Disney Asia Pacific Shared Business Services (Shanghai) Co Ltd	-	-	10.15	9.78
- Disney Enterprises, Inc.	-	41.97		-
- Disney Consumer Product Latin America Inc. USA	-	-	4.83	4.45
- DCP International Inc, USA	-	-	0.31	0.29
- Disney Store USA, LLC	-	-	0.04	0.04
- Disney Worldwide Services, Inc	-	-	15.54	10.62
- Disney Financial Services LLC	-	-	-	-
- Star India Pvt Ltd	-	-	90.27	-
- The Walt Disney Company (China) Limited	-	-	-	0.43
- The Walt Disney Company (Australia) P/L	-	-	1.85	2.32
- The Walt Disney Company (Korea) LLC	-	-	1.59	-
- ESPN Digital Media (India) Private Limited	-	-	0.46	0.91
- IG Interactive Entertainment Limited	-	-	0.07	0.08
- Disney FTC Services (Singapore) Pte	-	-	1.23	1.90
Accrual for Equity share based compensation				
- The Walt Disney Company, USA	27.50	31.03	-	-
- Net Receivable from				
- Disney Broadcasting (India) Limited **	-	-	242.47	232.24
- Walt Disney Parks & Resorts US, Inc.	-	-	2.34	13.00
- Disney Financial Services LLC	-	-	1.79	2.54
- Disney Destinations, LLC	-	-	7.82	28.45
- Disney Online, USA	-	-	-	0.47
- WEDCO International Hold	-	-	3.28	4.51
- Disney Enterprises, Inc.	12.98	-	-	-
- Marvel Brands LLC	-	-	10.61	-
- The Walt Disney Company (Southeast Asia) Pte Limited	14.55	41.14	-	-
- The Walt Disney Company (China) Limited	-	-	0.09	-
- PT. Walt Disney Indonesia	-	-	2.13	21.92
- The Walt Disney Company (Malaysia) Sdn. Bhd.	-	-	1.34	9.18
- The Walt Disney Company (Philippines), Inc.	-	-	1.50	18.03
- The Walt Disney (Thailand) Co Ltd	-	-	1.40	14.67
- Walt Disney Co Japan Ltd	-	-	0.91	1.28
- Disney Entertainment (India) Limited	-	-	0.31	-
- Star India Pvt Ltd	-	-	-	373.51
- Novi Digital Entertainment Pvt Ltd	-	-	0.10	48.31
- Asianet Star Communications Pvt Ltd	-	-	1.60	-
- Tata Sky Ltd	-	-	3.87	0.01

* Represents amount billed during the respective years.

** Transactions amount for Year ended March 31, 2019 and closing balances as on March 31, 2019 for Disney Broadcasting (India) Limited includeds respective balances from Genx Entertainment Limited (Refer Note 33)

(d) Terms and conditions:
All transactions were made on normal commercial terms and conditions.
All outstanding balances are unsecured and are payable in cash

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Notes to the Standalone Financial Statements for the year ended March 31, 2020
(All amounts in Rs. million, unless otherwise stated)

Note 35 - Fair Value Measurements
Financial Instruments by Category

	March 31, 2020		March 31, 2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Investments	0.01	-	0.01	-
Loans	-	3,158.88	-	147.49
Trade receivables	-	911.33	-	1,728.11
Cash and cash equivalents	-	1,864.93	-	4,103.73
Bank balances other than cash and cash equivalents	-	0.53	-	0.40
Other Financial Assets	-	514.92	-	1,867.83
Total Financial Assets	**0.01**	**6,450.59**	**0.01**	**7,847.56**
Financial Liabilities				
Lease liability on Right-of-use assets	-	282.08	-	-
Trade Payables	-	1,617.62	-	3,961.19
Other Financial Liabilities	-	3.09	-	1.25
Total Financial Liabilities	**-**	**1,902.79**	**-**	**3,962.44**

(i) Fair Value hierarchy and valuation technique used to determine fair value :
This note explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at 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 level prescribed under the accounting standard. An explanation of each level follows below the table.

