

**Fifth Gear Ventures Limited**  
**Statutory Audit for the financial year ended**  
**31 March 2019**

# B S R & Associates LLP

Chartered Accountants

Building No.10, 8th Floor, Tower-B  
DLF Cyber City, Phase - II  
Gurugram - 122 002, India

Telephone: + 91 124 719 1000  
Fax: + 91 124 235 8613

## INDEPENDENT AUDITORS' REPORT

To the Members of Fifth Gear Ventures Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Fifth Gear Ventures Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (together referred to as "the financial statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the board's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



### **Management's Responsibility for the Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit /loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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



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

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigation as on 31 March 2019 which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts outstanding at 31 March 2019.
  - iii. The Company does not have any dues on account of Investor Education and Protection Fund
  - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.



(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanation given to us, during the current year, the remuneration paid by the Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

*For B S R & Associates LLP*  
*Chartered Accountants*

ICAI Firm Registration Number: 116231W/W-100024



**Rakesh Dewan**  
*Partner*

Membership No. 092212

Place: Gurugram  
Date: 20 May 2019

**Annexure A referred to in our Independent Auditor's Report of even date to the members of Fifth Gear Ventures Limited on the financial statements for the year ended 31 March 2019.**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified once in three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, physical verification of fixed assets has not been carried out during the current year.
- (c) According to the information and explanations given to us, the Company does not hold any immovable property in its name. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company.
- (ii) According to the information and explanations given to us, the Company does not hold any physical inventory. Accordingly, paragraph 3(ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3 (iii) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not entered into any transaction related to any loans, investments, guarantees, and securities to which the provisions of section 185 and 186 of the Companies Act, 2013 are applicable. Accordingly, the provisions of paragraph 3 (iv) of the Order are not applicable to the Company.
- (v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, goods and services tax, cess and other statutory dues have generally been regularly deposited by the Company with the appropriate



authorities. As explained to us, the Company did not have any dues on account of duty of customs and employees' state insurance.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and services tax, cess and other statutory dues were in arrears as at 31 March 2019, for a period of more than six months from the date they became payable.

The Company does not have liability in respect of service tax, duty of excise, sales tax and value added tax since effective 1 July 2017, these statutory dues have been subsumed into goods and services tax.

- (b) According to the information and explanations given to us, there are no dues of income tax and goods and services tax which have not been deposited with the appropriate authorities on account of any dispute. The company did not have any dues in respect of duty of customs.
- (viii) According to the information and explanations given to us, the Company did not have any outstanding dues to any financial institutions, government or debenture holders during the year. Accordingly, paragraph 3 (viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been provided/ paid by the Company in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has made preferential allotment or private placement of equity shares during the period in accordance with the requirements of section 42 of the Act and the amount raised have been used for the purpose for which the funds were raised.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him covered by Section 192 of the Act. Accordingly, paragraph 3(xv) of the Order is not applicable.



- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

*For B S R & Associates LLP*  
*Chartered Accountants*  
Firm registration number: 116231W/ W-100024



**Rakesh Dewan**  
*Partner*  
Membership number: 092212

Place: Gurugram  
Date: 20 May 2019



**Annexure B to the Independent Auditors' report on the financial statements of Fifth Gear Ventures Limited for the year ended 31 March 2019.**

**Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**Opinion**

We have audited the internal financial controls with reference to financial statements of **Fifth Gear Ventures Limited** ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial controls with Reference to Financial Statements**

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

**Inherent Limitations of Internal Financial controls with Reference to Financial Statements**

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

*For B S R & Associates LLP*

*Chartered Accountants*

Firm's Registration No. 116231 W/W-100024



**Rakesh Dewan**

*Partner*

Membership No. 092212

Place: Gurugram

Date: 20 May 2019


**Fifth Gear Ventures Limited**  
**Balance Sheet as at 31 March 2019**

(All amounts in INR, unless otherwise stated)			
	Note	As at 31 March 2019	As at 31 March 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	14,06,585	18,68,358
Intangible assets	4	103,17,914	133,31,628
Financial assets			
Loans	5	20,000	-
Income tax assets (net)	6(a)	13,13,284	13,68,346
Other non-current assets	7	7,932	3,114
<b>Total non-current assets</b>		<b>130,65,715</b>	<b>165,71,446</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Trade receivables	8	198,71,465	121,06,934
Cash and cash equivalents	9	96,22,212	20,17,104
Other financial assets	10	2,16,599	2,16,599
Income tax assets (net)	6(b)	13,89,140	3,98,965
Other current assets	11	34,11,177	58,81,982
<b>Total current assets</b>		<b>345,10,593</b>	<b>206,21,584</b>
<b>Total assets</b>		<b>475,76,308</b>	<b>371,93,030</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	12	8,98,380	6,91,310
Other equity	13	107,70,758	28,46,389
<b>Total equity</b>		<b>116,69,138</b>	<b>35,37,699</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions	14(a)	5,76,621	4,22,853
<b>Total non-current liabilities</b>		<b>5,76,621</b>	<b>4,22,853</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	15	34,431	1,34,556
- total outstanding dues of creditors other than micro enterprises and small enterprises	15	300,58,035	261,38,939
Other financial liabilities	16	39,63,612	57,29,165
Provisions	14(b)	1,285	978
Other current liabilities	17	12,73,186	12,28,820
<b>Total current liabilities</b>		<b>353,30,549</b>	<b>332,32,478</b>
<b>Total liabilities</b>		<b>359,07,170</b>	<b>336,55,331</b>
<b>Total equity and liabilities</b>		<b>475,76,308</b>	<b>371,93,030</b>


The accompanying notes are an integral part of these financial statements

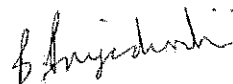
As per our report of even date attached

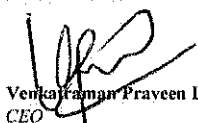
For B S R & Associates LLP  
Chartered Accountants  
Firm registration number: 116231W /W-100024

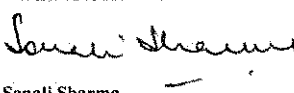
  
Rakesh Dewan  
Partner  
Membership Number: 092212

For and on behalf of the Board of Directors of  
Fifth Gear Ventures Limited

  
Arif Chatterjee  
Director  
DIN: 07284184

  
Priyadharshini Baskaran  
Director  
DIN: 02038239

  
Venkataraman Praveen Loganathan  
CEO

  
Sonali Sharma  
CFO

Place: Gurugram  
Date: 20 May 2019

Place: New Delhi  
Date: 17 May 2019

**Fifth Gear Ventures Limited**  
**Statement of Profit and Loss for the year ended 31 March 2019**

(All amounts in INR, unless otherwise stated)			
	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Income</b>			
Revenue from operations	18	553,97,958	366,66,947
Other income	19	5,71,086	-
<b>Total income</b>		<b>559,69,044</b>	<b>366,66,947</b>
<b>Expenses</b>			
Cost of services	20	239,08,485	125,61,029
Employee benefit expenses	21	478,74,397	1006,68,468
Finance costs	22	5,389	1,28,986
Depreciation and amortization expense	23	36,49,766	35,69,649
Operations and administration expenses	24	116,76,986	116,19,076
Marketing, distribution and promotion expenses		30,94,025	18,77,953
<b>Total expenses</b>		<b>902,09,048</b>	<b>1304,25,161</b>
<b>Loss for the year</b>		<b>(342,40,004)</b>	<b>(937,58,214)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligations		96,256	1,38,339
<b>Other comprehensive income for the year</b>		<b>96,256</b>	<b>1,38,339</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>(341,43,748)</b>	<b>(936,19,875)</b>
<b>Earnings / (loss) per share</b>			
Basic earning / (loss) per share ( INR )	28	(413.04)	(1,595.06)
Diluted earnings / (loss) per share ( INR )	28	(413.04)	(1,595.06)

