

**BOARD'S REPORT**

**Dear Members,**

The Board of Directors has pleasure in presenting the 48<sup>th</sup> Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2021.

**FINANCIAL SUMMARY AND STATE OF AFFAIRS**

The financial performance of the Company for the financial year ended March 31, 2021 is summarized below:

(Rs.)

| <b>Particulars</b>            | <b>Current Year<br/>Ended 31.03.2021</b> | <b>Previous Year<br/>Ended 31.03.2020</b> |
|-------------------------------|--|---|
| <b>Gross Income</b>           | 549,056,699                              | 677,686,911                               |
| <b>Gross Expense</b>          | 513,191,871                              | 665,795,158                               |
| <b>Profit Before Tax</b>      | 35,864,828                               | 11,891,753                                |
| <b>Provision for Taxation</b> | 10,879,087                               | 4,910,065                                 |
| <b>Profit After Tax</b>       | 24,985,740                               | 6,981,688                                 |

**OPERATIONAL REVIEW:**

As discussed in the last year's Directors Report, the Company's performance had a hit in the Revenue. Due to effective cost control, the Company's profit improved in FY 2020-21. Though there is decline of 19% in the Gross Income, due to curtailment of expenditure by 23%, the Company was able to post a PBT which was 300% more than the previous year.

Your Company has gained the following new Clients, during the year.

**CLIENTS' GAINED:**

1. Kriti Nutrients Ltd
2. Bikanerwala Foods
3. Calpro Specialities
4. Malayala Manorama

**CLIENTS LOST :**

1. Ravi Foods

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED SINCE THE CLOSURE OF THE FINANCIAL YEAR TILL THE DATE OF THIS REPORT**

There are no material Changes and commitments affecting the financial position of the Company which has occurred since 31.03.2021 till the date of this report.

**CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There was no change in the nature of the business during the year.

**DIVIDEND**

The Board of Directors of your company recommends a Final Dividend of Rs.4.00 per equity share of face value of Rs. 10/- each for the financial year 2020-2021 and the same will be payable for those Members whose names appear in the Register of Members as on 26.08.2021, subject to the approval of Members at the Annual General Meeting.

**TRANSFER TO RESERVES**

No amount has been transferred to any specific reserves during the year.

**DEPOSITS**

Your Company did not accept any deposits, covered under Chapter V of the Act during the year 2020-21. All the pending deposits remaining unpaid were fully repaid there was no outstanding of deposits as of 31<sup>st</sup> March 2021.

The details relating to deposits, covered under Chapter V of the Act,:

(a) accepted during the year; Nil

(b) remained unpaid or unclaimed as at the end of the year; Nil

(c) whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-

(i) at the beginning of the year; Nil

(ii) maximum during the year; Nil

(iii) at the end of the year; Nil

(vi) the details of deposits which are not in compliance with the requirements of Chapter V of the Act; Nil

#### **AUDITORS**

M/s. **DELOITTE HASKINS & SELLS**, Chartered Accountants, (Firm Registration Number: **008072S**) were appointed as Statutory Auditors of the Company in the Annual General Meeting held on 19<sup>th</sup> September 2019 to hold office till the conclusion of the 51<sup>st</sup> Annual General Meeting to be held in the year 2024. The auditors were confirmed their eligibility to continue as the auditors.

The auditor's in their report have observed that the provisions relating to Sections 73 – 76 have been complied with except for filing of monies accepted to the registrar in the manner specified. In this matter, the Board clarifies that relevant eform DPT 3 has been filed with the Registrar vide SRN dated R75911339.

#### **DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS:**

For the financial year under review, the Auditors have not reported about any fraud by the company or any fraud on the company by its officers or employees.

**DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR**

There is no change in the Directors during the year under review.

In accordance with the provisions of the Act, the Board of Directors appointed Mr. R Desikan (MN: A28348) as a Whole-Time Company Secretary of the company with effect from 14<sup>th</sup> September, 2020.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

The Company has made investments and given loans and guarantees falling under Section 186 of the Companies Act, 2013 during the financial year and the same are provided in the Financial statements.

**LOANS FROM DIRECTORS**

The company has not received any loan from Directors during the year. All the loans have been fully repaid to the Directors and there is no outstanding of loan as of 31<sup>st</sup> March 2021.

**NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR**

The Company does not have any subsidiary, associate or joint ventures Companies under the provisions of Companies Act, 2013.

**NET-WORTH OF THE COMPANY**

(Amount in Rs.)

|                          | As on 31.03.2021 | As on 31.03.2020 |
|--------------------------|------------------|------------------|
| Net-worth of the company | 420,897,089      | 400,603,349      |

**BOARD MEETINGS HELD DURING THE FINANCIAL YEAR**

The Board met 4 times during the year ended 31st March 2021, the details of which are given below. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

**Directors' attendance for the Board Meeting held during the year ended 31st March 2021.**

| <b>Name of the Director</b> | <b>17<sup>th</sup> June 2020</b> | <b>9<sup>th</sup> Sept 2020</b> | <b>18<sup>th</sup> Dec. 2020</b> | <b>10<sup>th</sup> Mar. 2021</b> |
|-----------------------------|----------------------------------|---------------------------------|----------------------------------|----------------------------------|
| Mr S K Swamy                | ✓                                | ✓                               | ✓                                | ✓                                |
| Mr N K Swamy                | ✓                                | ✓                               | ✓                                | ✓                                |
| Ms Sangeetha N              | ✓                                | ✓                               | ✓                                | ✓                                |
| Mr Jean Paul Burge          | ✓                                | ✓                               | ✓                                | ✓                                |
| Mr Keoy SooSiong            | ✓                                | ✓                               | ✓                                | ✓                                |

#### **EXTRACT OF ANNUAL RETURN**

As per the MCA Notification dated 28th August, 2020 making an amendment to Rule 12(1), a web link of the Annual Return is furnished in accordance with sub section (3) of Section 92 of The Companies Act, 2013 and as prescribed in Form MGT-7 of The Companies (Management and Administration) Rules, 2014 You may please refer to our Company's weblink <https://www.rkswamybbdo.com>.

#### **ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The company has adequate system of internal control commensurate with its size and nature of business. These systems provide a reasonable assurance in respect of providing financial and operational information, safeguarding of assets of the Company, adhering to the management policies besides ensuing compliance.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During the financial year under review, there has been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

### **COMPLIANCE WITH SECRETARIAL STANDARDS**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, issued by the Institute of Company Secretaries of India, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

### **RELATED PARTY TRANSACTIONS**

Details of transactions with related parties are provided in **Form AOC-2** which is annexed to this report as **Annexure – A** and forms part of this report.

### **RISK MANAGEMENT**

Your Company has adequate risk management infrastructure in strategic areas like IT, Regulatory, Financial, etc., in place to address risks and hence no separate policy has been framed in this regard.

### **DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has put in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The committee has been reorganized, after resignation of one of its member and the Company had appointed an Independent Member viz., Mrs. Vathsala Narayanaswamy in its Internal Complaints Committee (ICC) to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company has not received any complaint on sexual harassment during the financial year ended 31.03.2021.

**DISCLOSURE ON MAINTENANCE OF COST RECORDS**

The Company is not required to maintain any cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

All necessary steps have been taken to conserve and preserve the energy.

Technology Absorption – Nil

Foreign exchange:

|               | <b>31.03.2021</b> | <b>31.03.2020</b> |
|---------------|-------------------|-------------------|
| <b>Income</b> | Rs. 2,650,646     | Rs. 3,395,000     |
| <b>Outgo</b>  | Rs. 5,893,770     | Rs. 4,112,607     |

**DIRECTORS' RESPONSIBILITY STATEMENT**

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

#### **ACKNOWLEDGEMENT**

The Directors wish to place on record their sincere appreciation of the valuable contribution and efficient service rendered to the Company by all the members of the staff and Consultants.