Financial Assets measured at Fair Value - recurring fair Value measurements at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial Investments at FVTPL				
Unquoted Equity Shares Investments	-	-	0.01	0.01
Unquoted Preference Shares Investment	-	-	-	-
Total Financial Assets	**-**	**-**	**0.01**	**0.01**

Financial Assets and Liabilities measured at amortised cost for which fair value disclosed at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans	-	-	3,158.88	3,158.88
Trade receivables	-	-	911.33	911.33
Cash and cash equivalents	-	-	1,864.93	1,864.93
Bank balances other than cash and cash equivalents	-	-	0.53	0.53
Other Financial Assets	-	-	514.92	514.92
Total Financial Assets	**-**	**-**	**6,450.59**	**6,450.59**
Financial Liabilities				
Lease liability on Right-of-use assets	-	-	282.08	282.08
Trade Payables	-	-	1,617.62	1,617.62
Other Financial Liabilities	-	-	3.09	3.09
Total Financial Liabilities	**-**	**-**	**1,902.79**	**1,902.79**

Financial Assets measured at Fair Value - recurring fair Value measurements at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial Investments at FVTPL				
Unquoted Equity Shares Investments	-	-	0.01	0.01
Unquoted Preference Shares Investment	-	-	-	-
Total Financial Assets	**-**	**-**	**0.01**	**0.01**

(All amounts in Rs. million, unless otherwise stated)

Financial Assets and Liabilities measured at amortised cost for which fair value disclosed at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans	-	-	147.49	147.49
Trade receivables	-	-	1,728.11	1,728.11
Cash and cash equivalents	-	-	4,103.73	4,103.73
Bank balances other than cash and cash equivalents	-	-	0.40	0.40
Other Financial Assets	-	-	1,867.83	1,867.83
Total Financial Assets	-	-	**7,847.56**	**7,847.56**
Financial Liabilities				
Trade Payables	-	-	3,961.19	3,961.19
Other Financial Liabilities	-	-	1.25	1.25
Total Financial Liabilities	-	-	**3,962.44**	**3,962.44**

* Amount is below rounding off norms adopted by the Company.

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

- Level 1:
  This hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

- Level 2:
  The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The Company does not have any investment under this category.

- Level 3:
  If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The Company has classified unlisted equity shares investments and unlisted preference shares investments, which are valued using discounted cash flow analysis.

Valuation processes :
The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO).

(ii) Fair Value of financials assets and liabilities measured at amortised cost:

	March 31, 2020		March 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Loans	3,158.88	3,158.88	147.49	147.49
Trade receivables	911.33	911.33	1,728.11	1,728.11
Cash and cash equivalents	1,864.93	1,864.93	4,103.73	4,103.73
Bank balances other than cash and cash equivalents	0.53	0.53	0.40	0.40
Other Financial Assets	514.92	514.92	1,867.83	1,867.83
Total Financial Assets	**6,450.59**	**6,450.59**	**7,847.56**	**7,847.56**
Financial Liabilities				
Lease liability on Right-of-use assets	282.08	282.08	-	-
Trade Payables	1,617.62	1,617.62	3,961.19	3,961.19
Other Financial Liabilities	3.09	3.09	1.25	1.25
Total Financial Liabilities	**1,902.79**	**1,902.79**	**3,962.44**	**3,962.44**

a) The carrying amount of loans, trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other current financial assets, borrowings, trade payables and other current financial liabilities are considered to be the same as their value, due to their short-term nature.
b) The fair values and carrying value of loans, other non-current financial assets and borrowings are materially the same.

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(All amounts in Rs. million, unless otherwise stated)

36 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company. This note explains the sources of risk which the Company is exposed to and how the Company manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and Cash Equivalents, Bank balances other than cash and cash equivalents, Trade receivables and Other financial assets	Ageing analysis	Diversification of bank deposits and credit limits
Liquidity risk	Borrowings and Other Liabilities	Borrowings maturity and cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign currency risk	Recognised financial assets and liabilities not denominated in Rupees	Sensitivity analysis	There is no major time gap between booking and payment/receipts
Market risk – interest rate risk	Borrowings - Short term	Sensitivity analysis	Periodical monitoring of variable interest rates, using benefit of guarantee given by the ultimate parent company.

The Company's risk management is carried out by treasury department under policies approved by the board of directors. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. There is no change in objectives, policies and process for managing the risk and methods used to measure the risk as compared to previous year.

(i) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables); including deposits with bank, foreign exchange transactions and other financial instruments.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

a) Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Concentrations of credit risk with respect to trade receivables are limited, due to the Company's customer base being large. All trade receivables are reviewed and assessed for default on a regular basis. Our historical experience of collecting receivables, supported by the level of default, is that the credit risk is low.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. The Company assesses and manages credit risk based on the Company's credit policy. Under the Company's credit policy, each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instrument, which requires expected lifetime losses to be recognised from initial recognition of the receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

Trade receivable (net of allowance for doubtful debts)

Particulars	March 31, 2019	March 31, 2018
Trade receivable (net of allowance for doubtful debts)	911.33	1,728.11

Following is the movement in allowance for doubtful debts:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Loss allowance at the beginning of the year	158.08	139.73
Changes in allowance during the year	23.67	18.35
Loss allowance as at the end of the year	181.75	158.08

b) Other financial assets

The Company is also exposed to credit risks arising on cash and cash equivalents and term deposits with banks. The Company believes that its credit risk in respect to cash and cash equivalents and term deposits is insignificant as funds are invested in term deposits at pre -determined interest rates for specified period of time. For cash and cash equivalents only high rated banks are accepted.

