

UTV GAMES LTD

FINANCIAL STATEMENTS

31 March 2017

UTV GAMES LTD

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UTV GAMES LTD**CORPORATE INFORMATION**

		Date appointed
DIRECTORS:	Mrs. Kamalam Pillay Rungapadiachy	05 September 2008
	Mrs. Savinilorna Payandi Pillay Ramen	01 September 2010

**ADMINISTRATOR
& SECRETARY:** CIM CORPORATE SERVICES LTD
 Les Cascades Building
 Edith Cavell Street
 Port Louis
 REPUBLIC OF MAURITIUS

**REGISTERED
OFFICE:** C/o CIM CORPORATE SERVICES LTD
 Les Cascades Building
 Edith Cavell Street
 Port Louis
 REPUBLIC OF MAURITIUS

AUDITORS: Morison (Mauritius)
 Chartered Certified Accountants
 5th Floor, City Centre Bldg
 No 31, Cnr La Corderie & Leoville L'Homme Streets
 Port Louis
 REPUBLIC OF MAURITIUS

BANKER: Standard Chartered Bank (Mauritius) Limited
 Units 6A and 6B
 6th Floor, Raffles Towers
 Lot 19, Cybercity
 Ebene
 REPUBLIC OF MAURITIUS

UTV GAMES LTD**COMMENTARY OF THE DIRECTORS**

The directors have the pleasure to submit their commentary together with the audited financial statements of UTV Games Ltd ("the Company"), for the year ended 31 March 2017.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of investment holding.

RESULTS AND DIVIDENDS

The results for the year are as shown in the statement of profit or loss and other comprehensive income.

The directors do not recommend the payment of any dividend for the year under review (2016: Nil).

DIRECTORS

The present membership of the Board is set out on page 1.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance, changes in equity and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

The auditors, Morison (Mauritius), Chartered Certified Accountants, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual meeting.

CERTIFICATE FROM THE SECRETARY

3.

We certify that, to the best of our knowledge and belief, UTV GAMES LTD (the "Company") has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritius Companies Act 2001 in terms of Section 166(d) for the year ended 31 March 2017.



.....
CIM CORPORATE SERVICES LTD
Corporate Secretary

Date: 26 JUL 2017

CIM CORPORATE SERVICES LTD

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Tel: +230 212 9800 Fax: +230 212 9833 Email: mauritius@cimglobalbusiness.com

BRN C09004928

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF UTV GAMES LTD

Opinion

We have audited the financial statements of UTV Games Ltd, the "Company", which comprise the statement of financial position at 31 March 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements on pages 7 to 22 give a true and fair view of the financial position of the Company as at 31 March 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Category 1 Global Business Licence and comply with the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 15 in the financial statements, which indicates that the Company incurred a net loss of USD 557 during the year ended 31 March 2017 and, as of that date, the Company's current liabilities exceeded its total assets by USD 2,532. As stated in Note 15, the Company's ability to continue as a going concern depends entirely on the financial support of its shareholder. Our opinion is not qualified in respect of this matter.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Category 1 Global Business Licence and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDER OF UTV GAMES LTD**

Auditors' 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 ISAs 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 ISAs, we exercise professional judgement 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the directors 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.

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDER OF UTV GAMES LTD**

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.



Morison (Mauritius)
Chartered Certified Accountants



Nazeer Bhugaloo, FCCA (Licensed by FRC)
Signing Partner

Date: 26 JUL 2017

Port Louis, Mauritius

UTV GAMES LTD

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	<u>Notes</u>	<u>2017</u> USD	<u>2016</u> USD
ASSETS			
Non current asset			
Investment in subsidiary	5	<u>1</u>	<u>1</u>
Current asset			
Cash and cash equivalents		<u>824</u>	<u>2,024</u>
Total assets		<u><u>825</u></u>	<u><u>2,025</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	6	24,718,000	24,718,000
Accumulated losses		<u>(24,720,532)</u>	<u>(24,719,975)</u>
		<u>(2,532)</u>	<u>(1,975)</u>
Current liabilities			
Other payables	7	3,133	4,000
Tax liability	8	<u>224</u>	<u>-</u>
		<u>3,357</u>	<u>4,000</u>
Total equity and liabilities		<u><u>825</u></u>	<u><u>2,025</u></u>

Approved by the Board of Directors on 26 JUL 2017 and signed on its behalf by:



Director



Director

The notes on pages 11 to 22 form an integral part of these financial statements.
Independent Auditor's report on pages 4, 5 and 6.