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For BSR & Associates LLP  
 Chartered Accountants  
 Firm registration number: 116231W /W-100024

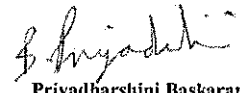


**Rakesh Dewan**  
 Partner  
 Membership Number: 092212


For and on behalf of the Board of Directors of  
 Fifth Gear Ventures Limited



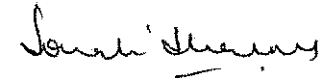
**Arijit Chatterjee**  
 Director  
 DIN: 07284184



**Priyadharshini Baskaran**  
 Director  
 DIN: 02038239



**Venkatraman Praveen Loganathan**  
 CEO



**Sonali Sharma**  
 CFO

Place: Gurugram  
 Date: 20 May 2019

Place: New Delhi  
 Date: 17 May 2019

**Fifth Gear Ventures Limited**  
**Statement of Cash Flows for the year ended 31 March 2019**

	(All amounts in INR, unless otherwise stated)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Cash flow from operating activities</b>		
Loss before income tax	(342,40,004)	(937,58,214)
<b>Adjustments to reconcile loss to net cash flows:</b>		
Depreciation and amortization expense	36,49,766	35,69,649
Finance costs	5,389	1,28,986
Share based payment expense	180,27,290	654,04,014
Interest income	(1,01,522)	-
Liabilities written back	(4,41,874)	-
<b>Cash used in operations before working capital changes</b>	<b>(131,00,955)</b>	<b>(246,55,565)</b>
<b>Working capital adjustments</b>		
Change in trade receivables	(77,64,531)	(109,69,455)
Change in loans	(20,000)	-
Change in other assets	24,65,988	24,08,372
Change in trade payables	42,60,827	129,66,135
Change in other financial liabilities	(15,39,687)	5,68,086
Change in other liabilities	44,366	2,87,303
Change in provisions	2,50,331	2,68,780
<b>Cash used in operating activities</b>	<b>(154,03,661)</b>	<b>(191,26,344)</b>
Income taxes paid / deducted at source (net)	(9,35,113)	(13,98,268)
<b>Net cash used in operating activities (A)</b>	<b>(163,38,774)</b>	<b>(205,24,612)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(4,05,537)	(5,61,225)
Interest received	1,01,522	-
Proceeds from sale of property, plant and equipment	-	3,62,166
<b>Net cash used in investing activities (B)</b>	<b>(3,04,015)</b>	<b>(1,99,059)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity shares	242,47,897	99,95,945
Proceeds from borrowings	-	85,00,000
Finance cost paid	-	(12,899)
<b>Net cash generated from financing activities (C)</b>	<b>242,47,897</b>	<b>184,83,046</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>76,05,108</b>	<b>(22,40,625)</b>
Cash and cash equivalents at the beginning of the year	20,17,104	42,57,729
<b>Cash and cash equivalents at the end of the year (refer note 9)</b>	<b>96,22,212</b>	<b>20,17,104</b>
<b>Notes to the statement of cash flows:</b>		
<b>(a) Cash and cash equivalents</b>		
Components of cash and cash equivalents:-		
Cash on hand	2,069	7,686
Balance with banks:		
- In current accounts	96,20,143	20,09,418
<b>Balances per statement of cash flows</b>	<b>96,22,212</b>	<b>20,17,104</b>
<b>(b) Movement in financial liabilities*</b>		
Opening balance	1,16,087	-
Proceeds from borrowings	-	85,00,000
Conversion into equity shares	-	(85,00,000)
Interest expense	-	1,28,986
Finance cost paid	-	(12,899)
<b>Closing Balance</b>	<b>1,16,087</b>	<b>1,16,087</b>


\*Amendment to Ind AS 7: Effective 01 April 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

(c) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying notes are an integral part of these financial statements

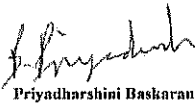
As per our report of even date attached

For B S R & Associates LLP  
Chartered Accountants  
Firm registration number: 116231W/W-100024

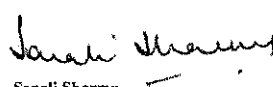
  
Rakesh Dewan  
Partner  
Membership Number: 092212

For and on behalf of the Board of Directors of  
Fifth Gear Ventures Limited

  
Arijit Chatterjee  
Director  
DIN: 07284184

  
Priyadarshini Baskaran  
Director  
DIN: 02038239

  
Venkatraman Praveen Loganathan  
CEO

  
Sonali Sharma  
CFO

Place: Gurugram  
Date: 20 May 2019

Place: New Delhi  
Date: 17 May 2019

**Fifth Gear Ventures Limited**  
**Statement of Changes in Equity for the year ended 31 March 2019**  
**(All amounts in INR, unless otherwise stated)**

**I) Equity share capital**

Particulars	Amounts
Balance as at 1 April 2017	5,33,360
Changes in equity share capital during the year	1,57,950
<b>Balance as at 31 March 2018</b>	<b>6,91,310</b>
Changes in equity share capital during the year	2,07,070
<b>Balance as at 31 March 2019</b>	<b>8,98,380</b>


**II) Other equity**

Particulars	Reserves and Surplus			Items of OCI	Total
	Securities premium reserve	Retained earnings	Share based payment reserve	Remeasurements of defined benefit obligations	
Balance as at 1 April 2017	1204,50,813	(1839,24,266)	760,77,908	1,19,800	127,24,255
Total comprehensive income/(loss) for the year					
Profit/(loss) for the year	-	(937,58,214)	-	-	(937,58,214)
Other comprehensive income/(loss), net of tax	-	-	-	1,38,339	1,38,339
<b>Total comprehensive income/(loss) for the year</b>	<b>-</b>	<b>(937,58,214)</b>	<b>-</b>	<b>1,38,339</b>	<b>(936,19,875)</b>
Transactions with owners, recorded directly in equity					
Contributions by owners					
Issue of equity shares	183,37,995	-	-	-	183,37,995
Share based payment expense	-	-	654,04,014	-	654,04,014
<b>Total transactions with owners</b>	<b>183,37,995</b>	<b>-</b>	<b>654,04,014</b>	<b>-</b>	<b>837,42,009</b>
<b>Balance as at 31 March 2018</b>	<b>1387,88,808</b>	<b>(2776,82,480)</b>	<b>1414,81,922</b>	<b>2,58,139</b>	<b>28,46,389</b>
Total comprehensive income/(loss) for the year					
Profit/(loss) for the year	-	(342,40,004)	-	-	(342,40,004)
Other comprehensive income/(loss), net of tax	-	-	-	96,256	96,256
<b>Total comprehensive income/(loss) for the year</b>	<b>-</b>	<b>(342,40,004)</b>	<b>-</b>	<b>96,256</b>	<b>(341,43,748)</b>
Transactions with owners, recorded directly in equity					
Contributions by owners					
Issue of equity shares	240,40,827	-	-	-	240,40,827
Share based payment expense	-	-	180,27,290	-	180,27,290
<b>Total transactions with owners</b>	<b>240,40,827</b>	<b>-</b>	<b>180,27,290</b>	<b>-</b>	<b>420,68,117</b>
<b>Balance as at 31 March 2019</b>	<b>1628,29,635</b>	<b>(3119,22,484)</b>	<b>1595,09,212</b>	<b>3,54,395</b>	<b>107,70,758</b>

The accompanying notes are an integral part of these financial statements


As per our report of even date attached

For D S R & Associates LLP  
Chartered Accountants  
Firm registration number: 116231W/W-100024

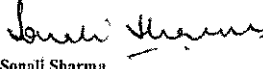
  
**Rakesh Dewan**  
Partner  
Membership Number: 092212

For and on behalf of the Board of Directors of  
**Fifth Gear Ventures Limited**

  
**Arjit Chatterjee**  
Director  
DIN: 07284184

  
**Priyadharshini Baskaran**  
Director  
DIN: 02038239

  
**Venkatesh Praveen Loganathan**  
CEO

  
**Sonali Sharma**  
CFO

Place: Gurugram  
Date: 20 May 2019

Place: New Delhi  
Date: 17 May 2019

## Fifth Gear Ventures Limited

### Notes to the financial statements for the year ended 31 March 2019

#### Reporting entity

Fifth Gear Ventures Limited (the Company) is a public limited company incorporated in India on 1 September 2015, under the provisions of the Companies Act, 2013 with its registered office situated in New Delhi.