The Company periodically monitors the recoverability and credit risks of its other financials assets including security deposits and other receivables. The Company evaluates 12 month expected credit losses for all the financial assets for which credit risk has not increased. In case credit risk has increased significantly, the Company considers life time expected credit losses for the purpose of impairment provisioning.

Following is the movement in allowance for doubtful loans:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Loss allowance at the beginning of the year	21.93	21.13
Changes in allowance during the year	(1.60)	0.80
Loss allowance as at the end of the year	20.33	21.93

Following is the movement in allowance for doubtful other financial assets:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Loss allowance at the beginning of the year	89.98	89.98
Changes in allowance during the year	-	-
Loss allowance as at the end of the year	89.98	89.98

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(All amounts in Rs. million, unless otherwise stated)

36 Financial risk management (Contd...)

(ii) Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities (comprising the undrawn borrowing facilities below), by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

a) Financing arrangements
The Company had access to the following undrawn borrowing facilities for working capital at the end of the reporting period:

	As at March 31, 2020	As at March 31, 2019
Expiring within one year	600.00	7,050.00
Total	**600.00**	**7,050.00**

b) Maturities of financial liabilities
The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities which are essential for an understanding of the timing of the cash flows.:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not material.

As at March 31, 2020

Contractual maturities of financial liabilities	< 1 Year	1 - 3 years	> 3 years	Total	Carrying value
Lease liability on Right-of-use assets	188.16	93.92	-	282.08	282.08
Trade payables	1,617.62	-	-	1,617.62	1,617.62
Other Financial Liabilities	3.09	-	-	3.09	3.09
Total financial liabilities	**1,808.87**	**93.92**	**-**	**1,902.79**	**1,902.79**

As at March 31, 2018

Contractual maturities of financial liabilities	< 1 Year	1 - 3 years	> 3 years	Total	Carrying value
Lease liability on Right-of-use assets	-	-	-	-	-
Trade payables	3,961.19	-	-	3,961.19	3,961.19
Other Financial Liabilities	1.25	-	-	1.25	1.25
Total financial liabilities	**3,962.44**	**-**	**-**	**3,962.44**	**3,962.44**

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36 Financial risk management (Contd...)

(iii) Market risk - foreign currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed by settling payment/receipts within shorter period.

a) Foreign currency risk exposure.
The Company's exposure to foreign currency risk at the end of the reporting period expressed in equivalent in Indian Rupees is as follows:

	As at March 31, 2020			As at March 31, 2019		
	USD	GBP	Others	USD	GBP	Others
Financial assets						
Trade receivables	144.27	-	29.36	320.35	-	0.80
Other Financials Assets	281.41	-	17.46	163.08	-	13.60
Exposure to foreign currency risk (assets)	**425.69**	**-**	**46.82**	**483.42**	**-**	**14.40**
Financial liabilities						
Trade payables	1,095.91	1.89	14.27	3,300.71	3.69	6.25
Exposure to foreign currency risk (liabilities)	**1,095.91**	**1.89**	**14.27**	**3,300.71**	**3.69**	**6.25**
Total Exposure to foreign currency risk (Net)	**(670.23)**	**(1.89)**	**32.56**	**(2,817.29)**	**(3.69)**	**8.15**

b) Foreign currency sensitivity

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

	Net impact on profit before tax Decrease/ (Increase)		Net impact on other equity Decrease/ (Increase)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2020
USD sensitivity				
INR/USD - Increase by 1% (March 31, 2017 - 1%)*	(6.70)	(28.17)	(6.70)	(28.17)
INR/USD - Decrease by 1% (March 31, 2017 - 1%)*	6.70	28.17	6.70	28.17
GBP sensitivity				
INR/GBP - Increase by 1% (March 31, 2017 - 1%)*	(0.02)	(0.04)	(0.02)	(0.04)
INR/GBP - Decrease by 1% (March 31, 2017 - 1%)*	0.02	0.04	0.02	0.04

* Holding all other variables constant

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(All amounts in Rs. million, unless otherwise stated)

37 Capital management

Risk management

The Company determines the capital requirements based on its financial performance, operating and long term investment plans. The funding requirements are met through operating cash flows generated. For the purpose of Company's Capital Risk Management, "Capital" includes issued equity share capital, securities premium and all other equity reserves attributable to it's shareholders.