UTV GAMES LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017

	<u>Note</u>	<u>2017</u> USD	<u>2016</u> USD
INCOME			
Amount written back		<u>17,959</u>	<u>327,345</u>
EXPENSES			
Accountancy fees		1,300	500
Licence fees		2,060	2,060
Administrative fees		120	124
Management fees		4,000	4,000
Audit fees		1,783	4,000
Bank charges		<u>1,200</u>	<u>1,442</u>
		<u>10,463</u>	<u>12,126</u>
Profit before taxation		7,496	315,219
Taxation	8	(8,053)	-
(Loss)/profit for the year		<u>(557)</u>	<u>315,219</u>
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		<u>(557)</u>	<u>315,219</u>

The notes on pages 11 to 22 form an integral part of these financial statements.
Independent Auditor's report on pages 4, 5 and 6.

UTV GAMES LTD**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	<u>Stated capital</u>	<u>Accumulated losses</u>	<u>Total</u>
	USD	USD	USD
At 01 April 2015	24,718,000	(25,035,194)	(317,194)
Total comprehensive income for the year	-	315,219	315,219
At 31 March 2016	<u>24,718,000</u>	<u>(24,719,975)</u>	<u>(1,975)</u>
At 01 April 2016	24,718,000	(24,719,975)	(1,975)
Total comprehensive loss for the year	-	(557)	(557)
At 31 March 2017	<u>24,718,000</u>	<u>(24,720,532)</u>	<u>(2,532)</u>

The notes on pages 11 to 22 form an integral part of these financial statements.
Independent Auditor's report on pages 4, 5 and 6.

UTV GAMES LTD

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	<u>2017</u>	<u>2016</u>
	USD	USD
Cash flow from operating activities		
Profit before taxation	7,496	315,219
<i>Adjustments for:</i>		
Loan written back	(17,959)	(323,501)
Decrease in other receivables	-	7,105
Decrease in other payables	(867)	-
Tax paid	(7,829)	-
Net cash used in operating activities	<u>(19,159)</u>	<u>(1,177)</u>
Cash flow from financing activities		
Loan received	17,959	-
Net cash generated from financing activities	<u>17,959</u>	<u>-</u>
Net decrease in cash and cash equivalents	(1,200)	(1,177)
Cash and cash equivalents at beginning of the year	2,024	3,201
Cash and cash equivalents at end of the year	<u>824</u>	<u>2,024</u>
Cash and cash equivalents consist of:		
Cash at bank	<u>824</u>	<u>2,024</u>

The notes on pages 11 to 22 form an integral part of these financial statements.
Independent Auditor's report on pages 4, 5 and 6.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. COMPANY PROFILE

UTV Games Ltd has been incorporated in the Republic of Mauritius as a private company, limited by shares on 05 September 2008 under the Mauritius Companies Act 2001. It was granted a Category 1 Global Business Licence under the Financial Services Act 2007.

The principal activity of the Company is that of investment holding and its registered office is at C/o CIM CORPORATE SERVICES LTD, Les Cascades Building, Edith Cavell Street, Port Louis, Republic of Mauritius.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

In the current year, the Company has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the IFRS Interpretations Committee of the IASB that are relevant to its operations and effective for accounting periods beginning on 01 April 2016.

New and revised ("IFRSs") and ("IASs") in issue and effective as at 31 March 2017

International Financial Reporting Standards ("IFRSs")

<u>IFRS 7</u>	Financial Instruments: Disclosures - Amendments resulting from September 2014 Annual Improvements to IFRSs (<i>Annual periods beginning on or after 1 January 2016</i>)
<u>IFRS 10</u>	Consolidated Financial Statements - Amendments regarding the accounting for acquisitions of an interest in a joint operation (<i>Annual periods beginning on or after 1 January 2016</i>)

International Accounting Standards ("IASs")

<u>IAS 1</u>	Presentation of Financial Statements - Amendments resulting from the disclosure initiative (<i>Annual periods beginning on or after 1 January 2016</i>)
<u>IAS 27</u>	Separate Financial Statements (as amended in 2011) - Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements (<i>Annual periods beginning on or after 1 January 2016</i>)

New and revised ("IFRSs") and ("IASs") in issue but not yet effective as at 31 March 2017

International Financial Reporting Standards ("IFRSs")