The Company maintains and operates carandbike.com, an e-commerce marketplace platform, which keeps its users updated with the latest information and reviews from the global automotive industry. Besides making online booking of new cars and bikes under marketplace model, the users can buy and sell used cars.

#### Note 1 Basis of preparation

##### a. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs Pursuant to section 133 of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The financial statements were authorized for issue by the Company's Board of Directors on 17 May 2019

##### b. Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest rupee, unless otherwise indicated.

##### c. Basis of measurement

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

Items	Measurement basis
Certain Financial assets	Fair value

##### d. Use of estimates and judgements

In preparing the financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

##### (i) Judgements:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management exercises 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 than 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.

##### (ii) Assumptions and estimation uncertainties:

The areas involving critical estimates are:

- Recognition and measurement of provisions and contingencies;
- Estimation of defined benefit obligation;
- Estimated useful life of intangible assets;
- Impairment test of non-financial assets; and
- Impairment of trade receivables and other financial assets.

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

##### e. Current versus non-current classification:

The Company presents assets and liabilities in the Balance Sheet based on the current / non current classification.

An asset is treated as current when:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realized within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current assets include the current portion of non-current financial assets. The Company classifies all other assets as non-current.



**Fifth Gear Ventures Limited**

**Notes to the financial statements for the year ended 31 March 2019**

A liability is treated as current when:

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

Current liabilities include current portion of non-current financial liabilities. The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current / non-current classification of assets and liabilities.

**f. Measurement of fair values**

A number of accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further the information about the assumptions made in measuring fair values is included in the note on financial instruments.

**Note 2 Significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of standalone financial statements. The accounting policies adopted are consistent with those of the previous financial year, except if mention otherwise

**a. Foreign currency**

Foreign currency transactions:

Transactions in foreign currencies are translated into the functional currency of Company at the exchange rate at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in profit or loss.

**b. Financial instruments**

Financial instrument is any contract that gives rise to a financial asset of the entity and a financial liability or equity instrument of another entity.

**(i) Recognition and initial measurement:**

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

**(ii) Classification and subsequent measurement:**

**Financial assets**

On initial recognition, a financial asset is classified as measured at:

- amortized cost;
- fair value through other comprehensive income
- FVOCI – debt investment;
- FVOCI – equity investment;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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





**Fifth Gear Ventures Limited**

**Notes to the financial statements for the year ended 31 March 2019**

A debt investment is measured at FVOCI, if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or fair value through other comprehensive income (FVOCI) are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Financial assets: Subsequent measurement and gains and losses**

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is also recognized in the profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

**Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(iii) *Derecognition:*

**Financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its Balance Sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

**Financial liabilities**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the profit or loss.

(iv) *Offsetting:*

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.



**Fifth Gear Ventures Limited**

Notes to the financial statements for the year ended 31 March 2019

**c. Property, plant and equipment**

(i) *Recognition and measurement:*

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) *Subsequent expenditure:*

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) *Depreciation:*

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognized in the Statement of Profit and Loss.

The useful lives as estimated for tangible assets are in accordance with the useful lives as indicated in Schedule II of the Companies Act, 2013 except for the following classes of assets where different useful lives have been used:

Asset Class	Useful life (in years)
Computers	5
Office equipments	3
Furniture and fixtures	8

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

**d. Intangible assets**

(i) *Recognition and measurement:*

Intangible assets including those acquired by the Company in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) *Subsequent expenditure:*

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

(iii) *Amortization:*

Amortization is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortization in the Statement of Profit and Loss.

The estimated useful lives are as follows:

Asset Class	Useful life (in years)
Computer Software	6
Website	6

Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

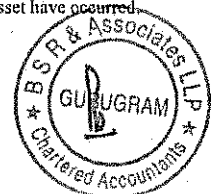
**e. Impairment**

(i) *Impairment of financial*

The Company recognizes loss allowances for expected credit losses on:

- financial assets measured at amortized cost; and
- financial assets measured at FVOCI.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.



**Fifth Gear Ventures Limited**

**Notes to the financial statements for the year ended 31 March 2019**

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 180 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are measured at an amount at least equal to the lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

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.

*Measurement of expected credit*

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

*Presentation of allowance for expected credit losses in the Balance Sheet:*

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

*Write-off:*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) *Impairment of non-financial assets*

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.



**Fifth Gear Ventures Limited**

**Notes to the financial statements for the year ended 31 March 2019**

**f. Employee benefits**

**(i) Short-term employee benefits:**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

**(ii) Defined contribution plan:**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

**(iii) Defined benefit plan:**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognized in OCI. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in the profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**(iv) Termination benefits:**

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

**(v) Employee share based payments:**

The grant date fair value of equity settled share-based payment awards granted to employees is recognized as an employee benefits expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as expense is based on the estimate of the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

**g. Provisions**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.



**Fifth Gear Ventures Limited**

**Notes to the financial statements for the year ended 31 March 2019**

**h. Revenue from contracts with customers - Policy applicable from 1 April 2018:**

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" from 1 April 2018 which resulted in changes in accounting policies. Ind AS 115 replaces Ind AS 18-"Revenue" and Ind AS-11 "Construction Contracts". The standard is applied retrospectively only to contracts that are not completed as at the date of initial application. In accordance with the transition provisions in Ind AS 115, the Company has adopted modified retrospective approach. The adoption of the new standard did not have any impact on opening balance of retained earnings as at 1 April 2018, and also on the current year financial statements.

The Company earns revenue primarily from advertisement, affiliate income model and commission income.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services.

- Advertisement revenue - the Company recognizes revenue from the display of graphical advertisements ("display advertising") on the website as "impressions" are delivered. An "impression" is delivered when an advertisement appears in pages viewed by users. The Company recognizes revenue from the display of text based links to the websites of its advertisers ("search advertising") which are placed on the website. Search advertising revenue is recognized as "click through" occur. A "click-through" occurs when a user clicks on an advertiser's listing.

- Affiliate revenue is recognized as per the terms of the contract with customers once the services are rendered.

- Commission from online booking under marketplace model is recognized when the product is delivered to the buyer.

Revenue is measured based on the transaction price, which is the consideration and excludes taxes collected from customers.

Revenue from holding company is recognised based on transaction price which is at arm's length.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liabilities primarily relate to the consideration received from customers in advance for the Company's performance obligations which is classified as advance from customers and deferred revenue which is recognised when there is billings in excess of revenues.

**Revenue - Policy applicable before 1 April 2018**

Revenue is measured at fair value of consideration received or receivable. Amounts disclosed as revenue are net of taxes, trade allowances and amount collected on behalf of others.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities.

**(i) Advertisement revenue:**

The Company recognizes revenue from the display of graphical advertisements ("display advertising") on the website as "impressions" are delivered. An "impression" is delivered when an advertisement appears in pages viewed by users. The Company recognizes revenue from the display of text based links to the websites of its advertisers ("search advertising") which are placed on the website. Search advertising revenue is recognized as "click through" occur. A "click-through" occurs when a user clicks on an advertiser's listing.

**(ii) Commission income:**

Commission from online booking under marketplace model is recognized when the product is delivered to the buyer.

**(iii) Affiliate income:**

Revenue from e-commerce affiliate model is recognized as per the terms of the contract with customers once the services are rendered.



