

OnArt Quest 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 OnArt Quest Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of OnArt Quest 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):

According to the information and explanation given to us, the Company has not paid any managerial remuneration during the current year and accordingly the requirements as stipulated by the provisions of section 197(16) of the Act are not applicable to the Company.

For B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration Number:116231W/W-100024



Rakesh Dewan

Partner

Membership No. 092212

Place: Gurugram

Date: 12 June 2019

Annexure A referred to in our Independent Auditor's Report of even date to the members of OnArt Quest 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) The inventories have been physically verified by the management during the year. According to the information and explanations given to us, the procedures for physical verification of inventories followed by the management during the year are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (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 explanation given to us, the Company has not entered into any transaction related to loan, investments, guarantees and securities to which the provisions of Section 185 and 186 of the Companies Act, 2013 are applicable. Accordingly paragraph 3(iv) of the Order is not applicable.
- (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.
- (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 the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not paid any managerial remuneration as stipulated under the provisions of Section 197 of the Companies Act 2013. Accordingly, paragraph 3 (xi) of the order is not applicable.
- (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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.



- (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: 12 June 2019

Annexure B to the Independent Auditors' report on the financial statements of OnArt Quest 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 **OnArt Quest 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: 12 June 2019

OnArt Quest 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
Assets			
Non-current assets			
Property, plant and equipment	3	2,81,846	3,60,587
Intangible assets	4(a)	38,45,879	49,91,916
Intangible assets under development	4(b)	5,88,935	5,88,935
Income tax assets (net)	5	3,22,210	91,331
Other non-current assets	6	13,47,334	-
Total non-current assets		63,86,204	60,32,769
Current assets			
Inventories	7	9,198	8,853
Financial assets			
Trade receivables	8	6,31,426	-
Cash and cash equivalents	9a	14,44,803	10,99,197
Bank balances other than cash and cash equivalents mentioned above	9b	1,15,808	1,15,808
Other financial assets	10	7,98,336	3,29,874
Other current assets	11	36,06,433	44,99,947
Total current assets		66,06,004	60,53,679
Total assets		129,92,208	120,86,448
Equity and liabilities			
Equity			
Equity share capital	12	5,90,900	5,90,900
Other equity	13	(46,28,078)	(11,75,314)
Total equity		(40,37,178)	(5,84,414)
Liabilities			
Non-current liabilities			
Provisions	14	79,801	32,204
Total non-current liabilities		79,801	32,204
Current liabilities			
Financial liabilities			
Trade payables	15	61,516	-
- total outstanding dues of micro enterprises and small enterprises		161,07,247	119,28,001
- total outstanding dues of creditors other than micro enterprises and small enterprises		7,80,822	7,10,657
Other current liabilities	16	169,49,585	126,38,658
Total current liabilities		170,29,386	126,70,862
Total liabilities		129,92,208	120,86,448

The accompanying notes are an integral part of these financial statements

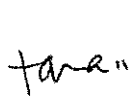
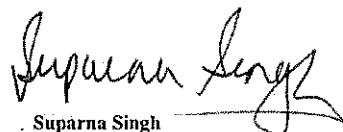
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Chartered Accountants
Firm registration number: 116231W /W-100024



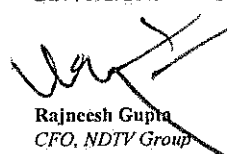
Rakesh Dewan
Partner
Membership Number: 092212

For and on behalf of the Board of Directors of
OnArt Quest Limited

Tara Roy
Director
DIN : 07292045

Suparna Singh
Director and CEO, NDTV Group
DIN : 07345100



Rajneesh Gupta
CFO, NDTV Group

Place: Gurugram
Date: 12.06.2019

Place: New Delhi
Date: 12.06.2019

OnArt Quest 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
Income			
Revenue from operations	17	92,30,599	48,81,089
Other income	18	2,01,306	13,14,762
Total income		94,31,905	61,95,851
Expenses			
Cost of services	19	32,36,994	35,91,081
Employee benefit expenses	20	40,18,365	49,56,916
Operations and administration expenses	21	34,02,350	36,77,326
Marketing, distribution and promotion expenses		8,72,108	8,47,220
Depreciation and amortisation expense	22	12,24,778	12,75,695
Finance costs	23	1,29,025	63,303
Total expenses		128,83,620	144,11,541
Loss for the year		(34,51,715)	(82,15,690)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	-
Remeasurement of defined benefit obligations, net of taxes		(1,049)	38,659
Other comprehensive (loss)/ income for the year		(1,049)	38,659
Total comprehensive loss for the year		(34,52,764)	(81,77,031)
Earnings/(loss) per equity share			
Basic earnings/(loss) per share (INR)	24	(58)	(139)
Diluted earnings/(loss) per share (INR)	24	(58)	(139)