<u>IFRS 12</u>	Disclosure of Interests in Other Entities - Amendments resulting from Annual Improvements 2014–2016 Cycle (<i>Annual periods beginning on or after 1 January 2017</i>)
<u>IFRS 15</u>	Revenue from Contracts with Customers - Amendments to defer the effective date to 1 January 2018 and clarifications (<i>Annual periods beginning on or after 1 January 2018</i>)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

**2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")
(Cont'd)**

New and revised ("IFRSs") and ("IASs") in issue but not yet effective as at 31 March 2017 (Cont'd)

International Accounting Standards ("IASs")

<u>IAS 7</u>	Statement of Cash Flows - Amendments as result of the disclosure initiative (<i>Annual periods beginning on or after 1 January 2017</i>)
<u>IAS 12</u>	Income Taxes - Amendments regarding the recognition of deferred tax assets for unrealised losses (<i>Annual periods beginning on or after 1 January 2017</i>)

The directors anticipate that the application of these Standards and Interpretations on the above effective dates in future periods will have no material impact on the financial statements of the Company.

3. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below:

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting date. Actual results could differ from those estimates.

(b) Basis of preparation

The financial statements are prepared under the historical cost convention and in compliance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act 2001 ("IFRS as modified by Mauritius Companies Act 2001") for companies holding a Category 1 Global Business Licence.

It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are set out below.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017****3. ACCOUNTING POLICIES (Cont'd)****(c) Foreign currencies***Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in United States Dollar ("USD"), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(d) Revenue recognition

Revenues are recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific criteria must also be met for revenue recognition:

- Interest income – as it accrues unless collectability is in doubt.
- Dividend income – when the shareholder's right to receive payment is established.

(e) Expense recognition

All expenses are accounted for profit or loss on an accruals basis.

(f) Cash and cash equivalents

Cash comprises cash at bank. Cash equivalents are short term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(g) Investment in subsidiary

Subsidiary is all entity (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases. Acquisition-related costs are expensed as incurred.

When the Company ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017****3. ACCOUNTING POLICIES (Cont'd)****(h) Consolidated financial statements**

The Company holds 100% of the issued share capital of True Games Interactive, a company incorporated in the State of California. The results and financial position of the Company's subsidiary investment are not consolidated and therefore group financial statements in accordance with IFRS 10 'Consolidated Financial Statements' have not been prepared.

The Company has taken advantage of the exemption provided by the Mauritius Companies Act 2001 allowing a wholly owned or virtually owned parent company holding a Category 1 Global Business Licence not to present consolidated financial statements which contain financial information of the Company as an individual company and do not contain consolidated financial information as the parent of the group.

Group financial statements, are prepared at the level of the holding company, UTV Software Communications Limited, a company incorporated in India.

(i) Impairment of assets

The Company assesses at each end of the reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

(j) Provisions and contingencies

Provisions are recognised when:

- the Company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

UTV GAMES LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017****3. ACCOUNTING POLICIES (Cont'd)****(j) Provisions and contingencies (Cont'd)**

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

(k) Financial instruments

Financial assets and liabilities are recognised on the statement of financial position when the Company has become a party to the contractual provisions of the instrument.

The Company's policies in respect of the main financial instruments are as follows:

- **Other payables**

Other payables are stated at their amortised cost.

- **Cash resources**

Cash resources are measured at fair values.

- **Equity instruments**

Equity instruments are recorded at the proceeds received, net of direct issue costs.

(l) Taxation

Income tax on the profit or loss for the year comprise of current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of prior years.

Deferred tax is provided, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax.

The principal temporary difference arises from the tax losses carried forward. Deferred tax assets recognised to the extent that it is probable that future taxable profit will be available which the temporary differences can be utilised.

UTV GAMES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

3. ACCOUNTING POLICIES (Cont'd)

(m) Redeemable Preference Shares

The Redeemable Preference Shares of the Company are redeemable at the option of the Company. The Company may redeem any Preference Shares at such terms and conditions determined by the board.

International Accounting Standard 32 Financial Instruments: Disclosure and Presentation ("IAS 32") requires entities that issue financial instruments to classify such instruments as liabilities or equity in accordance with the substance of the contractual arrangement and the definitions contained within IAS 32 of a financial liability and equity instrument.

(n) Related party transactions

For the purpose of these financial statements, parties are considered to be related to the Company if they have the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in making financial and operating decisions, or vice versa, or where the Company is subject to common control or common significant influence. Related parties may be individual or other entities.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical accounting judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in Note 3, the directors have made the following judgements that have the most effect on the amounts recognised in the financial statements:-

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising there on are dependent on the functional currency selected. As described in Note 3(c), the directors have considered those factors described therein and have determined that the functional currency of the Company is United States Dollar ("USD").