*/By order of the Board/*

**For R.K.SWAMY BBDO PRIVATE LIMITED**



**SRINIVASAN K SWAMY**  
**CHAIRMAN &**  
**MANAGING DIRECTOR**  
**(DIN: 00505093)**

**Date:**

**04.08.2021**

**Place: Chennai**



**Annexure A****Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm's length basis**

|   |  |
|---|--|
| <del>Name(s) of the related party and nature of relationship</del>                                    |  |
| <del>Nature of contracts/ arrangements/ transactions</del>  |  |
| <del>Duration of the contracts / arrangements / transactions</del>                                    |  |
| <del>Salient terms of the contracts or arrangements or transactions including the value, if any</del> |  |
| <del>Name(s) of the related party and nature of relationship</del>                                    |  |

**2. Details of material contracts or arrangement or transactions at arm's length basis**

|  |   |   |
|--|---|---|
| <b>Name(s) of the related party and nature of relationship</b>                                     | Hansa Vision India Private Limited<br>Holding Company | Hansa Research Group Private Limited<br>Fellow Subsidiary |
| <b>Nature of contracts/ arrangements/transactions</b>  | Rendering of Services                                 | Rendering of Services                                     |
|  | Lease Rentals for office premises                     | Receipt of Services                                       |
|  | Receipt of Services /Interest Income                  |   |
| <b>Duration of the contracts / arrangements/transactions</b>                                       | Continuing  | Continuing  |
| <b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b> | Rs.2,88,174/-   | Rs.35,64,098/-  |
|  | Rs.93,00,000/-  | Rs 15,87,690/-  |
|  | Rs.18,80,885/-  |   |
|  | Rs.42,07,308/-  |   |
| <b>Date(s) of approval by the Board, if any:</b>   | 17.06.2020  | 17.06.2020  |
| <b>Amount paid as advances, if any:</b>  | -   | -   |

|  |   |  |
|--|---|--|
| <b>Name(s) of the related party and nature of relationship</b> | Hansa Holdings P Ltd<br>Fellow Subsidiary | Hansa Customer Equity P Ltd<br>Fellow Subsidiary |
| <b>Nature of contracts/</b>                                    | Receipt of Services                       | Rendering of Services                            |

|   |                                   |                                 |
|---|-----------------------------------|---------------------------------|
| arrangements/transactions   | Lease Rentals for office premises | Receipt of Services             |
| Duration of the contracts / arrangements/transactions                                       | Continuing                        | Continuing                      |
| Salient terms of the contracts or arrangements or transactions including the value, if any: | Rs.25,131/-                       | Rs.2,48,283/-<br>Rs.25,48,020/- |
| Date(s) of approval by the Board, if any:   | 17.06.2020                        | 17.06.2020                      |
| Amount paid as advances, if any:  | -                                 | -                               |

|  |  |  |
|--|--|--|
| <b>Name(s) of the related party and nature of relationship</b>                                     | Hansa Estates P Ltd<br>Fellow Subsidiary | <b>BBDO India P Ltd</b><br>Fellow Subsidiary |
| <b>Nature of contracts/ arrangements/transactions</b>  | Rendoring of Services                    | Receipt of Services                          |
|  | Interest Income                          |  |
| <b>Duration of the contracts / arrangements/transactions</b>                                       | Continuing                               | Continuing                                   |
| <b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b> | Rs.1,69,012/-<br>Rs.1,77,68,369/-        | Rs.69,74,861/-                               |
| <b>Date(s) of approval by the Board, if any:</b>   | 17.06.2020                               | 17.06.2020                                   |
| <b>Amount paid as advances, if any:</b>  | -  | -  |

|  |   |
|--|---|
| <b>Name(s) of the related party and nature of relationship</b>                                     | Ms.Sruji Swamy<br>Relative of Directors   |
| <b>Nature of contracts/ arrangements/transactions</b>  | Remuneration paid to Relative of Director |
| <b>Duration of the contracts / arrangements/transactions</b>                                       | Continuing                                |
| <b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b> | Rs.18,36,333/-                            |
| <b>Date(s) of approval by the Board, if any:</b>   | 17.06.2020                                |
| <b>Amount paid as advances, if any:</b>  |   |

All related party transactions have been entered in the ordinary course of business at arm's length basis to realise benefits of group synergies.

**/By order of the Board/  
For R.K.SWAMY BBDO PRIVATE LIMITED**



**SRINIVASAN KSWAMY  
CHAIRMAN &  
MANAGING DIRECTOR  
(DIN: 00505093)**

**Date: 4.08.2021**

**Place: Chennai**

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of RK Swamy BBDO Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.



## INDEPENDENT AUDITOR'S REPORT

To The Members of RK Swamy BBDO Private Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of RK Swamy BBDO Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' 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 during the course of our 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 Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statement 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibility 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 financial 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 system 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 the 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 Section 143(3) of the Act, based on our audit 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 and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

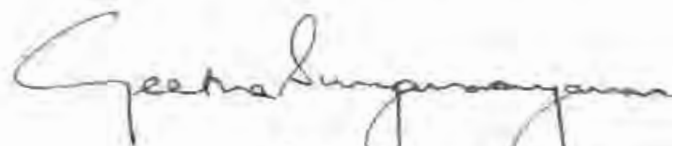
i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 008072S)



**Geetha Suryanarayanan**  
(Partner)  
(Membership No. 29519)

Place: Chennai  
Date: 4 August 2021

UDIN: 21029519AAAADD8080



### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting 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.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No.0080725)



**Geetha Suryanarayanan**  
(Partner)  
(Membership No. 29519)

Place: Chennai  
Date: 4 August 2021

UDIN: 21029519AAAADD8080



**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment/Fixed Assets,
- (b) Some of the Property, Plant and Equipment/Fixed Assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of Property Plant and Equipment/ Fixed Assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds provided to us, we report that, the title deeds, comprising all the immovable properties of buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) The Company does not have any inventory and, hence, reporting under clause (ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Companies Act, 2013, in respect of which:
- (a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
- (b) The schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments or receipts of principal amounts and interest
- (c) The schedule of repayment of principal and interest has not been stipulated and in the absence of such schedule we are unable to comment on whether there are overdue amounts remaining outstanding as at the year-end.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans and making investments as applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to acceptance of deposits accepted except for filing of monies accepted to the registrar in the manner specified. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 having regard to the nature of the Company's business / activities.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Customs Duty, Cess and other material statutory dues applicable to it to the appropriate authorities except that there are delays in remittance of Provident Fund, Employees' State



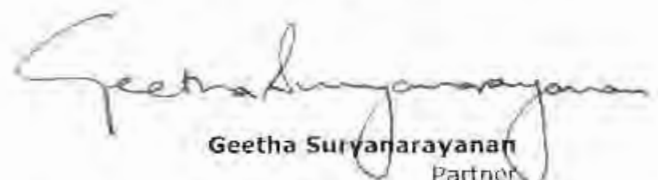
Insurance, Income-tax, Goods and Services Tax for certain months which has been deposited after the due date with interest.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Sales tax, Service Tax, Customs Duty, Value Added Tax, Goods and Services Tax or any other material statutory dues as on 31 March 2021 which is yet to be paid on account of disputes.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not issued any debentures and does not have any borrowings from financial institutions and Government.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans, and hence, reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company is a private company and, hence, the provisions of Section 197 of the Companies Act, 2013 relating to managerial remuneration do not apply to the Company.
- (xii) The Company is not a Nidhi Company and, hence, reporting under clause (xii) of the Order is not applicable.
- (xiii) The Company is a private company and, hence, the provisions of Section 177 of the Companies Act, 2013 is not applicable to the Company. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and, hence, reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and, hence, provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 008072S)