The accompanying notes are an integral part of these financial statements

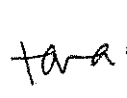
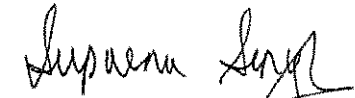
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Partner
Membership Number: 092212

For and on behalf of the Board of Directors of
OnArt Quest Limited



Tara Roy Suparna Singh
Director Director and CEO, NDTV Group
DIN : 07292045 DIN : 07345100


Rajneesh Gupta
CFO, NDTV Group

Place: Gurugram
Date: 12 June 2019

Place: New Delhi
Date: 12.06.2019

OnArt Quest 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
Cash flow from operating activities		
Loss for the year	(34,51,715)	(82,15,690)
Adjustments to reconcile loss to net cash flows:		
Depreciation and amortisation expense	12,24,778	12,75,695
Finance costs	1,29,025	63,303
Interest income	(7,682)	(66,082)
Liabilities written back	-	(11,07,544)
Cash used in operations before working capital changes	<u>(21,05,594)</u>	<u>(80,50,318)</u>
Working capital adjustments		
Change in inventories	(345)	(3,383)
Change in trade receivables	(6,31,426)	-
Change in other financial assets	(4,61,486)	14,46,499
Change in other assets	8,93,512	(9,48,038)
Change in other non-current assets	(13,47,334)	80,888
Change in trade payables	42,40,764	(31,25,884)
Change in other financial liabilities	-	(2,91,756)
Change in other liabilities	70,165	3,44,316
Change in provisions	46,548	24,433
Cash generated from/(used in) operating activities	<u>7,04,804</u>	<u>(105,23,243)</u>
Income taxes paid / deducted at source (net)	(2,30,878)	(15,608)
Net cash generate from/(used in) operating activities (A)	<u>4,73,926</u>	<u>(105,38,851)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(1,37,951)
Interest received	705	61,150
Investment in fixed deposits with bank	-	(1,15,808)
Net cash used in investing activities (B)	<u>705</u>	<u>(1,92,609)</u>
Cash flows from financing activities		
Interest paid	(1,29,025)	(63,303)
Net cash generated from financing activities (C)	<u>(1,29,025)</u>	<u>(63,303)</u>
Net decrease in cash and cash equivalents (A+B+C)	3,45,605	(107,94,763)
Cash and cash equivalents at the beginning of the year (refer note 8)	10,99,197	118,93,960
Cash and cash equivalents at the end of the year (refer note 8)	<u>14,44,803</u>	<u>10,99,197</u>
Notes to the Statement of cash flows:		
(a) Cash and cash equivalents		
Components of cash and cash equivalents:-		
Cash on hand	25,583	13,344
Balance with banks:		
- In current accounts	14,19,220	10,85,853
Balances per statement of cash flows	<u>14,44,803</u>	<u>10,99,197</u>

(b) 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

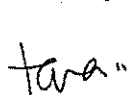
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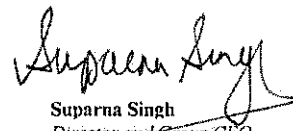
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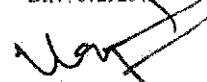


Rakesh Dewan
Partner
Membership Number: 092212

For and on behalf of the Board of Directors of
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 Tara Roy
Director
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 Suparna Singh
Director and Group CEO
DIN : 07345100

 Rajneesh Gupta
CFO, NDTV Group

Place: Gurugram
Date: 12 June 2019

Place: New Delhi
Date: 12.06.2019

OnArt Quest Limited
Statement of Changes in Equity for the year ended 31 March 2019

I) Equity Share Capital

(All amounts in INR, unless otherwise stated)

Particulars	Amounts
Balance as at 1 April 2017	5,59,090
Changes in equity share capital during the year	-
Balance as at 31 March 2018	5,59,090
Changes in equity share capital during the year	-
Balance as at 31 March 2019	5,59,090

II) Other equity

Particulars	Reserves and Surplus		Items of OCI	Total
	Securities premium reserve	Retained earnings	Remeasurements of defined benefit obligations	
Balance as at 1 April 2017	399,05,100	(329,03,382)	-	70,01,718
Total comprehensive income/(loss) for the year				
Loss for the year	-	(82,15,690)	-	(82,15,690)
Other comprehensive income/(loss), net of tax	-	-	38,659	38,659
Total comprehensive income/(loss) for the year	-	(82,15,690)	38,659	(81,77,031)
Balance as at 31 March 2018	399,05,100	(411,19,072)	38,659	(11,75,313)
Total comprehensive income/(loss) for the year				
Loss for the year	-	(34,51,715)	-	(34,51,715)
Other comprehensive income/(loss), net of tax	-	-	(1,049)	(1,049)
Total comprehensive income/(loss) for the year	-	(34,51,715)	(1,049)	(34,52,764)
Balance as at 31 March 2019	399,05,100	(445,70,788)	37,610	(46,28,078)