The Company's objective in managing its capital is to:
-safeguard its ability to continue as a going concern and to maximise shareholder's values and
-to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company is based on management's assessment of the appropriate balance of key elements in order to meet its strategic and day-to day needs. The Company considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company maintains a stable and strong capital structure with a focus on total equity so as to maintain shareholders and creditors confidence and to sustain future development and growth of its business. The Company takes appropriate steps in order to maintain, or if necessary adjust, its capital structure.

38 Share based payments

Certain employees of the Company, have been granted long-term incentive plans namely stock options and restricted stock units (RSUs) by the ultimate holding company (Grantor), The Walt Disney Company, USA.

Stock options are generally granted at exercise prices equal to or exceeding the market price at the date of grant and become exercisable ratably over a four-year period from the grant date. The contractual terms for our outstanding stock option grants are 10 years. RSUs generally vest ratably over four years.

The fair value of options is estimated based on the binomial valuation model. The binomial valuation model takes into account variables such as volatility, dividend yield and the risk-free interest rate. The binomial valuation model also considers the expected exercise multiple (the multiple of exercise price to grant price at which exercises are expected to occur on average) and the termination rate (the probability of a vested option being canceled due to the termination of the option holder) in computing the value of the option.

The details pertaining to number of stock options/RSUs considered for fair value are disclosed below:

	March 31, 2020		March 31, 2019	
	Stock Option	RSUs	Stock Option	RSUs
Options outstanding at the beginning of the year	-	3,752	28,765	20,052
Options granted during the year	-	4,974	19,504	11,417
Exercised during the year	-	(1,471)	(8,161)	(6,665)
Lapsed during the year	-	(3,421)	(40,108)	(21,052)
Options outstanding at the end of the year	**-**	**3,834**	**-**	**3,752**

Expenses Arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in statement of profit or loss as part of employee benefit expense were as follows:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Share based payment	(5.64)	12.81

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UTV SOFTWARE COMMUNICATIONS LIMITED
Notes to the Standalone Financial Statements for the year ended March 31, 2020
(All amounts in Rs. million, unless otherwise stated)

39 Revenue from operations under Ind AS 115

(I) Distribution and Licensing of Movies

In relation to the distribution and licensing arrangement with the group company for Hollywood movies, the Company has presented revenue after reducing related distribution expenses in line with Ind AS 115 on 'Revenue from Contracts with Customers'. Similarly, in relation to the distribution and licensing arrangement with subsidiary companies for overseas distribution of the Company's movies, revenue is presented considering the revenue earned by these subsidiary companies from distribution of movies in the overseas market.

	Year ended March 31, 2020	Year ended March 31, 2019
Amount Invoices/ accrued	5,935.01	6,928.93
Less: Distribution and Licensing expenses for Hollywood movies	(5,080.23)	(5,188.92)
Add: Distribution and Licensing expenses incurred for overseas distribution of movies	-	(0.10)
Revenue from Distribution and Licensing of Movies as per Note 18	**854.78**	**1,739.91**

(II) Royalty on Merchandise Licensing

In relation to Revenue on Merchandise Licencing, the Company has presented revenue after reducing related licencing expenses in line with Ind AS 115 on 'Revenue from Contracts with Customers'.

	Year ended March 31, 2020	Year ended March 31, 2019
Amount Invoices/ accrued	1,087.14	929.16
Less: Distribution and Licensing expenses for Merchandise Licencing	(961.12)	(817.66)
Revenue from Royalty on Merchandise Licensing as per Note 18	**126.02**	**111.50**

40 The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which was further extended till May 31, 2020. This pandemic and government response are creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown.

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020. Basis the said assessment, the Company has made a provision for doubtful debts of INR 42.91 million on royalty receivables from Merchandise Licensees and deferred revenue recognition of royalty on Merchandise Licensing of INR 74.72 million towards extension licence period of fixed fees contracts granted by the Company. Further, in assessing the recoverability of the Company's assets such as Investment in subsidiaries, balance trade receivables, income and deferred tax assets, PPE, etc., the Company has considered internal and external information up to the date of approval of these financial statements including economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial reporting controls etc. and is of the view that based on its present assessment, other than mentioned above, this situation does not materially impact this financial statements.

41. The previous year's figures have been reclassified, wherever considered necessary, to conform to current year's classification.

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

For **MSKA & Associates**
Chartered Accountants
Firm Registration No.: 105047W

A Somani

Anita Somani
Partner
Membership Number: 124118

For and on behalf of the Board of Directors of
UTV Software Communications Limited
CIN: U7200MH1990PLC056987

Charles Jacob
Whole-time Director
DIN: 06489312

MSShroff

Monisha Shroff
Director
DIN: 05220951

S. Venkata Subramanian

Venkata Subramanian
Chief Financial Officer

Puneet Juneja
Company Secretary
Mem. No.: A17151

Place: Mumbai
Date: November 10, 2020

Place: Mumbai
Date: November 10, 2020