**Geetha Suryanarayanan**  
Partner  
(Membership No. 29519)

Chennai, August 4 2021



UDIN: 21029519AAAADD8080

**R.K.SWAMY BBDO PRIVATE LIMITED**  
Balance sheet as at 31 March 2021

| Particulars   | Note | As at 31 March 2021<br>Rs. | As at 31 March 2020<br>Rs. |
|---|------|----------------------------|----------------------------|
| <b>EQUITY AND LIABILITIES</b>   |      |                            |                            |
| <b>Shareholders' Funds</b>  |      |                            |                            |
| Share Capital   | 3    | 40,800,000                 | 40,800,000                 |
| Reserves and Surplus  | 4    | 380,097,089                | 359,803,349                |
|   |      | <b>420,897,089</b>         | <b>400,603,349</b>         |
| <b>Non-Current Liabilities</b>  |      |                            |                            |
| Other Long Term Liabilities   | 5    | 14,236,641                 | 15,059,020                 |
|   |      | <b>14,236,641</b>          | <b>15,059,020</b>          |
| <b>Current Liabilities</b>  |      |                            |                            |
| Short Term Borrowings   | 6    | 340,366,552                | 487,459,632                |
| Trade Payables  |      |                            |                            |
| a) Total outstanding dues of micro enterprises and small enterprises                      | 7    |                            |                            |
| b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 7    | 1,649,769,974              | 841,965,608                |
| Other Current Liabilities   | 8    | 15,235,494                 | 21,713,291                 |
| Short Term Provisions   | 9    | 6,681,472                  | 4,807,318                  |
|   |      | <b>2,012,053,492</b>       | <b>1,355,945,848</b>       |
| <b>TOTAL</b>  |      | <b>2,447,187,222</b>       | <b>1,771,608,223</b>       |
| <b>ASSETS</b>   |      |                            |                            |
| <b>Non-Current Assets</b>   |      |                            |                            |
| Property, Plant and Equipment   |      |                            |                            |
| - Tangible Assets   | 10   | 21,643,864                 | 31,252,622                 |
| - Intangible Assets   | 10   | 62,310                     | 385,080                    |
|   |      | <b>21,706,174</b>          | <b>31,637,702</b>          |
| Non Current Investments   | 11   | 116,080                    | 116,080                    |
| Deferred Tax Assets (net)   | 34   | 10,915,242                 | 9,794,327                  |
| Long Term Loans and Advances  | 12   | 178,611,885                | 351,131,408                |
|   |      | <b>211,349,381</b>         | <b>392,679,597</b>         |
| <b>Current Assets</b>   |      |                            |                            |
| Trade Receivables   | 13   | 1,614,104,508              | 824,033,984                |
| Cash and bank balances  | 14   | 84,516,299                 | 87,136,102                 |
| Short Term Loans and Advances   | 15   | 428,030,081                | 380,611,087                |
| Other Current Assets  | 16   | 109,166,953                | 87,147,454                 |
|   |      | <b>2,235,837,841</b>       | <b>1,378,928,626</b>       |
| <b>TOTAL</b>  |      | <b>2,447,187,222</b>       | <b>1,771,608,223</b>       |

See accompanying notes forming part of the financial statements

In terms of our report attached  
For **Deloitte Haskins & Sells**  
Chartered Accountants

For and on behalf of the **Board of Directors**

**Geetha Suryanarayanan**  
Partner

**Srinivasan K Swamy**  
Managing Director

**Narasimhan K Swamy**  
Director

Place: Chennai

Place: Chennai  
Date: 04-08-2021

Place: Chennai  
Date: 04-08-2021

Date:

4 August 2021

**DESIKAN**  
**COMPANY SECRETARY**



**R.K.SWAMY BBDO PRIVATE LIMITED**  
**Statement of Profit & Loss for the year ended 31 March 2021**

| Particulars   | Note | For the year ended | For the year ended |
|---|------|--------------------|--------------------|
|   |      | 31 March 2021      | 31 March 2020      |
|   |      | Rs.                | Rs.                |
| <b>Revenue</b>  |      |                    |                    |
| Revenue from Operations                                     | 17   | 513,375,038        | 637,497,027        |
| Other Income  | 18   | 35,681,660         | 40,189,884         |
| <b>Total revenue</b>  |      | <b>549,056,699</b> | <b>677,686,911</b> |
| <b>EXPENSES</b>   |      |                    |                    |
| Employee Benefits Expense                                   | 19   | 239,709,260        | 323,123,746        |
| Depreciation and Amortisation Expense                       | 10   | 10,832,109         | 10,095,296         |
| Finance Costs   | 20   | 56,075,888         | 60,751,947         |
| Other Expenses  | 21   | 206,574,614        | 271,824,169        |
| <b>Total Expenses</b>                                       |      | <b>513,191,871</b> | <b>665,795,158</b> |
| <b>Profit Before Tax</b>                                    |      | <b>35,864,828</b>  | <b>11,891,753</b>  |
| <b>Tax Expense</b>  | 34   |                    |                    |
| Current Tax   |      | 12,000,000         | 2,076,320          |
| MAT Credit  |      | -                  | (909,310)          |
| Deferred Tax  |      | (1,120,913)        | 3,743,055          |
| <b>Profit After Tax</b>                                     |      | <b>24,985,740</b>  | <b>6,981,688</b>   |
| <b>Earnings Per Equity Share - Face Value of Rs.10 each</b> | 33   |                    |                    |
| - Basic (In Rs.)  |      | 6.12               | 1.71               |
| - Diluted (In Rs.)  |      | 6.12               | 1.71               |

See accompanying notes forming part of the financial statements

In terms of our report attached  
 For **Deloitte Haskins & Sells**  
 Chartered Accountants