The accompanying notes are an integral part of these financial statements

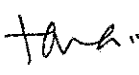
As per our report of even date attached

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

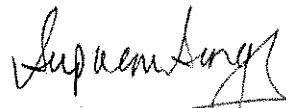


Rakesh Dewan
Partner
Membership Number: 092212

For and on behalf of the Board of Directors of
OnArt Quest Limited



Tara Roy
Director
DIN : 07292045



Suparna Singh
Director and CEO, NDTV Group
DIN : 07345100



Rajneesh Gupta
CFO, NDTV Group

Place: Gurugram
Date: 12 June 2019

Place: New Delhi
Date: 12.06.2019

OnArt Quest Limited

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

Reporting entity

OnArt Quest Limited (the Company) is a public limited company incorporated on 22 December 2015 in India under the provisions of the Companies Act, 2013 with its registered office situated in New Delhi.

The Company is incorporated to inter-alia create an e-commerce market place connecting buyers, Artist and Art Galleries by means of trading and dealing in original art, print and collectibles

Note 1 Basis of preparation

a. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

b. The Company has incurred losses in the current year and previous years, as a result of which the net worth of the Company is eroded as at 31 March 2019. Based on the current business plans and projections prepared by the management and approved by the Board of Directors, operational losses are expected in the subsequent year as well. In the financial year 2019-20 subject to the approval of the shareholders of the Company, the Board of directors of the Company have approved an unsecured loan from a Director (also an existing shareholder) of the Company amounting to Rs 50 Lakhs for a period of 1 year. The Director (also an existing shareholder) has also provided an undertaking to the Company, for providing financial and other support, as is necessary, for the next twelve months to enable the Company to continue its operations and to meet its financial obligations. In view of the above, the use of going concern assumption has been considered appropriate in the preparation of these financial statements and assets and liabilities have been recorded on the basis that the entity will be able to realize its assets and discharge its liabilities in the normal course of business.

The financial statements were authorised for issue by the Company's Board of Directors on 12 June 2019.

c. 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.

d. 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

e. 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 recognised 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 asset;
- 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.

f. 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 realised 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 realised 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.

A liability is treated 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 realisation 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.



g. Measurement of fair values

A number of accounting policies and disclosures require the measurement of fair value 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, NDTV Group.

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 categorised 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 recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further 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 mentioned otherwise.

a. Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of company at the exchange rates 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 recognised 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 recognised when they are originated. All other financial assets and financial liabilities are initially recognised 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.

Classification and subsequent measurement

(ii).

Financial assets

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

- amortised cost;
- fair value through other comprehensive income (FVOCI) - debt investment
- FVOCI – equity investment; or
- 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 amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business 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.

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 amortised 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 amortised 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 recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in 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 recognised in profit or loss. Other net gains and losses are recognised 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 recognised 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 recognised 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 amortised 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 recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii). *Derecognition:*

Financial assets

The company derecognises 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 recognised 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 derecognised.

Financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The company also derecognises 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 recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in 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 realise the asset and settle the liability simultaneously.

c. Property, plant and equipment

(i). *Recognition and measurement:*

Items of property, plant and equipment are measured at cost, which includes capitalised 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 recognised in profit or loss.

(ii). *Subsequent expenditure:*

Subsequent expenditure is capitalised 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 difference useful lives have been used:

Asset Class	Useful life (in years)
Computers	5

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 off).

d. Intangible assets

(i). *Recognition and measurement:*

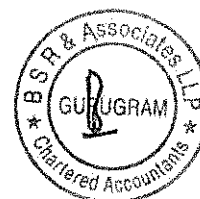
Intangible assets including those acquired by the company in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii). *Subsequent expenditure:*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on is recognised in profit or loss as incurred.

(iii). *Amortisation:*

Amortisation 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 amortisation in Statement of Profit and Loss.



The estimated useful lives are as follows:

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

Amortisation 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 instruments

The company recognises loss allowances for expected credit losses on:

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

At each reporting date, the company assesses whether financial assets carried at amortised 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.

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 reorganisation; 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 losses:

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 amortised 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 inventories and 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 recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised 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 company of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised 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 amortisation, if no impairment loss had been recognised.



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 recognised 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 recognised 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 recognised 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 benefit payments. Net interest expense and other expenses related to defined benefit plans is recognised in 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 recognised immediately in profit or loss. The Company recognises 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 recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

g. Provisions:

A provision is recognised 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 recognised as finance cost. Expected future operating losses are not provided for.