**Fifth Gear Ventures Limited**

**Notes to the financial statements for the year ended 31 March 2019**

**i. Lease**

**(i) Determining whether an arrangement contains a lease:**

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the incremental borrowing rate.

**(ii) Assets held under leases:**

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognized in the Company's Balance Sheet.

**(iii) Lease payments:**

Payments made under operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognized as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**j. Recognition of interest income or expense**

Interest income or expense is recognized using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

**k. Income tax**

Income tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

**(i) Current tax:**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.



**Fifth Gear Ventures Limited**

**Notes to the financial statements for the year ended 31 March 2019**

(ii) *Deferred tax:*

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax is not recognized for :

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

**l. Cash and cash equivalent**

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

**m. Earnings per share**

(i) *Basic earnings per share:*

Basic earnings per share is calculated by dividing:

- the profit / (loss) 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.

**n. Contingent liabilities and contingent assets**

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

Contingent assets are not recognized, however, are disclosed in the financial statements where an inflow of economic benefit is probable. Contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

**o. Recent accounting pronouncements**

(i) **Ind AS 116 "Leases"**

**Nature of change**

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Company has completed an initial assessment of the potential impact on its consolidated financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the consolidated financial statements in the period of initial application is not reasonably estimable as at present.



**Fifth Gear Ventures Limited**

**Notes to the financial statements for the year ended 31 March 2019**

**Impact**

The Company will recognise new assets and liabilities for its operating leases of offices and warehouse (refer note 31). The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

**Date of adoption**

The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

**(ii) Appendix C to Ind AS 12, Income Taxes**

**Nature of change**

The appendix provides accounting for uncertainty over income tax treatments.

**Impact**

The management does not foresee any material impact on account of this amendment.

**Date of adoption**

The Company has decided to apply the amendment prospectively to changes in use that occur after the date of initial application (i.e. 1 April 2019).

**(iii) New paragraph 57A has been added to Ind AS 12, Income Taxes**

**Nature of change**

This amendment clarifies that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

**Impact**

The management does not foresee any material impact on account of this amendment.

**Date of adoption**

The Company has decided to apply the amendment prospectively to changes in use that occur after the date of initial application (i.e. 1 April 2019).

**(iv) Amendment to Ind AS 19, Employee Benefits.**

**Nature of change**

This amendment requires an entity to: (i) use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and (ii) recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

**Impact**

The management does not foresee any material impact on account of this amendment.

**Date of adoption**

The Company has decided to apply the amendment prospectively to changes in use that occur after the date of initial application (i.e. 1 April 2019).





Fifth Gear Ventures Limited  
Notes to the financial statements for the year ended 31 March 2019  
(All amounts in INR, unless otherwise stated)

Note 3 : Property, plant and equipment

Particulars	Plant and machinery	Computers	Office equipment	Furniture and fixtures	Total
Balance as at 1 April 2017	-	24,83,904	1,62,898	22,598	26,69,400
Additions	74,259	4,40,483	24,765	-	5,39,507
Disposals	-	(3,13,575)	-	-	(3,13,575)
<b>Balance at 31 March 2018</b>	<b>74,259</b>	<b>26,10,812</b>	<b>1,87,663</b>	<b>22,598</b>	<b>28,95,332</b>
Additions	-	1,48,654	25,625	-	1,74,279
<b>Balance at 31 March 2019</b>	<b>74,259</b>	<b>27,59,466</b>	<b>2,13,288</b>	<b>22,598</b>	<b>30,69,611</b>

Accumulated depreciation

Particulars	Plant and machinery	Computers	Office equipment	Furniture and fixtures	Total
Balance as at 1 April 2017	-	4,86,274	50,336	22,598	5,59,208
Depreciation for the year	2,776	4,99,004	54,155	-	5,55,935
Deletion / adjustments	-	(88,169)	-	-	(88,169)
<b>Balance at 31 March 2018</b>	<b>2,776</b>	<b>8,97,109</b>	<b>1,04,491</b>	<b>22,598</b>	<b>10,26,974</b>
Depreciation for the year	12,398	5,62,978	60,676	-	6,36,052
<b>Balance at 31 March 2019</b>	<b>15,174</b>	<b>14,60,087</b>	<b>1,65,167</b>	<b>22,598</b>	<b>16,63,026</b>

Carrying amount (net)					
Balance at 31 March 2018	71,483	17,13,703	83,172	-	18,68,358
Balance at 31 March 2019	59,085	12,99,379	48,121	-	14,06,585



Fifth Gear Ventures Limited  
Notes to the financial statements for the year ended 31 March 2019  
(All amounts in INR, unless otherwise stated)

Note 4. Intangible assets

Particulars	Website	Computer Software	Total
Balance as at 1 April 2017	161,30,720	19,47,950	180,78,670
Balance at 31 March 2018	161,30,720	19,47,950	180,78,670
Balance at 31 March 2019	161,30,720	19,47,950	180,78,670

Accumulated amortization

Particulars	Website	Computer Software	Total
Balance as at 1 April 2017	16,87,066	46,262	17,33,328
Amortization for the year	26,88,991	3,24,723	30,13,714
Balance at 31 March 2018	43,76,057	3,70,985	47,47,042
Amortization for the year	26,88,991	3,24,723	30,13,714
Balance at 31 March 2019	70,65,048	6,95,708	77,60,756
Balance at 31 March 2018	117,54,663	15,76,965	133,31,628
Balance at 31 March 2019	90,65,672	12,52,242	103,17,914



**Fifth Gear Ventures Limited**  
**Notes to the financial statements for the year ended 31 March 2019**  
**(All amounts in INR, unless otherwise stated)**

**Note 5: Loans**  
**Non current**  
**(Unsecured, considered good unless otherwise stated)**

Particulars	As at 31 March 2019	As at 31 March 2018
Security deposits	20,000	-
	<u>20,000</u>	<u>-</u>

Refer note 27.

**Note 6(a): Income tax assets (net)**  
**Non current**

Particulars	As at 31 March 2019	As at 31 March 2018
Income tax asset	13,13,284	13,68,346
<b>Total non current tax assets</b>	<u>13,13,284</u>	<u>13,68,346</u>

**Note 6(b): Income tax assets (net)**  
**Current**

Particulars	As at 31 March 2019	As at 31 March 2018
Income tax asset	13,89,140	3,98,965
<b>Total current tax assets</b>	<u>13,89,140</u>	<u>3,98,965</u>

**Note 7: Other non-current assets**  
**(Unsecured, considered good unless otherwise stated)**

Particulars	As at 31 March 2019	As at 31 March 2018
Advances recoverable	7,932	3,114
	<u>7,932</u>	<u>3,114</u>

**Note 8: Trade receivables**  
**(Unsecured, considered good unless otherwise stated)**

Particulars	As at 31 March 2019	As at 31 March 2018
Considered good *	198,71,465	121,06,934
	<u>198,71,465</u>	<u>121,06,934</u>

Refer note 27.

\* Of the above, trade receivables from related parties are as below:

Particulars	As at 31 March 2019	As at 31 March 2018
Trade receivables from related parties	157,92,129	110,69,154
	<u>157,92,129</u>	<u>110,69,154</u>



**Fifth Gear Ventures Limited**  
**Notes to the financial statements for the year ended 31 March 2019**  
**(All amounts in INR, unless otherwise stated)**

**Note 9: Cash and cash equivalents**

Particulars	As at 31 March 2019	As at 31 March 2018
Cash on hand	2,069	7,686
Balances with banks		
- in current accounts	96,20,143	20,09,418
<b>Cash and cash equivalents in balance sheet</b>	<b>96,22,212</b>	<b>20,17,104</b>
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>96,22,212</b>	<b>20,17,104</b>

**Note 10: Current - other financial assets**  
**(Unsecured, considered good)**

Particulars	As at 31 March 2019	As at 31 March 2018
Receivable against fixed assets*	2,16,599	2,16,599
	<b>2,16,599</b>	<b>2,16,599</b>

\* Represents amount recoverable from related party.