*Geetha Suryanarayanan*  
**Geetha Suryanarayanan**  
 Partner

Place: Chennai  
 Date: *4 August 2021*

For and on behalf of the **Board of Directors**

*Srinivasan K Swamy*  
**Srinivasan K Swamy**  
 Managing Director

Place: Chennai  
 Date: *04-08-2021*

*Narasimhan K Swamy*  
**Narasimhan K Swamy**  
 Director

Place: Chennai  
 Date: *04-08-2021*

**R DESIKAN**  
**COMPANY SECRETARY**



**R K SWAMY BBDO PRIVATE LIMITED**  
Cash flow statement for the year ended 31 March 2021

| Particulars  | For the year ended<br>31 March 2021<br>Rs. | For the year ended<br>31 March 2020<br>Rs. |
|--|--|--|
| <b>A. Cash Flow From Operating Activities</b>                          |  |  |
| Profit Before Tax  | 35,864,828                                 | 11,891,753                                 |
| <i>Adjustments for:</i>  |  |  |
| <b>ADD :</b>   |  |  |
| Depreciation and Amortisation Expense                                  | 10,832,109                                 | 10,095,296                                 |
| Finance Costs  | 56,075,888                                 | 60,751,947                                 |
| Unrealised foreign Exchange Loss / (Gain), Net                         | 545,610                                    | (813,523)                                  |
| <b>LESS:</b>   |  |  |
| Profit on Sale of property, plant and equipment (net)                  | (10,000)                                   | (56,271)                                   |
| Interest Income from Banks   | (3,927,997)                                | (4,580,286)                                |
| Interest on Inter-Corporate Deposit                                    | (21,975,677)                               | (28,003,440)                               |
| Interest Income from Income Tax Refund                                 | (9,484,936)                                | (5,940,169)                                |
| Dividend Income from long term Investments                             | (9,000)                                    | (65,050)                                   |
| <b>Operating Profit before Working Capital Changes</b>                 | <b>67,910,825</b>                          | <b>43,280,258</b>                          |
| <i>Changes in working capital:</i>                                     |  |  |
| <i>Adjustments for (Increase) / decrease in operating assets:</i>      |  |  |
| Trade Receivables  | (790,616,134)                              | 299,135,396                                |
| Long Term Loans and Advances   | 90,623,907                                 | (2,146,909)                                |
| Short Term Loans and Advances  | 7,164,572                                  | 911,345                                    |
| <i>Adjustments for increase / (decrease) in operating liabilities:</i> |  |  |
| Trade Payables   | 807,804,367                                | (434,558,471)                              |
| Long Term Provisions   | (822,385)                                  | 8,188,760                                  |
| Other Current Liabilities  | (6,477,797)                                | (24,341,692)                               |
| Short Term Provisions  | 1,874,154                                  | (10,431,986)                               |
| <b>Cash Generated from / (used in) Operations</b>                      | <b>177,461,509</b>                         | <b>(119,963,249)</b>                       |
| Taxes Paid (Net)   | 79,380,626                                 | (15,227,293)                               |
| <b>Net Cash Flow (Used in)/From Operating Activities</b>               | <b>256,842,135</b>                         | <b>(135,190,542)</b>                       |
|  | <b>[ A ]</b>                               |  |
| <b>B. Cash Flow From Investing Activities</b>                          |  |  |
| Purchase of Property, Plant and Equipment (Net)                        | (900,581)                                  | (1,874,165)                                |
| Proceeds from Sale of Property, plant and equipment (Net)              | 10,000                                     | 117,170                                    |
| Dividend Income  | 9,000                                      | 65,050                                     |
| Inter-Corporate Deposit recovered (Net)                                | (11,099,938)                               | 6,538,539                                  |
| Advances to Related Parties  | (43,483,627)                               | 43,287,752                                 |
| Interest Received  | 3,864,175                                  | 31,077,009                                 |
| Lien Marked Deposits   | (4,383,767)                                | (6,861,496)                                |
| <b>Net Cash Flow (Used in)/From Investing Activities</b>               | <b>(55,984,738)</b>                        | <b>72,349,859</b>                          |
|  | <b>[ B ]</b>                               |  |





|   |                      |                     |
|---|----------------------|---------------------|
| <b>C. Cash Flow From Financing Activities</b>                                 |                      |                     |
| Short Term Borrowings (Net)   | (147,093,080)        | 78,094,100          |
| Interest and Finance Charges Paid   | (56,075,888)         | (60,751,947)        |
| Dividend Paid (including dividend distribution tax)                           | (4,692,000)          | (19,159,680)        |
| <b>Net Cash Generated from / (Used in) Financing Activities</b>               | <b>(207,860,968)</b> | <b>(1,817,527)</b>  |
| <b>Net (Decrease)/Increase in Cash and Cash Equivalents [(A) + (B) + (C)]</b> | <b>(7,003,571)</b>   | <b>(64,658,210)</b> |
| Cash and Cash Equivalents as at the beginning of the year                     | 23,277,707           | 87,935,917          |
| Reclassification of bank account  | 769,499              | -                   |
| <b>Cash and Cash Equivalents as at the end of the year (Refer Note 14 a)</b>  | <b>15,504,637</b>    | <b>23,277,707</b>   |

See accompanying notes forming part of the financial statements.

In terms of our Report attached  
**For Deloitte Haskins & Sells**  
Chartered Accountants

For and on behalf of the **Board of Directors**

*Geeha Suryanarayanan*  
**Geeha Suryanarayanan**  
Partner

*Srinivasan K Swamy*  
**Srinivasan K Swamy**  
Managing Director

*Narasimhan K Swamy*  
**Narasimhan K Swamy**  
Director

Place : Chennai  
Date : 4 August 2024

**R DESIKAN**  
**COMPANY SECRETARY**

Place : Chennai  
Date : 04-08-2024

Place : Chennai  
Date : 04-08-2024



**R.K.SWAMY BBDO PRIVATE LIMITED**  
Notes forming part of the financial statements for the year ended 31 March 2021

**1 CORPORATE INFORMATION**

R.K.Swamy BBDO Private Limited ("the Company") was incorporated in February 1973 to carry on the business of advertising and publicity services. The Company is primarily engaged in advertising in various media, such as television, newspapers, radio, outdoor and strategic media planning and buying etc.

**2 SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of Preparation of Financial Statements**

The financial statements have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention using the accrual basis. GAAP comprises accounting standards as prescribed under Section 133 of the Companies Act, 2013 ("Act") and other pronouncements of the Institute of Chartered Accountants of India, the provisions of the Act.

The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**2.2 Use of Estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**2.3 Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**2.4 Cash and Cash Equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**2.5 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**2.6 Depreciation and Amortisation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on Property, Plant and Equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

| Particulars                        | Useful Life |
|------------------------------------|-------------|
| Photographic and Sound Equipment's | 7.83 Years  |
| Electrical Fittings                | 7.83 Years  |
| Vehicles                           | 7.83 Years  |

Property, Plant and Equipment individually costing Rs.5,000 or less are fully depreciated in the year of capitalisation.  
Leasehold Improvement is amortised over the duration of the lease.  
Intangible assets are amortised over 3 years on a straight line basis.



**2.7 Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- a. Commission income in respect of advertisements placed with media by the Company on behalf of its clients is recognised in the period during which the advertisement is published or aired.
- b. Income in respect of creative jobs and other media related services is recognised on the completion of jobs and the provision of services, respectively.
- c. Sale of publications is recognized on dispatch of publications.
- d. Dividend income is recognized when the right to receive payment is established.
- e. Interest income is accounted on accrual basis.

**2.8 Property, Plant and Equipment  
Tangible Assets**

Property, Plant and Equipment are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of Property plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Property, Plant & Equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

**Intangible Assets**

Intangible assets are recorded at the cost of acquisition.

**2.9 Foreign currency transactions  
Initial recognition**

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

**Measurement at the balance sheet date**

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

**Treatment of exchange differences**

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

**2.10 Investments**

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

**2.11 Employee benefits**

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

**a. Defined Contribution Plan**

**Employee State Insurance:** Fixed contributions towards contribution to Employee State Insurance etc. are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.



**R.K.SWAMY BBDO PRIVATE LIMITED**

Notes forming part of the financial statements for the year ended 31 March 2021

**b. Defined Benefit Plan**

**Gratuity:** For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

**Provident Fund:** The employees and the company make monthly fixed contributions to the RK Swamy Advertising Associates Employees' Provident Fund Trust, equal to a specified percentage of the covered employee's salary. The interest rate payable by the Trust to the beneficiaries is being notified by the government every year. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

**c. Compensated Absences**

The company's liability for Compensated absences determined on the basis of actuarial valuation using projected unit credit method as on the balance sheet date is provided for.

**d. Short Term Employee benefits**

Short term employee benefits are recognised as an expense as per the Company's scheme based on expected obligations on an undiscounted basis.