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 e-commerce platform, advertisement and special projects

Revenue is measured based on the consideration specified in contract with a customer. The Company recognises revenue when it transfers control over services to customer.

-Commission income from online booking under market place model and other business income is recognised when the product is delivered to the buyer.

-The Company recognises revenue when the advertising spots delivered on digital platforms as impressions. An "impression" is delivered when an advertisement appears in pages viewed by users.

-Revenue from events are recognised as the services are provided.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

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.

Significant judgements

- The Company's contracts with customers could include promises to transfer multiple services to a customer. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach or the residual approach to allocate the transaction price to each distinct performance obligation.

- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.



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

The Company recognises revenue from online booking under market place model is recognised when the product is delivered to the buyer.

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 recognised 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 recognised 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 recognised in the company's Balance Sheet.

iii) Lease payments

Payments made under operating leases are generally recognised 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 recognised 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 recognised 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 amortised 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 amortised 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 amortised 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 recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

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 recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax:

Deferred tax is recognised 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 recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised 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 recognised 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 recognises 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 realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

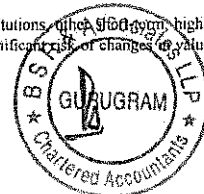
Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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 realised 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.



m. Inventories:

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Inventory consists of packaging material and are valued at the lower of cost and net realisable value. Cost is measured on a First In First Out (FIFO) basis.

n. Earnings per share

(i). Basic earnings/(loss) 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/(loss) 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.

o. 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 recognised 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 recognised in the period in which the change occurs.

p. 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.

Impact

The Company will recognise new assets and liabilities for its operating leases of offices and warehouse (see Note 21). 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.

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. 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).



OnArt Quest 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	Computers	Office equipment	Furniture and fixtures	Total
At Cost (gross carrying amount)				
Balance at 1 April 2017	90,642	74,843	3,29,045	4,94,530
Additions	-	72,371	-	72,371
Balance at 31 March 2018	90,642	1,47,214	3,29,045	5,66,901
Balance at 31 March 2019	90,642	1,47,214	3,29,045	5,66,901
Accumulated depreciation				

Particulars	Computers	Office equipment	Furniture and fixtures	Total
Balance at 1 April 2017	19,124	12,133	26,482	57,739
Depreciation for the year	15,811	86,834	45,930	1,48,575
Balance at 31 March 2018	34,935	98,967	72,412	2,06,314
Depreciation for the year	18,081	14,634	46,026	78,741
Balance at 31 March 2019	53,016	1,13,601	1,18,438	2,85,055
Carrying amount (net)				
Balance at 31 March 2018	55,707	48,247	2,56,633	3,60,587
Balance at 31 March 2019	37,626	33,613	2,10,607	2,81,846



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

Note 4 (a). Intangible assets

Reconciliation of carrying amount

Particulars	Computer Software	Website	Total
At Cost (gross carrying amount)			
Balance at 1 April 2017	15,974	63,48,679	63,64,653
Additions	-	5,17,112	5,17,112
Balance at 31 March 2018	15,974	68,65,791	68,81,765
Balance at 31 March 2019	15,974	68,65,791	68,81,765

Accumulated amortisation

Particulars	Computer Software	Website	Total
Balance at 1 April 2017	2,100	7,60,629	7,62,729
Amortisation for the year	3,839	11,23,281	11,27,120
Balance at 31 March 2018	5,939	18,83,910	18,89,849
Amortisation for the year	1,504	11,44,533	11,46,037
Balance at 31 March 2019	7,443	30,28,443	30,35,886
Balance at 31 March 2018	10,035	49,81,881	49,91,916
Balance at 31 March 2019	8,531	38,37,348	38,45,879

Note 4(b). Intangible assets under development

Amount

Balance as at 1 April 2017	10,40,468
Capitalised	(4,51,533)
Balance at 31 March 2018	5,88,935
Balance at 31 March 2019	5,88,935



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

Note 5: Income tax assets (net)
Non current

Particulars	As at	As at
	31 March 2019	31 March 2018
Income tax asset-Advance tax and withholding tax	3,22,210	91,331
Total non current tax assets	3,22,210	91,331

Note 6: Non-current - other assets
(Unsecured, considered good unless otherwise stated)

Particulars	As at	As at
	31 March 2019	31 March 2018
Dues recoverable from government	13,47,334	-
	13,47,334	-

Note 7: Inventories
(Valued at the lower of cost or net realisable value)

Particulars	As at	As at
	31 March 2019	31 March 2018
Packing material	9,198	8,853
	9,198	8,853