**Note 11: Other current assets**  
**(Unsecured, considered good unless otherwise stated)**

Particulars	As at 31 March 2019	As at 31 March 2018
Dues recoverable from government	27,13,368	47,75,077
Employee advances	16,342	97,036
Prepaid expenses	6,81,467	10,09,869
	<b>34,11,177</b>	<b>58,81,982</b>



**Fifth Gear Ventures Limited**  
**Notes to the financial statements for the year ended 31 March 2019**  
**(All amounts in INR, unless otherwise stated)**

**Note 12: Equity share capital**

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Authorized</b>		
200,000 (previous year 200,000) equity shares of INR 10 each	20,00,000	20,00,000
	<b>20,00,000</b>	<b>20,00,000</b>
<b>Issued</b>		
143,712 (previous year 143,712) equity shares of INR 10 each	14,37,120	14,37,120
	<b>14,37,120</b>	<b>14,37,120</b>
<b>Subscribed and fully paid up</b>		
89,838 (previous year 69,131) equity shares of INR 10 each	8,98,380	6,91,310
	<b>8,98,380</b>	<b>6,91,310</b>

**A. Reconciliation of shares outstanding at the beginning and at the end of the year**

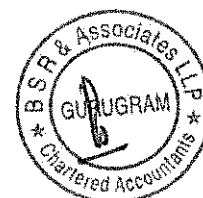
Particulars	No. of shares	Amount
<b>Balance as at 1 April 2017</b>	<b>53,336</b>	<b>5,33,360</b>
Issued during the year	15,795	1,57,950
<b>As at 31 March 2018</b>	<b>69,131</b>	<b>6,91,310</b>
Issued during the year	20,707	2,07,070
<b>As at 31 March 2019</b>	<b>89,838</b>	<b>8,98,380</b>

**B. Rights, preferences and restrictions attached to equity shares**

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company in proportion of the number of equity shares held.

**C. Details of shareholders holding more than 5% shares in the Company**

Name of shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% holding	No. of shares	% holding
Autobyte Private Limited	34,154	38.02%	15,795	22.85%
NDTV Convergence Limited	21,000	23.38%	21,000	30.38%
New Delhi Television Limited	21,000	23.38%	21,000	30.38%
Praveen Venkatraman Loganathan	8,000	8.90%	8,000	11.57%



**Fifth Gear Ventures Limited**  
**Notes to the financial statements for the year ended 31 March 2019**  
 (All amounts in INR, unless otherwise stated)

**Note 13: Other equity**

Particulars	As at 31 March 2019	As at 31 March 2018
Securities premium <sup>a</sup>	1628,29,635	1387,88,808
Retained earnings <sup>b</sup>	(3115,68,089)	(2774,24,341)
Share based payment reserve <sup>c</sup>	1595,09,212	1414,81,922
	<u>107,70,758</u>	<u>28,46,389</u>

**a) Securities premium**

Particulars	As at 31 March 2019	As at 31 March 2018
Opening balance	1387,88,808	1204,50,813
Additions during the year	240,40,827	183,37,995
Closing balance	<u>1628,29,635</u>	<u>1387,88,808</u>

Securities premium is used to record the premium received on issue of shares. It can be utilized in accordance with the provisions of the Companies Act, 2013.

**b) Retained earnings**

Particulars	As at 31 March 2019	As at 31 March 2018
Opening balance	(2774,24,341)	(1838,04,466)
Loss for the year	(341,43,748)	(936,19,875)
Closing balance	<u>(3115,68,089)</u>	<u>(2774,24,341)</u>

Retained earnings are the profits / (loss) that the Company has earned till date and it includes remeasurements of defined benefit obligations.

**c) Share based payment reserve**

Particulars	As at 31 March 2019	As at 31 March 2018
Opening balance	1414,81,922	760,77,908
Charge for the year	180,27,290	654,04,014
Closing balance	<u>1595,09,212</u>	<u>1414,81,922</u>

The share based payment reserve comprises of the value of equity-settled share based award provided to employees including key management personnel, as part of their remuneration.



**Fifth Gear Ventures Limited**  
**Notes to the financial statements for the year ended 31 March 2019**  
**(All amounts in INR, unless otherwise stated)**

**Note 14(a): Provisions - non current**

Particulars	As at 31 March 2019	As at 31 March 2018
Gratuity	5,76,621	4,22,853
	<u>5,76,621</u>	<u>4,22,853</u>

**Note 14(b): Provisions - current**

Particulars	As at 31 March 2019	As at 31 March 2018
Gratuity	1,285	978
	<u>1,285</u>	<u>978</u>

**Note 15: Trade payables**

Particulars	As at 31 March 2019	As at 31 March 2018
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (see note below)	34,431	1,34,556
- total outstanding dues of creditors other than micro enterprises and small enterprises *	300,58,035	261,38,959
	<u>300,92,466</u>	<u>262,73,515</u>

\* Of the above, trade payables to related parties are as below:

Particulars	As at 31 March 2019	As at 31 March 2018
Payable to related parties	235,88,903	221,58,969
	<u>235,88,903</u>	<u>221,58,969</u>

Refer note 27.

**Note:**

**Disclosures in relation to Micro and Small enterprises "Suppliers" as defined in Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	As at 31 March 2019	As at 31 March 2018
(i) the principal amount remaining unpaid to any supplier as at the end of the year;	34,431	1,34,556
(ii) the interest due on the principal remaining outstanding as at the end of the year;	5,389	-
(iii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iv) the amount of the payment made to micro and small suppliers beyond the appointed day during each accounting year;	-	-
(v) 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;	-	-
(vi) the amount of interest accrued and remaining unpaid at the end of the year;	5,389	-
(vii) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-



Fifth Gear Ventures Limited  
Notes to the financial statements for the year ended 31 March 2019  
(All amounts in INR, unless otherwise stated)

**Note 16: Current- other financial liabilities**

Particulars	As at 31 March 2019	As at 31 March 2018
Interest payable	1,21,476	1,16,087
Payable to employees	33,94,288	49,33,972
Payable against fixed assets *	4,47,848	6,79,106
	<u>39,63,612</u>	<u>57,29,165</u>

\* Of the above, payable to related parties are as below:

Particulars	As at 31 March 2019	As at 31 March 2018
Payable to related parties	2,74,811	2,99,576
	<u>2,74,811</u>	<u>2,99,576</u>

**Note 17: Other current liabilities**

Particulars	As at 31 March 2019	As at 31 March 2018
Statutory dues payable	11,85,012	12,22,980
Advances from customers*	88,174	5,840
	<u>12,73,186</u>	<u>12,28,820</u>

\* Of the above, payable to related parties are as below:

Particulars	As at 31 March 2019	As at 31 March 2018
Payable to related parties	82,924	-
	<u>82,924</u>	<u>-</u>





**Fifth Gear Ventures Limited**  
**Notes to the financial statements for the year ended 31 March 2019**  
**(All amounts in INR, unless otherwise stated)**

**Note 18: Revenue from operations**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Advertisement	484,75,822	335,08,492
Affiliate income	69,22,136	31,28,446
Commission income	-	30,009
<b>Total revenue from operations</b>	<b>553,97,958</b>	<b>366,66,947</b>

**Note 19: Other income**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income measured at amortized cost:		
-Fixed deposits	1,01,522	-
-Income tax refund	27,690	-
Liabilities written back	4,41,874	-
	<b>5,71,086</b>	<b>-</b>