**2.12 Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

**2.13 Earnings per share**

There are no potential equity shares and hence the basic and diluted earnings per share are same. Basic earnings per share is computed by dividing the net profit or loss after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

**2.14 Taxation**

**Current Tax**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

**Deferred Tax**

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

**Minimum Alternate Tax**

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that the future economic benefit associated with it will flow to the Company.



**R.K.SWAMY BBDO PRIVATE LIMITED**

**Notes forming part of the financial statements for the year ended 31 March 2021**

**2.15 Impairment of Assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

**2.16 Goods and Services Tax Input Credit**

Goods and Services Tax Input Credit is accounted for in the books during the period in which the underlying service received is accounted and where there is no uncertainty in availing/utilizing the same.

**2.17 Provisions and Contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.



**R.K.SWAMY BBDO PRIVATE LIMITED**  
Notes forming part of the financial statements for the year ended 31 March 2021

| Particulars   | As at<br>31 March 2021<br>Rs. | As at<br>31 March 2020<br>Rs. |
|---|-------------------------------|-------------------------------|
| <b>3 Share Capital</b>  |                               |                               |
| <b>a. Authorised</b>  |                               |                               |
| 10,000,000 (Previous Year 10,000,000) Equity Shares of Rs.10 each             | 100,000,000                   | 100,000,000                   |
| <b>b. Issued, Subscribed and Paid-up</b>                                      |                               |                               |
| 4,080,000 (Previous Year 4,080,000) Equity Shares of Rs.10 each fully paid up | 40,800,000                    | 40,800,000                    |
|   | <b>40,800,000</b>             | <b>40,800,000</b>             |

**3.1 Reconciliation of Shares Outstanding at the beginning and at the end of the Year**

| Particulars                               | For the year ended 31 March 2021 |                   | For the year ended 31 March 2020 |                   |
|---|----------------------------------|-------------------|----------------------------------|-------------------|
|   | No. Of Shares                    | Amount in Rs.     | No. Of Shares                    | Amount in Rs.     |
| At the Beginning of the Year              | 4,080,000                        | 40,800,000        | 4,080,000                        | 40,800,000        |
| Issued / Bought back during the Year      |                                  |                   |                                  |                   |
| <b>Outstanding at the End of the Year</b> | <b>4,080,000</b>                 | <b>40,800,000</b> | <b>4,080,000</b>                 | <b>40,800,000</b> |

**3.2 Details of Shareholders holding more than 5% Shares in the Company**

| Name of the Shareholder                             | For the year ended 31 March 2021 |           | For the year ended 31 March 2020 |           |
|---|----------------------------------|-----------|----------------------------------|-----------|
|   | No. of Shares held               | % Holding | No. of Shares held               | % Holding |
| BBDO ASIA Pacific Ltd                               | 1,428,000                        | 35.00%    | 1,428,000                        | 35.00%    |
| Hanse Vision India Private Limited, Holding Company | 2,647,000                        | 64.88%    | 2,647,000                        | 64.88%    |

**3.3 Disclosure of Rights**

The Company has only one class of equity shares having a par value of Rs.10. Each holder is entitled to one vote per equity share. Dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the Annual General Meeting.  
Repayment of capital on liquidation will be in proportion to the number of equity shares held.

| Particulars  | As at<br>31 March 2021<br>Rs. | As at<br>31 March 2020<br>Rs. |
|--|-------------------------------|-------------------------------|
| <b>4 Reserves and Surplus</b>                          |                               |                               |
| <b>4.1 General Reserve</b>                             |                               |                               |
| At the commencement and at the end of the year         | 192,137,770                   | 192,137,770                   |
|  | <b>192,137,770</b>            | <b>192,137,770</b>            |
| <b>4.2 Surplus in the Statement of Profit and Loss</b> |                               |                               |
| Opening Balance  | 167,665,579                   | 179,843,572                   |
| Add: Transfer from Statement of Profit and Loss        | 24,985,740                    | 6,981,687                     |
| Less: Dividend on Equity shares                        | 4,692,000                     | 16,320,000                    |
| Less: Dividend Distribution Tax                        |                               | 2,839,680                     |
| <b>Net Surplus in the Statement of Profit and Loss</b> | <b>187,959,319</b>            | <b>167,665,579</b>            |
| <b>Total</b>   | <b>380,097,089</b>            | <b>359,803,349</b>            |



**R.K.SWAMY BBDO PRIVATE LIMITED**

Notes forming part of the financial statements for the year ended 31 March 2021

| Particulars  | As at<br>31 March 2021<br>Rs. | As at<br>31 March 2020<br>Rs. |
|--|-------------------------------|-------------------------------|
| <b>5 Other Long Term Liabilities</b>                 |                               |                               |
| Gratuity (Refer Note 29.2)                           | 4,111,603                     | 2,660,936                     |
| Provision for Compensated Absences (Refer Note 29.3) | 10,125,038                    | 12,398,090                    |
|  | <b>14,236,641</b>             | <b>15,059,026</b>             |

| Particulars  | As at<br>31 March 2021<br>Rs. | As at<br>31 March 2020<br>Rs. |
|--|-------------------------------|-------------------------------|
| <b>6 Short Term Borrowings - repayable on demand</b>                 |                               |                               |
| <b>From Bank (Secured)</b>   |                               |                               |
| - HDFC Bank - Cash Credit (Refer Note 6.2(a))                        | 130,366,552                   | 170,184,150                   |
| - HDFC Bank - Working Capital Loan                                   | -                             | 42,410,116                    |
| - HDFC Bank - Short Term Loan (Refer Note 6.2)                       | 210,000,000                   | 255,000,004                   |
| <b>From Shareholders (Unsecured) (Refer Note 6.1)</b>                | -                             | 10,500,000                    |
| <b>From Related parties - Director (Unsecured) (Refer Note 31.2)</b> | -                             | 9,365,362                     |
| <b>Total</b>   | <b>340,366,552</b>            | <b>487,459,632</b>            |

| 6.1 Movement in Deposits from shareholders        | For the year ended<br>31 March 2021<br>Rs. | For the year ended<br>31 March 2020<br>Rs. |
|---|--|--|
| Loans taken from shareholders during the year     | -  | 13,000,000                                 |
| Loans repaid to shareholders during the year      | 10,500,000                                 | 2,500,000                                  |
| Interest paid/due to shareholders during the year | 926,743                                    | 872,982                                    |

**6.2 Details of Short Term Borrowings**

- a. Cash Credit/Working Capital facility and Term Loan from HDFC Bank are secured by:
- first charge on the book debts and hypothecation of movable fixed assets/property, plant and equipment.
  - an equitable mortgage of the property owned by a Director of the Company and also by a corporate guarantee of Hansa Vision India Private Limited, the Holding Company.
- b. The Company has not defaulted in the repayment of dues to banks.
- c. Interest rate on Cash Credit is 9.75% per annum and Interest rate on Working Capital Demand loan and short term loan ranges is 9.25% per annum.
- d. Interest rate on borrowings from Shareholders (Other than Director) range from 13% to 21% per annum.
- e. The borrowing from Director is interest free, however it was repaid during the year fully.
- f. The details of interest rate, tenor, and repayment terms of the Short Term Borrowings (Secured) from HDFC Bank is as follows:



**R.K.SWAMY BBDO PRIVATE LIMITED**

Notes forming part of the financial statements for the year ended 31 March 2021

| Tenor in Months  | Interest Rate | No. of Instalments Outstanding (Principal) | Repayment Terms | Loan Amount as at 31 March 2021 Rs. | Loan Amount as at 31 March 2020 Rs. |
|--|---------------|--|-----------------|-------------------------------------|-------------------------------------|
| 12   | 10.45%        | 6  | Monthly         | -                                   | 10,000,004                          |
| 6  | 9.75%         | 1  | Half yearly     | -                                   | 20,000,000                          |
| 3  | 10.30%        | 1  | Quarterly       | -                                   | 50,000,000                          |
| 6  | 9.25%         | 1  | Half yearly     | 80,000,000                          | 80,000,000                          |
| 6  | 9.75%         | 1  | Half yearly     | -                                   | 40,000,000                          |
| 3  | 9.20%         | 1  | Quarterly       | -                                   | 25,000,000                          |
| 6  | 9.25%         | 1  | Half yearly     | 30,000,000                          | 30,000,000                          |
| 6  | 9.25%         | 2  | Half yearly     | 100,000,000                         | -                                   |
|  |               |  |                 |                                     | -                                   |
|  |               |  |                 |                                     | -                                   |
| <b>Short Term Borrowings from Banks (Refer Note 6)</b> |               |  |                 | <b>210,000,000</b>                  | <b>255,000,004</b>                  |

| Particulars  | As at 31 March 2021 Rs. | As at 31 March 2020 Rs. |
|--|-------------------------|-------------------------|
| <b>7 Trade Payables</b>  |                         |                         |
| Total outstanding dues of micro enterprises and small enterprises (Refer note 23)      | -                       | -                       |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,649,769,974           | 841,965,608             |
| <b>Total</b>   | <b>1,649,769,974</b>    | <b>841,965,608</b>      |

| Particulars                        | As at 31 March 2021 Rs. | As at 31 March 2020 Rs. |
|------------------------------------|-------------------------|-------------------------|
| <b>8 Other Current Liabilities</b> |                         |                         |
| Salary Payable                     | 4,820,187               | 15,050,161              |
| Statutory Remittances              | 4,454,860               | (1,474,565)             |
| Advance from Customers             | 5,960,447               | 8,137,695               |
| <b>Total</b>                       | <b>15,235,494</b>       | <b>21,713,291</b>       |

| Particulars  | As at 31 March 2021 Rs. | As at 31 March 2020 Rs. |
|--|-------------------------|-------------------------|
| <b>9 Short Term Provisions</b>                       |                         |                         |
| Provision for Compensated Absences (Refer Note 25.3) | 6,681,472               | 4,807,318               |
| <b>Total</b>   | <b>6,681,472</b>        | <b>4,807,318</b>        |





**R.K.SWAMY BECO PRIVATE LIMITED**  
Notes forming part of the financial statements for the year ended 31 March 2021

**10. Property, Plant and Equipment**

**Current year**

| Particulars                      | Gross Block             |                |                |                         | Accumulated Depreciation/Amortisation |  |                                      | Net Block               |                         |                         |
|----------------------------------|-------------------------|----------------|----------------|-------------------------|---------------------------------------|--|--------------------------------------|-------------------------|-------------------------|-------------------------|
|                                  | As at 01 April 2020 Rs. | Additions Rs.  | Disposals Rs.  | As at 31 March 2021 Rs. | As at 01 April 2020 Rs.               | Depreciation / amortisation expense for the year Rs. | Eliminated on disposal of assets Rs. | As at 31 March 2021 Rs. | As at 31 March 2020 Rs. | As at 31 March 2020 Rs. |
| <b>Tangible Assets</b>           |                         |                |                |                         |                                       |  |                                      |                         |                         |                         |
| Lease hold Improvements          | 73,660,279              | -              | -              | 73,660,279              | 63,065,942                            | 3,507,097  | -                                    | 66,573,039              | 7,097,240               | 10,564,337              |
| Buildings                        | 14,596,813              | -              | -              | 14,596,813              | 6,197,234                             | 1,458,681  | -                                    | 7,645,915               | 8,359,579               | 8,359,579               |
| Office and Other Equipment       | 48,079,831              | 173,851        | 295,000        | 48,058,682              | 45,714,805                            | 1,120,918  | 225,000                              | 44,610,723              | 1,417,595               | 2,365,026               |
| Photographic and Sound Equipment | 2,094,393               | 71,186         | -              | 2,165,779               | 2,082,386                             | 14,683   | -                                    | 2,097,069               | 60,910                  | 17,407                  |
| Electrical Fittings              | 38,894,815              | -              | -              | 38,894,815              | 30,480,325                            | 771,135  | -                                    | 21,321,460              | 790,355                 | 1,581,460               |
| Furniture and Fixtures           | 3,598,477               | -              | -              | 3,598,477               | 25,199,325                            | 1,671,501  | -                                    | 26,871,226              | 3,023,356               | 4,695,297               |
| Vehicles                         | 112,190,129             | 689,544        | -              | 112,879,673             | 2,426,618                             | 166,745  | -                                    | 2,593,363               | 405,114                 | 571,859                 |
| Computers                        | 309,436,959             | 900,381        | 225,000        | 310,562,340             | 1,799,139                             | 10,509,339   | 225,000                              | 284,568,276             | 1,915,522               | 3,062,627               |
| <b>Sub-Total - (A)</b>           |                         |                |                | <b>316,212,140</b>      | <b>278,489,797</b>                    | <b>10,509,339</b>                                    | <b>225,000</b>                       | <b>284,568,276</b>      | <b>21,643,864</b>       | <b>31,257,622</b>       |
| <b>Intangible Assets</b>         |                         |                |                |                         |                                       |  |                                      |                         |                         |                         |
| Software                         | 32,959,331              | -              | -              | 32,959,331              | 32,574,251                            | 322,770  | -                                    | 32,897,021              | 63,310                  | 395,080                 |
| <b>Sub-Total - (B)</b>           | <b>32,959,331</b>       | <b>-</b>       | <b>-</b>       | <b>32,959,331</b>       | <b>32,574,251</b>                     | <b>322,770</b>                                       | <b>-</b>                             | <b>32,897,021</b>       | <b>62,310</b>           | <b>395,080</b>          |
| <b>Total - (A)+(B)</b>           | <b>342,495,890</b>      | <b>900,581</b> | <b>225,000</b> | <b>343,171,471</b>      | <b>310,858,188</b>                    | <b>10,832,109</b>                                    | <b>225,000</b>                       | <b>321,465,297</b>      | <b>21,706,174</b>       | <b>31,637,702</b>       |