Note 8: Trade receivables

Particulars	As at	As at
	31 March 2019	31 March 2018
Considered good	6,31,426	-
	6,31,426	-

Note 9a: Cash and cash equivalents

Particulars	As at	As at
	31 March 2019	31 March 2018
Cash on hand	25,583	13,344
Balances with banks		
- In current accounts	14,19,220	10,85,853
Cash and cash equivalents in balance sheet	14,44,803	10,99,197
Cash and cash equivalents in the statement of cash flows	14,44,803	10,99,197

Note 9b: Bank balances other than cash and cash equivalents

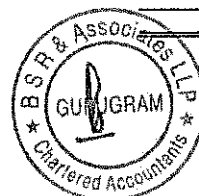
Particulars	As at	As at
	31 March 2019	31 March 2018
Deposits with banks due to mature within 12 months of the reporting date	1,15,808	1,15,808
	1,15,808	1,15,808

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

Particulars	As at	As at
	31 March 2019	31 March 2018
Unbilled revenue	5,00,000	-
Interest accrued on fixed deposits	11,908	4,932
Recoverables from payment gateway	2,86,428	3,24,942
	7,98,336	3,29,874

Note 11: Current - other assets
(Unsecured, considered good unless otherwise stated)

Particulars	As at	As at
	31 March 2019	31 March 2018
Advances recoverable	4,09,143	35,373
Dues recoverable from government	22,26,050	38,70,560
Employee advances	3,93,285	1,24,967
Prepaid expenses	5,77,955	4,69,047
	36,06,433	44,99,947



OnArt Quest 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	31 March 2018
Authorised		
100,000 (31 March 2018: 100,000) Equity shares of INR 10 each	10,00,000	10,00,000
30,000 (31 March 2018: 30,000) Preference shares of INR 10 each	30,00,000	30,00,000
Issued, subscribed and fully paid up		
59,090 (31 March 2018: 59,000) Equity shares of INR 10 each	5,90,900	5,90,900
	<u>5,90,900</u>	<u>5,90,900</u>

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

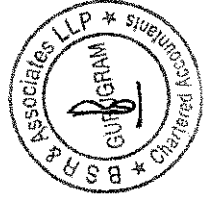
Particulars	As at	
	No. of shares	Amount
As at 31 March 2018	59,090	5,90,900
As at 31 March 2019	59,090	5,90,900

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 to the number of equity shares held.

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

Name of shareholder	As at		% holding	% holding
	31 March 2019	31 March 2018		
	No. of shares	No. of shares		
NDTV Convergence Limited	21,250	21,250	35.96%	35.96%
New Delhi Television Limited	21,250	21,250	35.96%	35.96%
Manisha Lath Gupta	7,500	7,500	12.69%	12.69%
Vincent Adaitkalraj	6,818	6,818	11.54%	11.54%



OnArt Quest 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	399,05,100	399,05,100
Retained earnings	(445,33,178)	(410,80,414)
	<u>(46,28,078)</u>	<u>(11,75,314)</u>

a) Securities premium

Particulars	As at 31 March 2019	As at 31 March 2018
Opening balance	399,05,100	399,05,100
Closing balance	<u>399,05,100</u>	<u>399,05,100</u>

Note:

Securities premium is used to record the premium received on issue of shares. It is utilised 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	(410,80,414)	(329,03,382)
Loss for the year	(34,52,764)	(81,77,032)
Closing balance	<u>(445,33,178)</u>	<u>(410,80,414)</u>

Note:

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



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

Note 14: Provisions- non current

Particulars	As at 31 March 2019	As at 31 March 2018
Gratuity	79,801	32,204
	<u>79,801</u>	<u>32,204</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)	61,516	-
- total outstanding dues of creditors other than micro enterprises and small enterprises *	161,07,247	119,28,001
	<u>161,68,763</u>	<u>119,28,001</u>

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

Particulars	As at 31 March 2019	As at 31 March 2018
New Delhi Television Limited	115,29,585	95,41,405
NDTV Convergence Limited	5,80,000	-
	<u>121,09,585</u>	<u>95,41,405</u>

Refer note 27 for Company exposure to Currency and Liquidity risk related to trade payable

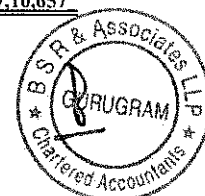
Note:

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	61,516	-
(ii) the interest due on the principal remaining outstanding as at the end of the year	-	-
(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	-	-
(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.	-	-

Note 16: Other current liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Statutory dues payable	1,07,683	1,16,270
Advances from customers	6,73,139	5,94,387
	<u>7,80,822</u>	<u>7,10,657</u>



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

Note 17: Revenue from operations

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations		
Advertisement revenue	19,65,000	-
Event revenue	38,50,000	-
Commission income	31,90,175	48,81,089
Other business income	2,25,424	-
Total revenue from operations	92,30,599	48,81,089