**Note 20: Cost of services**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Website hosting and streaming	62,56,408	40,77,705
Subscriptions	1,35,358	61,216
Payment gateway charges	-	606
Website development charges	-	93,280
Camera hire charges	-	1,50,000
License fee	10,95,605	5,58,606
Consultancy and professional fee	164,21,114	76,19,616
	<b>239,08,485</b>	<b>125,61,029</b>

**Note 21: Employee benefits expense**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages and bonus	284,51,662	336,58,950
Expense related to post employment defined benefit plan (refer note 30)	2,50,331	2,68,780
Contribution to provident and other funds	11,33,749	12,64,319
Staff welfare expenses	11,365	72,405
Share based payment	180,27,290	654,04,014
	<b>478,74,397</b>	<b>1006,68,468</b>

**Note 22: Finance costs**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense	5,389	1,28,986
	<b>5,389</b>	<b>1,28,986</b>

**Note 23: Depreciation and amortization expense**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation on property, plant and equipment	6,36,052	5,55,935
Amortization on intangible assets	30,13,714	30,13,714
	<b>36,49,766</b>	<b>35,69,649</b>



**Fifth Gear Ventures Limited**  
**Notes to the financial statements for the year ended 31 March 2019**  
**(All amounts in INR, unless otherwise stated)**

**Note 24: Operations and administration expenses**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Rent (refer note 31)	20,99,080	18,27,318
Rates and taxes	5,19,778	1,83,525
Electricity and water	3,60,186	5,41,502
Printing and stationery	1,959	2,503
Postage and courier	1,795	3,107
Local conveyance, travelling and taxi hire	3,78,094	3,27,340
Business promotion	-	17,413
Repairs and maintenance - computers	33,504	2,500
Auditors' remuneration (excluding tax) <sup>a</sup>	79,625	70,000
Bank charges	12,033	821
Insurance	7,59,643	7,07,962
Communication	1,23,374	4,80,982
Software expenses	5,81,516	6,38,943
Vehicle running and maintenance	5,43,359	10,01,592
Bad debts written off	-	5,61,975
Less: Utilized against provision	-	(5,61,975)
Legal, professional and consultancy	61,60,355	42,71,973
Loss of service tax input credit	-	15,07,984
Miscellaneous expenses	22,685	33,611
	<u>116,76,986</u>	<u>116,19,076</u>

**a) Auditors' remuneration**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>As auditors :</b>		
Audit fee	75,000	70,000
Reimbursement of expenses	4,625	-
	<u>79,625</u>	<u>70,000</u>



**Fifth Gear Ventures Limited**  
**Notes to the financial statements for the year ended 31 March 2019**  
 (All amounts in INR, unless otherwise stated)

**Note: 25 Share based payment**

**Description of share-based payment arrangements**

As at 31 March 2019 the Company has the following share-based payment arrangement.

**'Fifth Gear Ventures Limited - Employee Stock Option Plan 2016 ('the 2016 plan')**

In 2016, the Company approved the 2016 Plan. The plan entitles key management personnel and senior employees of the Company to purchase the common shares of the Company at the fair value on the grant date, subject to compliance with vesting conditions. All exercised options shall be settled by allotment of shares. Upon vesting, the employees can acquire one common share of the Company for every option.

The terms and conditions related to the grant of the share options are as follows :

Grant date / employees entitled	Number of options granted	Vesting conditions	Contractual life of options
Options outstanding as at 1 April 2017	10,790		
Less : Options forfeited during the year ended 31 March 2018	-	Refer	
Options outstanding as at 31 March 2018	10,790	note	13 years
Less : Options forfeited during the year ended 31 March 2019	(1,070)	below	
<b>Options outstanding as at 31 March 2019</b>	<b>9,720</b>		

**Note:**

For options granted total vesting period is 36 months. 50% of the options granted will vest after the completion of 24 months of the continuous service from the grant date and the balance 50% will vest after completion of 36 months of the continuous service from the grant date.

**Reconciliation of outstanding share options**

The number and weighted average exercise prices of share options under employee share based payment plan are as follows:

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of options	Weighted average exercise price (amount in INR)	No. of options	Weighted average exercise price (amount in INR)
Outstanding at the beginning of the year	10,790	35,640	10,790	35,640
Forfeited during the year	1,070	35,640	-	-
<b>Outstanding at the end of the year</b>	<b>9,720</b>	<b>35,640</b>	<b>10,790</b>	<b>35,640</b>
Exercisable at the end of the year	9,720	35,640	5,395	35,640

The options outstanding at 31 March 2019 have an exercise price in the range of INR 35,640 (previous year INR 35,640) and a weighted average contractual life of 9.92 years (previous year 10.92 years).

During the year ended 31 March 2019 share based payment expense recognized under employee benefits expenses (refer note 21) amounted to INR 18,027,290 (previous year INR 65,404,014).



**Fifth Gear Ventures Limited**  
Notes to the financial statements for the year ended 31 March 2019  
(All amounts in INR, unless otherwise stated)

**Note 26: Capital management**

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company's objective for capital management is to manage its capital so as to safeguard its ability to continue as a going concern and to support the growth of the Company. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investors, creditors and market confidence. The funding requirements are met through equity and operating cash. The Company is not subject to any externally imposed capital requirements.

**Note 27: Financial instruments - fair value measurements and financial risk management**

**A. Accounting classifications and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

**(i) As on 31 March 2019**

Particulars	Note	Carrying value			Fair value measurement using			
		FVTPL	FVOCI	Amortized cost	Total	Level 1	Level 2	Level 3
<b>Financial assets - non current</b>								
Security deposits	5	-	-	20,000	20,000	-	-	20,000
<b>Financial assets - current</b>								
Trade receivables*	8	-	-	198,71,465	198,71,465	-	-	198,71,465
Cash and cash equivalents*	9	-	-	96,22,212	96,22,212	-	-	96,22,212
Receivable against fixed assets*	10	-	-	2,16,599	2,16,599	-	-	2,16,599
<b>Total</b>				<b>297,30,276</b>	<b>297,30,276</b>			<b>297,30,276</b>
<b>Financial liabilities - current</b>								
Trade payables*	15	-	-	300,92,466	300,92,466	-	-	300,92,466
Payable to employees*	16	-	-	33,94,287	33,94,287	-	-	33,94,287
Payable against fixed assets*	16	-	-	4,47,848	4,47,848	-	-	4,47,848
Interest payable*	16	-	-	1,21,476	1,21,476	-	-	1,21,476
<b>Total</b>				<b>340,56,077</b>	<b>340,56,077</b>			<b>340,56,077</b>

**(i) As on 31 March 2018**

Particulars	Note	Carrying value			Fair value measurement using			
		FVTPL	FVOCI	Amortized cost	Total	Level 1	Level 2	Level 3
<b>Financial assets - current</b>								
Trade receivables*	8	-	-	121,06,934	121,06,934	-	-	121,06,934
Cash and cash equivalents*	9	-	-	20,17,104	20,17,104	-	-	20,17,104
Receivable against fixed assets*	10	-	-	2,16,599	2,16,599	-	-	2,16,599
<b>Total</b>				<b>143,40,637</b>	<b>143,40,637</b>			<b>143,40,637</b>
<b>Financial liabilities - current</b>								
Trade payables*	15	-	-	262,73,515	262,73,515	-	-	262,73,515
Payable to employees*	16	-	-	49,33,972	49,33,972	-	-	49,33,972
Payable against fixed assets*	16	-	-	6,79,106	6,79,106	-	-	6,79,106
Interest payable*	16	-	-	1,16,087	1,16,087	-	-	1,16,087
<b>Total</b>				<b>320,02,680</b>	<b>320,02,680</b>			<b>320,02,680</b>



**Fifth Gear Ventures Limited**  
**Notes to the financial statements for the year ended 31 March 2019**  
**(All amounts in INR, unless otherwise stated)**

\* The carrying amounts of trade receivables, cash and cash equivalents, receivable against fixed assets, interest accrued on fixed deposit, trade payables, payable against fixed assets, payable to employees and interest payable approximates the fair values due to their short-term nature

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There has been no transfers between Level 1, Level 2 and Level 3 for the year ended 31 March 2019 and for the previous year ended 31 March 2018.

**Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the fair value of the remaining financial instruments is determined using discounted cash flow method

**B. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk - interest rate

**(i) Risk management framework**

The Company's key management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risks limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market condition and the Company's activities. The Company through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which employees understand their roles and obligations.

**(ii) Credit risk**

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet

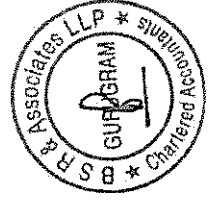
Particulars	As at	
	31 March 2019	31 March 2018
Security deposits	20,000	-
Trade receivables	198,71,465	121,06,934
Cash and cash equivalents	96,22,212	20,17,104
Other financial assets	2,16,599	2,16,599

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. Credit risk encompasses both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration of risks.

Credit risk on cash and cash equivalents and bank deposits is limited as the Company generally deals with banks with high credit ratings assigned by domestic credit rating agencies.

The Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available internal credit risk factors such as the Company's historical experience for customers. Based on the business environment in which the Company operates, management considers that the trade receivables are in default (credit impaired) if the payments are more than 180 days past due.

Trade receivables as at year end includes INR 15,792,129 (previous year INR 11,069,154) as amount recoverable from related parties and INR 4,079,336 (previous year INR 1,037,780) recoverable from others.



**Fifth Gear Ventures Limited**  
**Notes to the financial statements for the year ended 31 March 2019**  
 (All amounts in INR, unless otherwise stated)

The movement in the allowance for impairment in respect of trade receivables is as follows:

Particulars	As at	
	31 March 2019	31 March 2018
Balance as at beginning of the year	-	5,61,975
Loss allowance created	-	-
Utilized	-	(5,61,975)
<b>Balance as at the end of the year</b>	<b>-</b>	<b>-</b>

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**(iii) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable equity investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The Company also monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade payables and other financial liabilities.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flow amounts are gross and undiscounted.

As at 31 March 2019	Carrying amount	Less than one year	Between one and three years	More than three years	Contractual cash flows
Trade payables	300,92,466	300,92,466	-	-	300,92,466
Other financial liabilities	39,63,611	39,63,611	-	-	39,63,611
	<b>340,56,077</b>	<b>340,56,077</b>	-	-	<b>340,56,077</b>

As at 31 March 2018	Carrying amount	Less than one year	Between one and three years	More than three years	Contractual cash flows
Trade payables	262,73,515	262,73,515	-	-	262,73,515
Other financial liabilities	57,29,165	57,29,165	-	-	57,29,165
	<b>320,02,680</b>	<b>320,02,680</b>	-	-	<b>320,02,680</b>

**(iv) Market risk**

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**(a) Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to such risk as the Company does not have any floating interest rate financial investment.



**Fifth Gear Ventures Limited**  
**Notes to the financial statements for the year ended 31 March 2019**  
**(All amounts in INR, unless otherwise stated)**

**Note 28: Earnings / (loss) per equity share ('EPS')**

The calculations of profit / (loss) attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of earnings / (loss) per share calculations are as follows:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Loss for the year - (A)	(342,40,004)	(937,58,214)
Calculation of weighted average number of equity shares		
Number of equity shares at the beginning of the year	69,131	53,336
Number of equity shares outstanding at the end of the year	89,838	69,131
Weighted average number of shares outstanding during the year - (B)	82,897	58,780
Face value of each equity share ( INR )	10	10
Basic and diluted loss per equity share (INR) - (A)/(B)	(413.04)	(1,595.06)



**Fifth Gear Ventures Limited**  
Notes to the financial statements for the year ended 31 March, 2019  
(All amounts in INR, unless otherwise stated)

**Note 29: Related party disclosures**

**(a) List of related parties and nature of relationship**

Principal shareholders  
New Delhi Television Limited  
NDTV Convergence Limited  
Autobyte Private Limited

Entities controlled by principal shareholders  
Red Pixels Ventures Limited

Entities over which key management personnel have significant influence  
Aadit Auto Company Private Limited

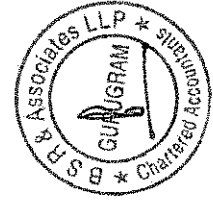
Entities controlled by key management personnel  
KUN Capital Motors Private Limited  
KUN Capital Automotive Private Limited

Key management personnel  
Anjit Chatterjee Director (Managing Director upto 24 January 2019)  
Praveen Venkataratnam Loganathan Chief Executive Officer  
Priyadarshini Baskaran Relative of Key managerial personnel  
Ashu Kansal Chief Financial Officer (till 9 January 2019)  
Sonali Sharma Chief Financial Officer (w.e.f. 1 February 2019)

**(b) Transactions with related parties**

The following table provides the total amount of transactions that have been entered into with related parties, in the ordinary course of business:

Particulars	Principal shareholders		Entities controlled by principal shareholders		Entities over which key management personnel have significant influence		Entities controlled by key management personnel		Relative of key management personnel	
	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018
Purchase of fixed assets										
NDTV Convergence Limited	17,298	3,06,179	-	-	-	-	-	-	-	-
Sale of fixed assets										
NDTV Convergence Limited	-	2,23,406	-	-	-	-	-	-	-	-
Reimbursement of expenses (incurred by related parties on behalf of the Company)										
New Delhi Television Limited (refer note (ii) below)	7,93,246	7,00,923	-	-	-	-	-	-	-	-
NDTV Convergence Limited (refer note (i) below)	208,48,053	160,84,285	-	-	-	-	-	-	-	-
Red Pixels Ventures Limited	-	-	2,266	26,687	-	-	-	-	-	-
Services availed of										
Priyadarshini Baskaran	-	-	-	-	-	-	-	-	-	-
NDTV Convergence Limited	10,95,605	5,58,606	-	-	-	-	-	-	10,36,000	-





Fifth Gear Ventures Limited  
Notes to the financial statements for the year ended 31 March 2019  
(All amounts in INR, unless otherwise stated)

Particulars	Principal shareholders		Entities controlled by principal shareholders		Entities over which key management personnel have significant influence		Entities over which key management personnel have significant control		Relative of key management personnel	
	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018
Rendering of services										
NDTV Convergence Limited	484,75,822	335,08,492	-	-	8,47,855	-	-	-	-	-
Audit Auto Company Private Limited	-	-	-	-	-	-	-	-	-	-
KUN Capital Motors Private Limited	-	-	-	-	-	-	10,35,563	-	-	-
KUN Capital Automotive Private Limited	-	-	-	-	-	-	7,26,455	-	-	-
Shared service cost										
New Delhi Television Limited	45,63,403	24,76,947	-	-	-	-	-	-	-	-

(c) Key management personnel compensation

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Short term employee benefits	50,18,555	65,96,983
Securment charges	2,16,76,609	83,85,995

(d) Outstanding balances

Particulars	Principal shareholders		Entities controlled by principal shareholders		Entities over which key management personnel have significant influence		Entities over which key management personnel have significant control		Relative of key management personnel	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Trade payable	232,71,383	221,28,012	-	39,857	-	-	-	-	-	-
Trade receivable	130,66,411	110,69,154	-	-	2,61,695	-	4,64,023	-	3,17,520	-
Payable against fixed assets	2,74,811	2,59,376	-	-	-	-	-	-	-	-
Receivable against fixed assets	2,16,599	2,16,599	-	-	-	-	-	-	-	-
Other payables	32,924	-	-	-	-	-	-	-	-	-



**Fifth Gear Ventures Limited**  
**Notes to the financial statements for the year ended 31 March 2019**  
**(All amounts in INR, unless otherwise stated)**