**Previous Year**

| Particulars                      | Gross Block             |                  |                  |                         | Accumulated Depreciation/Amortisation |  |                                      | Net Block               |                         |                         |
|----------------------------------|-------------------------|------------------|------------------|-------------------------|---------------------------------------|--|--------------------------------------|-------------------------|-------------------------|-------------------------|
|                                  | As at 01 April 2019 Rs. | Additions Rs.    | Disposals Rs.    | As at 31 March 2020 Rs. | As at 01 April 2019 Rs.               | Depreciation / amortisation expense for the year Rs. | Eliminated on disposal of assets Rs. | As at 31 March 2020 Rs. | As at 31 March 2019 Rs. | As at 31 March 2019 Rs. |
| <b>Tangible Assets</b>           |                         |                  |                  |                         |                                       |  |                                      |                         |                         |                         |
| Lease hold Improvements          | 71,650,179              | -                | -                | 71,650,179              | 50,691,070                            | 2,683,572  | -                                    | 63,065,942              | 10,594,137              | 12,676,308              |
| Buildings                        | 14,596,813              | -                | -                | 14,596,813              | 6,197,234                             | 1,002,981  | -                                    | 6,187,334               | 8,359,579               | 9,858,260               |
| Office and Other Equipment       | 45,572,540              | 507,391          | -                | 46,079,931              | 42,790,045                            | 1,007,084  | -                                    | 43,714,805              | 2,363,495               | 13,461                  |
| Photographic and Sound Equipment | 2,094,593               | -                | -                | 2,094,593               | 2,091,132                             | 1,056  | -                                    | 2,082,336               | 12,407                  | 2,501,067               |
| Electrical Fittings              | 39,895,632              | 38,218           | -                | 39,933,850              | 29,492,550                            | 987,275  | -                                    | 35,190,375              | 4,695,297               | 6,421,744               |
| Furniture and Fixtures           | 3,899,802               | 9,000            | -                | 3,908,802               | 33,603,448                            | 1,595,677  | -                                    | 24,216,612              | 571,859                 | 4,564,631               |
| Vehicles                         | 112,699,190             | 1,264,531        | 901,505          | 114,865,226             | 5,098,238                             | 168,985  | 940,606                              | 7,426,612               | 82,744                  | 82,744                  |
| Computers                        | 309,389,586             | 1,759,440        | 1,611,467        | 309,536,559             | 1,131,302,239                         | 2,705,715  | 709,962                              | 115,172,502             | 3,652,627               | 4,564,631               |
| <b>Sub-Total - (A)</b>           |                         |                  |                  | <b>309,389,586</b>      | <b>269,825,665</b>                    | <b>10,008,840</b>                                    | <b>1,550,568</b>                     | <b>270,263,937</b>      | <b>31,262,623</b>       | <b>39,562,921</b>       |
| <b>Intangible Assets</b>         |                         |                  |                  |                         |                                       |  |                                      |                         |                         |                         |
| Software                         | 32,844,606              | 114,725          | -                | 32,959,331              | 32,487,295                            | 86,456   | -                                    | 32,574,251              | 365,080                 | 356,811                 |
| <b>Sub-Total - (B)</b>           | <b>32,844,606</b>       | <b>114,725</b>   | <b>-</b>         | <b>32,959,331</b>       | <b>32,487,295</b>                     | <b>86,456</b>  | <b>-</b>                             | <b>32,574,251</b>       | <b>365,080</b>          | <b>356,811</b>          |
| <b>Total - (A)+(B)</b>           | <b>342,233,192</b>      | <b>1,874,168</b> | <b>1,611,467</b> | <b>342,495,890</b>      | <b>302,312,960</b>                    | <b>10,095,296</b>                                    | <b>1,550,568</b>                     | <b>310,858,188</b>      | <b>31,637,702</b>       | <b>39,919,732</b>       |



**R.K.SWAMY BDDO PRIVATE LIMITED**  
Notes forming part of the financial statements for the year ended 31 March 2021

| Particulars   | As at<br>31 March 2021<br>Rs.          | As at<br>31 March 2020<br>Rs.          |
|---|--|--|
| <b>11 Non Current Investments</b>   |  |  |
| <b>Fully Paid Equity Shares - Quoted</b>  |  |  |
| Sundaram Brake Linings Limited<br>976 (Previous Year - 976) Shares of Rs.10 each.   | 11,930                                 | 11,930                                 |
| Apollo Tyres Limited<br>1,000 (Previous Year - 1,000) Shares of Rs.1 each.  | 1,000                                  | 1,000                                  |
| Ashok Leyland Limited<br>33,150 (Previous Year - 33,150) Shares of Rs.1 each.   | 33,150                                 | 33,150                                 |
| Divya Enterprises Limited<br>19,500 (Previous Year - 19,500) Shares of Rs.10 each.<br>Less: Provision for Diminution in value of investments  | 195,000<br>(195,000)                   | 195,000<br>(195,000)                   |
| <b>Total (A)</b>  | <b>46,080</b>                          | <b>46,080</b>                          |
| <b>Fully Paid Equity Shares - Unquoted</b>  |  |  |
| Hansa Research Group Private Limited<br>(Company under same management)<br>6,000 (Previous Year - 6,000) Shares of Rs.10 each.<br>(Out of which 4000 shares are issued as Bonus shares on 1 September 1994) | 20,000                                 | 20,000                                 |
| Shamrao Vitthal Co-Operative Bank Limited<br>2,000 (Previous Year - 2,000) Shares of Rs.25 each.  | 50,000                                 | 50,000                                 |
| <b>Total (B)</b>  | <b>70,000</b>                          | <b>70,000</b>                          |
| <b>Total (A) + (B)</b>  | <b>116,080</b>                         | <b>116,080</b>                         |
| Aggregate amount of quoted investments  | 241,080                                | 241,080                                |
| Aggregate market value of quoted investments  | 3,044,900                              | 2,375,276                              |
| Aggregate Provision made for diminution in value of investments   | 195,000                                | 195,000                                |
| Aggregate amount of unquoted investments - Cost   | 70,000                                 | 70,000                                 |
|   |  |  |
| <b>Particulars</b>  | <b>As at<br/>31 March 2021<br/>Rs.</b> | <b>As at<br/>31 March 2020<br/>Rs.</b> |
| <b>12 Long Term Loans and Advances</b>  |  |  |
| <b>Unsecured, Considered good</b>   |  |  |
| (a) Capital Advances<br>- Related Party (Refer Note 31.2)   |  | 90,000,000                             |
| (b) Deposits<br>- Related Party (Refer Note 31.2)<br>- Others   | 42,500,000<br>33,300,160               | 42,500,000<br>33,933,067               |
| (d) Advance Income Tax and Tax Deducted at Source [(Net of Provision for Tax of Rs.1,31,67,010)- (As at 31 March 2020 - Rs.234,667,010)]  | 101,893,415                            | 183,789,111                            |
| (e) MAT Credit Entitlement (Refer Note 34.2)  | 909,310                                | 909,310                                |
| <b>Total</b>  | <b>178,611,885</b>                     | <b>351,131,488</b>                     |
|   |  |  |
| <b>Particulars</b>  | <b>As at<br/>31 March 2021<br/>Rs.</b> | <b>As at<br/>31 March 2020<br/>Rs.</b> |
| <b>13 Trade Receivables</b>   |  |  |
| <b>Unsecured, Considered good</b>   |  |  |
| Trade Receivables outstanding for a period exceeding six months from the date they were due for payment.  | 146,659,485                            | 147,305,356                            |
| Other Trade Receivables.  | 1,467,445,823                          | 676,728,628                            |
| <b>Total</b>  | <b>1,614,104,508</b>                   | <b>824,033,984</b>                     |