Revenue disaggregation by geography is as follow:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
India	90,80,205	35,78,806
America	1,23,342	9,16,438
Australia	2,349	1,26,166
Others	24,703	2,59,679
	92,30,599	48,81,089

Information about major customers (customers with which revenue exceeds 10% of the Company's total revenue):

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Union Bank of India	21,00,000	-
Kensa Nerolac Paints Limited	10,00,000	-
A.W.Faber Castell (India) Pvt.Limited	10,00,000	-
Asta Guru	9,65,000	-
	50,65,000	-

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially) satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revaluations of the estimates, economic factors. The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is INR 1,000,000 out of which 100% is expected to be recognised as revenue in the next year.

Change in contract assets are as follow:

	As at 31 March 2019
Balance at the beginning of the year	-
Revenue recognised during the year	5,00,000
Invoices raised during the year	-
Balance at the end of the year	5,00,000

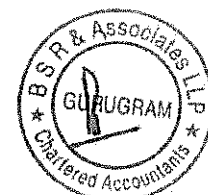
As at 1 April 2018, INR 594,387 of consideration received from customers for services which were not delivered was reported within contract liabilities, INR 594,387 of which was recognized as revenue during the year ended 31 March 2019. As at 31 March 2019, the related balance was INR 673,139.

Note 18: Other income

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Liabilities written back	-	11,07,544
Interest income on fixed deposits	7,682	66,082
Miscellaneous income	1,93,624	1,41,136
	2,01,306	13,14,762

Note 19: Cost of services

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Consultancy and professional fees	4,84,550	5,17,000
Hire charges	36,700	3,50,100
Website development charges	8,90,000	10,92,582
Shipping charges	6,58,276	8,54,927
Payment gateway charges	1,80,204	3,37,841
Travelling	1,58,854	99,999
Stores and spares	-	26,581
Other production expenses	8,28,410	3,12,051
	32,36,994	35,91,081



OnArt Quest Limited
Notes to the financial statements for the year ended 31 March 2019
(All amounts in INR, unless otherwise stated)
Note 20: Employee benefits expense

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages and bonus	38,26,824	46,60,975
Contribution to provident and other funds	1,91,541	2,52,298
Staff welfare expenses	-	43,643
	<u>40,18,365</u>	<u>49,56,916</u>

Note 21: Operations and administration expenses

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Rent	10,25,241	9,29,124
Rates and taxes	5,233	3,78,734
Electricity and water	3,16,250	-
Printing and stationery	7,376	26,224
Local conveyance, travelling and taxi hire	4,00,829	1,82,030
Repairs and maintenance		
Plant and machinery	2,03,286	2,500
Auditor's remuneration (excluding tax) *	31,982	37,000
Communication	28,713	31,851
Vehicle running and maintenance	1,28,720	1,64,932
Legal, professional and consultancy	12,00,423	18,69,246
Miscellaneous expenses	54,297	55,685
	<u>34,02,350</u>	<u>36,77,326</u>

(a) Auditor's remuneration

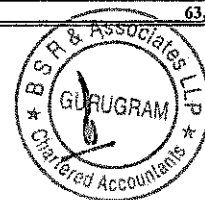
	For the year ended 31 March 2019	For the year ended 31 March 2018
Audit fee	30,000	30,000
Reimbursement of expenses	1,982	7,000
	<u>31,982</u>	<u>37,000</u>

Note 22: Depreciation and amortisation expense

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation on property, plant and equipment	78,741	1,48,575
Amortisation on intangible assets	11,46,037	11,27,120
	<u>12,24,778</u>	<u>12,75,695</u>

Note 23: Finance costs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense	770	35,776
Bank charges	1,28,255	27,527
	<u>1,29,025</u>	<u>63,303</u>



OnArt Quest Limited

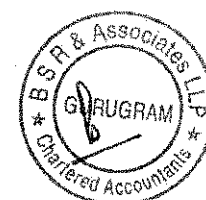
Notes to the financial statements for the year ended 31 March 2019

(All amounts in INR, unless otherwise stated)

Note 24: 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)	(34,51,715)	(82,15,690)
Calculation of weighted average number of equity shares		
Number of equity shares at the beginning of the year	59,090	59,090
Number of equity shares outstanding at the end of the year	59,090	59,090
Weighted average number of shares outstanding during the year - (B)	59,090	59,090
Face value of each equity share (INR)	10	10
Basic and diluted loss per equity share (INR) - (A)/(B)	(58)	(139)



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

Note 25: Related Party Disclosures

(a) List of Related Parties and nature of relationship where control exists

Related parties where control exists
 New Delhi Television Limited
 NDTV Convergence Limited