5. INVESTMENT IN SUBSIDIARY

	2017	2016
	USD	USD
Unquoted		
At start and at end	<u>1</u>	<u>1</u>

Name of company	Country of incorporation	Class of shares held	No. of shares 2017 & 2016	% Holding 2017 & 2016
True Games Interactive	State of California	Common Stock Preferred Stock	300,000 1,200,000	100%

UTV GAMES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

5. INVESTMENT IN SUBSIDIARY (Cont'd)

The directors are of the opinion that the above investment is valued at cost.

Consolidated accounts have not been prepared since the Company has taken advantage of the exemption provided in the Mauritius Companies Act 2001 where any company holding a Category 1 Global Business Licence may not prepare group financial statements where it is a wholly owned or virtually owned subsidiary of any company.

6. STATED CAPITAL	<u>2017</u>	<u>2016</u>
	USD	USD
Ordinary shares (i)	12,000,000	12,000,000
Preference shares (ii)	<u>12,718,000</u>	<u>12,718,000</u>
	<u>24,718,000</u>	<u>24,718,000</u>
<i>(i) Ordinary shares of USD 1 each</i>		
At start and at end	<u>12,000,000</u>	<u>12,000,000</u>

Ordinary shares shall be issued at the nominal value of US\$ 1.00 each. Each holder of ordinary shares shall be entitled to receive notice of and to attend and vote during meetings of shareholders on any resolutions or other matters affecting the Company which require the consent and approval of such shareholders. Each holder of ordinary shares shall be entitled to a right to an equal share in dividends as authorised by the board. In the case of liquidation, dissolution or winding up of the Company, a holder of ordinary share shall be entitled to an equal share on any surplus asset attributable to such ordinary shares, in respect of each ordinary shares held. Ordinary shares shall not be redeemable.

(ii) 12,718,000 Preference shares of USD 1 each

At start and at end	<u>12,718,000</u>	<u>12,718,000</u>
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Preference shares of nominal value US\$ 1.00 each designated in the capital of the Company, having the rights and being subject to the restrictions set forth in this Constitution. Preference shares shall be entitled to dividend distributions as may be decided by the board at its sole discretion.

In the case of liquidation, dissolution or winding up of the Company, a holder of preference shares shall be entitled to an equal share on any surplus asset attributable to such preference shares, in respect of each preference shares held. Preference shares shall be convertible into ordinary shares at such conversion rate as may be determined by the board of the Company.

7. OTHER PAYABLES	<u>2017</u>	<u>2016</u>
	USD	USD
Accruals	<u>3,133</u>	<u>4,000</u>

UTV GAMES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

8. TAXATION

The taxation of income and capital gains of the Company is subject to the fiscal law and practice of Mauritius and the countries in which the Company invests.

The Company has received a Certificate of Mauritian tax residence from the Mauritius Revenue Authority which entitles it to certain reliefs pursuant to the treaties concluded between Mauritius and the investee countries for the avoidance of double taxation. The tax residence certification is renewable on an annual basis, subject to the tax residency conditions being satisfied. Capital gains from the sale of units and securities are exempt from Mauritius tax.

The Company being a Category 1 Global Business Company is liable to pay income on its net taxable income at a rate of 15%. The Company is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of the Mauritius tax payable in respect of its foreign source income, thus reducing its maximum effective tax rate to 3%.

No provision for tax has been made in the accounts for the year due to the availability of tax losses. Tax loss suffered in an income year can be set off against future chargeable income. In case there is no future chargeable income the tax loss can be carried for a maximum of 5 years.

The tax on the Company's loss differs from the theoretical amount that would arise using the basic tax rate as follows:

<i>(i) Tax computation</i>	<u>2017</u>	<u>2016</u>
	USD	USD
Profit before taxation	7,496	315,219
Add: non-allowable expenses	-	-
Less: Exempt income	-	-
Chargeable income	<u>7,496</u>	<u>315,219</u>
Tax on profit at 15%	1,124	47,283
Deemed foreign tax credit 80%	<u>(900)</u>	<u>(37,826)</u>
Tax charge/chargeable income	<u>224</u>	<u>9,457</u>
Tax losses brought forward	-	(82,644)
Tax freezed during the year	-	37,822
Tax losses carried forward	<u>-</u>	<u>(44,822)</u>
<i>(ii) Tax expense for the year</i>		
Tax charge	224	-
Under provision of tax	<u>7,829</u>	-
	<u>8,053</u>	-