**Note 30: Employee Benefits**

**(j) Gratuity**

Gratuity is payable to all eligible employees of the Company on retirement or separation from the Company. The following table sets out the status of the defined benefit plan as required under IND AS 19 - Employee Benefits:

**(a) Changes in present value of defined benefit obligation:**

Particulars	Present value of obligation
<b>Balance as at 1 April 2017</b>	<b>2,93,390</b>
Current service cost	2,46,792
Interest expense / (income)	21,988
<b>Total amount recognized in profit or loss</b>	<b>2,68,780</b>
<i>Remeasurements:</i>	
(Gain) / loss from change in demographic assumptions	8,895
(Gain) / loss from change in financial assumptions	(17,364)
Experience (gains) / losses	(1,29,870)
<b>Total amount recognized in other comprehensive income</b>	<b>(1,38,339)</b>
Benefit payments	-
<b>Balance as at 31 March 2018</b>	<b>4,23,831</b>
Current service cost	2,17,296
Interest expense / (income)	33,035
<b>Total amount recognized in profit or loss</b>	<b>2,50,331</b>
<i>Remeasurements:</i>	
(Gain) / loss from change in demographic assumptions	-
(Gain) / loss from change in financial assumptions	7,162
Experience (gains) / losses	(1,03,418)
<b>Total amount recognized in other comprehensive income</b>	<b>(96,256)</b>
Benefit payments	-
<b>Balance as at 31 March 2019</b>	<b>5,77,906</b>

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

Particulars	As at 31 March 2019	As at 31 March 2018
Present value of funded obligations	5,77,906	4,23,831
<b>Deficit of funded plan</b>	<b>5,77,906</b>	<b>4,23,831</b>
Unfunded plans	-	-
<b>Deficit of gratuity plan</b>	<b>5,77,906</b>	<b>4,23,831</b>

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. Plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

**(b) Assumptions:**

**1. Economic assumptions**

Particulars	As at 31 March 2019	As at 31 March 2018
Discount rate	7.70%	7.80%
Salary growth rate	5.00%	5.00%

The discount rate is based on the prevailing market yields of high quality corporate bonds as at the balance sheet date for the estimated term of the obligations.

The salary escalation rate is based on estimates of salary increases, which takes into account inflation, promotion and other relevant factors.



**Fifth Gear Ventures Limited**  
**Notes to the financial statements for the year ended 31 March 2019**  
 (All amounts in INR, unless otherwise stated)

**2. Demographic assumptions:**

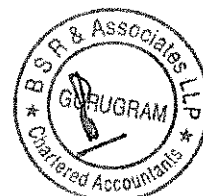
Particulars	As at 31 March 2019	As at 31 March 2018
Withdrawal rate, based on age	5%	5%
Mortality rate (% of IALM 06-08)	100%	100%
Retirement age (years)	58	58

**(c) Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Discount rate	1%	1%	(66,190)	(50,581)	79,240	60,644
Salary growth rate	1%	1%	80,634	61,774	(68,338)	(52,265)
Attrition rate	50%	50%	9,599	(1,222)	(27,009)	(11,828)
Mortality rate	10%	10%	485	389	(487)	(391)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.



**Fifth Gear Ventures Limited**  
**Notes to the financial statements for the year ended 31 March 2019**  
**(All amounts in INR, unless otherwise stated)**

**Note 31: Lease commitments**

**A. Non-cancellable operating leases**

The Company has taken a commercial premises under cancellable operating lease. The rental expense for the current year, in respect of operating leases is INR 2,099,080 (previous year INR 1,827,318). The future minimum lease payments in respect of such leases is Nil.

**Note 32: Segment information**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") as required under Ind AS 108. The CODM is considered to be Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments. The principal activities of the Company comprises of e-commerce market place connecting buyers and sellers in respect of products related to cars and bikes, accordingly, the Company has one reportable segment.

**Note 33: Taxation**

A) The reconciliation of estimated income tax to income tax expense is as follows:

Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
Profit / (loss) before taxes		(342,40,004)		(937,58,214)
Tax using the Company's applicable tax rate	26.00%	(89,02,401)	25.75%	(241,42,740)
Effect of:				
Non deductible expenses	-0.81%	2,77,972	0.00%	1,513
Change in temporary differences	-0.72%	2,47,543	-17.95%	168,34,252
Current year losses for which no deferred tax asset was recognized	-24.47%	83,76,886	-7.79%	73,06,975
<b>Effective tax rate</b>	-	-	-	-

**B) Unrecognized deferred tax assets**

Deferred tax assets have not been recognized in respect of following items:

Particulars	As at 31 March 2019	As at 31 March 2018
Tax loss carry forwards	583,22,299	321,76,036
Deductible temporary differences	1,50,256	1,09,136
<b>Total deferred tax assets</b>	<b>584,72,555</b>	<b>322,85,172</b>

As at 31 March 2019 and 31 March 2018, the Company did not recognize deferred tax assets on tax losses and other temporary differences because a trend of future profitability is not yet clearly discernible. The above tax losses expire at various dates ranging from 2024 to 2027.

**C) Recognized deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to following:

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Deferred tax liabilities</b>		
- Property, plant and equipments and intangible asset	(8,39,452)	(10,12,082)
<b>Total deferred tax liabilities</b>	<b>(8,39,452)</b>	<b>(10,12,082)</b>
<b>Deferred tax assets</b>		
- Tax loss carry forwards	8,39,452	10,12,082
<b>Total deferred tax assets</b>	<b>8,39,452</b>	<b>10,12,082</b>
<b>Net deferred tax assets / (liability)</b>	<b>-</b>	<b>-</b>

**D) Movement in deferred tax assets / (liabilities) during the year :**

Movement in deferred tax assets during the year	Balance as at 1 April 2017	Recognized in profit or loss	Balance as at 31 March 2018	Recognized in profit or loss	Balance as at 31 March 2019
- Property, plant and equipments and intangible asset	(11,33,079)	1,20,997	(10,12,082)	1,72,630	(8,39,452)
- Tax loss carry forwards	11,33,079	(1,20,997)	10,12,082	(1,72,630)	8,39,452
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**Fifth Gear Ventures Limited**  
**Notes to the financial statements for the year ended 31 March 2019**  
**(All amounts in INR, unless otherwise stated)**

**Note 34: Contingent liabilities**

On 28 February 2019, a judgement of the Supreme Court of India interpreting certain statutory defined contribution obligations of employees and employers altered historical understandings of such obligations, extending them to cover additional portions of the employee's income. However, the judgement isn't explicit if such interpretation may have retrospective application resulting in increased contribution for past and future years. Based on management's assessment, there are numerous interpretative challenges on the retrospective application of the judgment which results in impracticability in estimation of and timing of payment and amount involved. As a result of lack of implementation guidance and interpretative challenges involved, and also in view of certain stakeholders' request to reevaluate the pronouncement itself, the Company is unable to reliably estimate the amount involved. Accordingly, the Company shall evaluate the amount of provision, if any, on obtaining further clarity on the matter.

As per our report of even date attached

For BSR & Associates LLP  
Chartered Accountants  
Firm registration number: 116231W /W-100024



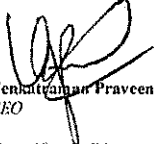
**Rakesh Dewan**  
Partner  
Membership Number: 092212

Place: Gurugram  
Date: 20 May 2019

For and on behalf of the Board of Directors of  
Fifth Gear Ventures Limited

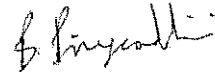


**Arijit Chatterjee**  
Director  
DIN: 07284184

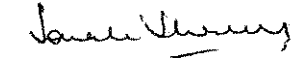


**Venkatesh Praveen Loganathan**  
CEO

Place: New Delhi  
Date: 17 May 2019



**Priyadarshini Baskaran**  
Director  
DIN: 02038239



**Sonali Sharma**  
CFO