Ultimate holding company
 Fellow Subsidiary

Key management personnel
 John Martin O'Loan

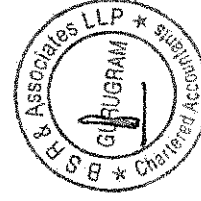
Independent Director

(b) Transactions with related parties

Particulars	Ultimate holding company		Fellow Subsidiary		KMP	
	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
Reimbursement of expenses New Delhi Television Limited NDTV Convergence Limited	1,507,768	73,450	500,000	582,394	-	-
Directors sitting fees John Martin O'Loan	-	-	-	-	20,000	-

(c) Outstanding balances

Particulars	Ultimate holding company		Fellow Subsidiary	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Trade payables	11,529,585	9,541,405	580,000	-



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 values 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	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets - Non current								
Financial assets - Current								
Trade receivables**	8	-	-	6,31,426	6,31,426	-	-	6,31,426
Cash and cash equivalents**	9a	-	-	14,44,803	14,44,803	-	-	14,44,803
Bank balances other than cash and cash equivalents mentioned above**	9b	-	-	1,15,808	1,15,808	-	-	1,15,808
Unbilled revenue**	10	-	-	5,00,000	5,00,000	-	-	5,00,000
Interest accrued on fixed deposits**	10	-	-	11,908	11,908	-	-	11,908
Recoverables from payment gateway**	10	-	-	2,86,428	2,86,428	-	-	2,86,428
Total		-	-	29,90,373	29,90,373	-	-	29,90,373
Financial liabilities - Current								
Trade payables**	15	-	-	161,68,763	161,68,763	-	-	161,68,763
Total		-	-	161,68,763	161,68,763	-	-	161,68,763

(ii) As on 31 March 2018

Particulars	Note	Carrying value				Fair value measurement using		
		FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets - Current								
Cash and cash equivalents**	9a	-	-	10,99,197	10,99,197	-	-	10,99,197
Bank balances other than cash and cash equivalents mentioned above**	9b	-	-	1,15,808	1,15,808	-	-	1,15,808
Interest accrued on fixed deposits**	10	-	-	4,932	4,932	-	-	4,932
Recoverables from payment gateway**	10	-	-	3,24,942	3,24,942	-	-	3,24,942
Total		-	-	15,44,879	15,44,879	-	-	15,44,879
Financial liabilities - Current								
Trade payables**	15	-	-	119,28,001	119,28,001	-	-	119,28,001
Total		-	-	119,28,001	119,28,001	-	-	119,28,001

** The carrying amounts of trade receivable, cash and cash equivalents, bank balances other than cash and cash equivalents, unbilled revenue, interest accrued on fixed deposit, recoverables from payment gateway and trade payables approximates the fair values due to their short-term nature.

Fair values are categorised into different levels in a fairvalue 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 years ended 31 March 2019 and 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 - Foreign currency
- 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 analyse 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 conditions 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 all 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	As at
	31 March 2019	31 March 2018
Trade receivables	6,31,426	-
Cash and cash equivalents	14,44,803	10,99,197
Unbilled revenue	5,00,000	-
Bank balances other than cash and cash equivalents mentioned above	1,15,808	1,15,808
Interest accrued on fixed deposits	11,908	4,932
Recoverables from payment gateway	2,86,428	3,24,942

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.



(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 over the next six months. The Company also monitors the level of expected cash inflows on trade receivables and loans 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.

31 March 2019	Carrying amount	Less than one year	Between one and three years	More than three years	Total
Trade payables	161,68,763	161,68,763	-	-	161,68,763
	<u>161,68,763</u>	<u>161,68,763</u>	<u>-</u>	<u>-</u>	<u>161,68,763</u>

31 March 2018	Carrying amount	Less than one year	Between one and three years	More than three years	Total
Trade payables	119,28,001	119,28,001	-	-	119,28,001
	<u>119,28,001</u>	<u>119,28,001</u>	<u>-</u>	<u>-</u>	<u>119,28,001</u>

(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 optimising 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.

(b) Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows as the Company does not have any foreign currency receivable and payable.



Note 28: Employee Benefits

(ii) 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
Balance as at 1 April 2017	46,430
Current service cost	20,954
Interest expense	3,479
Total amount recognised in profit or loss	24,433
<i>Remeasurements</i>	
(Gain)/loss from change in demographic assumptions	519
(Gain)/loss from change in financial assumptions	(1,403)
Experience (gains)/losses	(37,775)
Total amount recognised in other comprehensive income	(38,659)
Balance as at 31 March 2018	32,204
Current service cost	44,039
Interest expense	2,510
Total amount recognised in profit or loss	46,549
<i>Remeasurements</i>	
(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	989
Experience (gains)/losses	60
Total amount recognised in other comprehensive income	1,049
Balance as at 31 March 2019	79,802

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

Particulars	As at 31 March 2019	As at 31 March 2018
Present value of funded obligations	79,802	32,204
Deficit of funded plan	79,802	32,204
Unfunded plans	-	-
Deficit of gratuity plan	79,802	32,204

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 government 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.