UTV GAMES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

9. TAXATION (Cont'd)	<u>2017</u>	<u>2016</u>
	USD	USD
(iii) Tax liability		
Opening balance	-	-
Charge for the year	224	-
Less tax paid during the year	(7,829)	-
Add under provision	7,829	-
Closing balance	<u>224</u>	<u>-</u>

10. FINANCIAL INSTRUMENTS

(a) Values of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. The Company's financial assets and liabilities include cash and cash equivalents and other payables. The carrying amounts of these assets and liabilities approximate their fair values.

(b) Currency profile

The currency profile of the Company's financial assets and liabilities are summarised as follows:

	Financial assets 2017 <u>USD</u>	Financial liabilities 2017 <u>USD</u>	Financial assets 2016 <u>USD</u>	Financial liabilities 2016 <u>USD</u>
United States Dollar	<u>824</u>	<u>3,133</u>	<u>2,024</u>	<u>4,000</u>

(c) Financial risks

(i) Currency risk

The Company has no currency risk. All transactions are denominated in reporting currency ("USD").

(ii) Credit risk

Financial assets that potentially expose the Company to credit risk consist principally cash and cash equivalents. The extent of the Company's exposure to credit risk in respect of these financial assets approximates their carrying values as recorded in the Company's statement of financial position.

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

UTV GAMES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

10. FINANCIAL INSTRUMENTS (Cont'd)

(c) Financial risks (Cont'd)

(iii) Credit risk (Cont'd)

	<u>2017</u>	<u>2016</u>
	USD	USD
Cash and cash equivalents	<u>824</u>	<u>2,024</u>

(iv) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial liabilities. The table below illustrates the aged analysis of the Company's financial liabilities.

Liability	<u>31 March 2017</u>		
	<u>Due < 1</u>	<u>Due > 1</u>	<u>Total</u>
	Year	Year	USD
	USD	USD	USD
Other payables	<u>3,133</u>	<u>-</u>	<u>3,133</u>
Total liability	<u>3,133</u>	<u>-</u>	<u>3,133</u>
	<u>31 March 2016</u>		
	<u>Due < 1</u>	<u>Due > 1</u>	<u>Total</u>
	Year	Year	USD
	USD	USD	USD
Other payables	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total liability	<u>4,000</u>	<u>-</u>	<u>4,000</u>

(d) Capital management

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholder and benefits for other stakeholders.

The capital structure of the Company consists of equity and preference shares attributable to the shareholder of the Company.

The Company does not have any third party debt due for the year ended 31 March 2017. Hence it does not have any capital risk.

UTV GAMES LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017****11. RELATED PARTY TRANSACTIONS**

For the year ended 31 March 2017, the Company traded with related entities. The nature, volume of transactions and the balances with the entities are as follows:

<u>Name of entities</u>	<u>Relationships</u>	<u>Nature of transactions</u>	<u>Volume of transactions</u> USD	<u>Debit/(Credit) balance at 31 March 2017</u> USD	<u>Debit/(Credit) balance at 31 March 2016</u> USD
True Games Interactive	Subsidiary	Investment	-	1	1
UTV Software Communications Limited	Shareholder	Loan written off	(17,959)	-	-

12. EVENTS AFTER THE REPORTING DATE

There have been no material events after the reporting date, which would require disclosure or adjustments to the 31 March 2017 financial statements.

13. CAPITAL COMMITMENTS

The Company has no capital commitments at 31 March 2017.

14. CONTINGENT LIABILITIES

At 31 March 2017, the Company has no material litigation claims outstanding, pending or threatened against, which could have a material effect on the Company's financial position or results of operations.

15. GOING CONCERN

For the year under review, the Company made a loss of USD 557 and had net liabilities of USD 2,532 at 31 March 2017.

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued support of the shareholder.

The directors are of the opinion that this support will be forthcoming over the next twelve months. They therefore believe that it is appropriate for the financial statements to be prepared on a going concern basis.

UTV GAMES LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017****16. REPORTING CURRENCY**

The financial statements are presented in the United States Dollars ("USD").

17. HOLDING AND ULTIMATE HOLDING COMPANY

The holding company of UTV Games Ltd is UTV Software Communications Limited, a company incorporated in India and the ultimate holding company is The Walt Disney Company, a company incorporated in Delaware, USA.