2. Demographic assumptions:

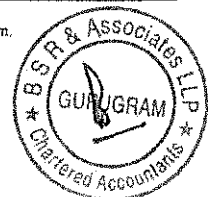
Particulars	As at 31 March 2019	As at 31 March 2018
Withdrawal rate, based on age	5.00%	5.00%
Mortality rate (% of IALM 06-08)	100.00%	100.00%
Retirement age	58.00%	58.00%

(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%	(9,134)	(4,071)	10,876	4,940
Salary growth rate	1%	1%	11,067	5,032	(9,410)	(4,206)
Attrition rate	50%	50%	46	(215)	(2,440)	(1,087)
Mortality rate	10%	10%	72	22	(72)	(32)

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.



Onart Quest Limited
Notes to the financial statements for the period ended 31 March 2019
 (All amounts in INR, unless otherwise stated)

Note 29 : 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		(34,51,715)		(82,15,690)
Tax using the Company's applicable tax rate	26.00%	(8,97,446)	25.75%	(21,15,540)
Effect of:				
Non deductible expenses	-0.01%	200	-0.02%	1,391
Change in temporary differences	-1.31%	45,211	0.51%	(42,221)
Current year losses for which no deferred tax asset was recognised	-24.68%	8,52,035	-26.24%	21,56,370
Effective tax rate		-		-

B) Unrecognised deferred tax assets

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

Particulars	As at 31 March 2019	As at 31 March 2018
Tax loss carry forwards	159,57,653	62,59,169
Deductible temporary differences	1,25,678	24,386
Total deferred tax assets	160,83,331	62,83,555

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. Further, deferred tax assets have been recognised only to the extent of deferred tax liabilities. The above tax losses expire at various dates ranging from 2025 to 2027.

C) Recognised 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
Deferred tax liabilities		
- Property, plant and equipment, intangible asset and investment property	-	2,29,095
Total deferred tax liabilities	-	2,29,095
Deferred tax assets		
- Tax loss carry forwards	-	(2,29,095)
Total deferred tax assets	-	(2,29,095)
Net deferred tax assets/(liability)	-	-

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

Movement in deferred tax assets during the year	Balance as at 31 March 2019	Recognised in profit or loss	Balance as at 31 March 2018
- Property, plant and equipment's, intangible asset and investment property	(2,29,095)	7,697	(2,21,398)
- Tax loss carry forwards	2,29,095	(7,697)	2,21,398
Total	-	-	-

Note 30: 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 by means of trading and dealing in paintings, accordingly, the Company has one reportable segment.



Onart Quest Limited
Notes to the financial statements for the period ended 31 March 2019
(All amounts in INR, unless otherwise stated)

Note 31: Change in classification

During the year ended 31 March 2019, the Company modified the classification of 'liabilities written back' from 'other operating revenue' classified in 'revenue from operation' to 'other income' to reflect more appropriately the nature of such income. Comparative amounts in the notes to the financial statements were reclassified for consistency. As a result INR 1,107,544 for the year ended 31 March 2018 was reclassified from 'other operating revenue' classified in 'revenue from operation' to 'other income'.

Note 32: Contingencies

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 for certain India based employees of the Company. 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.

Note 33: Leases

The Company has taken commercial premise under cancellable operating leases. The rental expense for the current year, in respect of operating leases is INR 1,025,241 (31 March 2018: INR 929,124). The Company has also taken commercial premise on lease which have non-cancellable periods. The future minimum lease payments in respect of such leases is Nil.

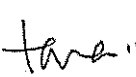
For **BSR & Associates LLP**
Chartered Accountants
Firm registration number: 116231W /W-100024



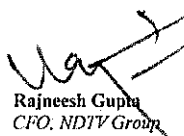
Rakesh Dewan
Partner
Membership Number: 092212

Place: Gurugram
Date: 12 June 2019

For and on behalf of the Board of Directors of
OnArt Quest Limited

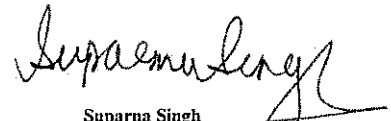


Tara Roy
Director
DIN : 07292045



Rajneesh Gupta
CFO, NDTV Group

Place: New Delhi
Date: 12.06.2019



Suparna Singh
Director and CEO, NDTV Group
DIN : 07345100