**R.K.SWAMY BBDO PRIVATE LIMITED**  
Notes forming part of the financial statements for the year ended 31 March 2021

| Particulars   | As at<br>31 March 2021<br>Rs. | As at<br>31 March 2020<br>Rs. |
|---|-------------------------------|-------------------------------|
| <b>14 Cash and bank balances</b>  |                               |                               |
| (a) Cash and cash equivalents   |                               |                               |
| Cash on hand  | -                             | 264,595                       |
| In Current Accounts   | 15,504,637                    | 22,243,612                    |
| (b) Other Bank Balances   |                               |                               |
| In Deposits Accounts (Under Lien) (Refer Notes below)   | 69,011,662                    | 64,627,895                    |
| <b>Total</b>  | <b>84,516,299</b>             | <b>87,136,102</b>             |
| <b>Note:</b>  |                               |                               |
| Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 "Cash Flow Statement" is Rs.1,55,04,637 (As at 31 March 2020 22,508,207) |                               |                               |
| Particulars   | As at<br>31 March 2021<br>Rs. | As at<br>31 March 2020<br>Rs. |
| <b>15 Short Term Loans and Advances<br/>Unsecured, Considered Good</b>  |                               |                               |
| Advance to related parties (Refer Note 31.2)  | 132,603,693                   | 89,120,066                    |
| Advance to employees  | 371,576                       | 919,315                       |
| Prepaid Expenses  | 1,965,232                     | 3,723,878                     |
| Inter-Corporate Deposit to Holding Company (Refer Note 31.2)  | 44,287,456                    | -                             |
| Inter-Corporate Deposit to Related Party (Refer Note 31.2)  | 238,071,343                   | 271,258,861                   |
| Other Advances  |                               |                               |
| - Rental Advance  | -                             | 162,000                       |
| - Others  | 10,730,781                    | 15,426,968                    |
| <b>Total</b>  | <b>428,030,081</b>            | <b>380,611,088</b>            |
| Particulars   | As at<br>31 March 2021<br>Rs. | As at<br>31 March 2020<br>Rs. |
| <b>16 Other Current Assets</b>  |                               |                               |
| Interest Accrued on Fixed Deposits  | 341,511                       | 535,142                       |
| Interest Accrued on Inter-Corporate Deposit to Holding Company (Refer Note 31.2)  | 47,274,289                    | 41,476,900                    |
| Interest Accrued on Inter-Corporate deposit to Related Parties (Refer Note 31.2)  | 61,571,153                    | 45,135,412                    |
| <b>Total</b>  | <b>109,186,953</b>            | <b>87,147,454</b>             |



**R.K.SWAMY BBDO PRIVATE LIMITED**

Notes forming part of the financial statements for the year ended 31 March 2021

| Particulars   | For the year ended<br>31 March 2021<br>Rs. | For the year ended<br>31 March 2020<br>Rs. |
|---|--|--|
| <b>17 Revenue from Operations</b>   |  |  |
| Commission Fees and Service Income  | 472,075,054                                | 611,842,507                                |
| Art Income  | 41,299,984                                 | 25,654,520                                 |
| <b>Total</b>  | <b>513,375,038</b>                         | <b>637,497,027</b>                         |
| <b>17.1</b> Revenue from operations disclosed above is net of payments due to media/non-media |  |  |
| Gross Billings to the Clients   | 4,916,423,794                              | 4,509,106,338                              |
| Less: Payments due/made to media/non-media and Good and Services Tax                          | 4,403,048,756                              | 3,871,609,311                              |
| <b>Revenue from Operations (Net)</b>  | <b>513,375,038</b>                         | <b>637,497,027</b>                         |
|   |  |  |
| Particulars   | For the year ended<br>31 March 2021<br>Rs. | For the year ended<br>31 March 2020<br>Rs. |
| <b>18 Other Income</b>  |  |  |
| Interest income from -  |  |  |
| - Fixed Deposits with Bank  | 3,927,997                                  | 4,580,286                                  |
| - Inter-Corporate Deposit to Holding Related Parties (Refer Note 31.2)                        | 21,975,677                                 | 28,003,440                                 |
| - Interest Income from Income Tax Refund  | 9,484,936                                  | 5,940,168                                  |
| - Interest Income from Long Term Investments  | 9,000                                      | 65,050                                     |
| Dividend Income from Long Term Investments  |  | 624,410                                    |
| Gain on Exchange Fluctuation (Net)  | 10,000                                     | 56,271                                     |
| Profit on Sale of Fixed Assets (Net)  | 274,050                                    | 920,259                                    |
| Miscellaneous Income  |  |  |
| <b>Total</b>  | <b>35,681,660</b>                          | <b>40,189,884</b>                          |
|   |  |  |
| Particulars   | For the year ended<br>31 March 2021<br>Rs. | For the year ended<br>31 March 2020<br>Rs. |
| <b>19 Employee Benefits Expense</b>   |  |  |
| Salaries and Allowances   | 219,949,820                                | 297,242,788                                |
| Contribution to Provident and Other Funds   | 12,282,320                                 | 13,418,349                                 |
| Staff Welfare Expenses  | 7,477,120                                  | 12,462,609                                 |
|   | <b>239,709,260</b>                         | <b>323,123,746</b>                         |



**R.K.SWAMY BBDO PRIVATE LIMITED**  
Notes forming part of the financial statements for the year ended 31 March 2021

| Particulars   | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|---|-------------------------------------|-------------------------------------|
|   | Rs.                                 | Rs.                                 |
| <b>20 Finance Costs</b>                                       |                                     |                                     |
| Interest on   |                                     |                                     |
| - Cash Credit   | 15,476,044                          | 16,550,367                          |
| - Short Term Loans  | 29,143,172                          | 32,230,403                          |
| - Delayed payment of Taxes                                    | 1,958,378                           | 2,215,289                           |
| - Others (Refer Note 6.1)                                     | 9,498,294                           | 9,755,888                           |
|   | <b>56,075,888</b>                   | <b>60,751,947</b>                   |
|   |                                     |                                     |
| Particulars   | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|   | Rs.                                 | Rs.                                 |
| <b>21 Other Expenses</b>                                      |                                     |                                     |
| Campaign Presentation Expenses                                | 6,297,233                           | 11,212,990                          |
| Market Research Expenses                                      | 11,325,830                          | 13,519,754                          |
| Power and Fuel  | 4,647,591                           | 7,822,083                           |
| Rent  | 38,505,674                          | 48,022,392                          |
| Art Cost and Photographic Materials                           | 4,377,645                           | 6,273,449                           |
| Rates and Taxes   | 1,588,099                           | 1,390,217                           |
| Repairs and Maintenance - Others                              | 10,807,594                          | 25,708,728                          |
| Office Maintenance  | 8,253,859                           | 7,772,515                           |
| Insurance   | 2,164,056                           | 2,270,367                           |
| Printing and Stationery                                       | 1,743,587                           | 3,051,125                           |
| Communication   | 5,791,765                           | 11,717,291                          |
| Travelling and Conveyance                                     | 13,982,923                          | 26,946,167                          |
| Legal and Professional  | 80,949,351                          | 85,955,751                          |
| Advertisement Charges   | 64,231                              | 521,270                             |
| Software Expenses   | 2,941,645                           | 2,192,950                           |
| Director's Sitting Fees                                       | -                                   | 9,000                               |
| Auditor's Remuneration (Net of Goods and Services Tax Credit) |                                     |                                     |
| - Statutory Audit   | 1,125,000                           | 1,405,250                           |
| - Tax Audit   | 150,000                             | 150,000                             |
| Donation  | 499,798                             | 1,019,290                           |
| Subscription to Associations and Periodicals                  | 2,317,566                           | 2,220,918                           |
| General Expenses  | 2,525,214                           | 5,876,398                           |
| Loss on Exchange Fluctuation (Net)                            | 545,610                             | -                                   |
| Delegation and Conference Fee                                 | 5,970                               | 915,089                             |
| Bank Charges  | 5,763,513                           | 5,008,833                           |
| Miscellaneous Expenses  | 200,863                             | 842,344                             |
|   | <b>206,574,614</b>                  | <b>271,824,169</b>                  |



**R.K.SWAMY BDO PRIVATE LIMITED**  
Notes forming part of the financial statements for the year ended 31 March 2021

**22 Contingent liabilities and commitments**

| Particulars  | As at 31 March 2021<br>Rs. | As at 31 March 2020<br>Rs. |
|--|----------------------------|----------------------------|
| Contingent liabilities   |                            |                            |
| a. Bank Guarantee  | 56,120,752                 | 35,758,824                 |
| b. Claims against the company not acknowledged as debts - Income tax matters | 15,937,374                 | -                          |

**23 Disclosure requirement under section 22 of Micro, Small, Medium Enterprises Development Act, 2006**

As at 31 March 2021 and 31 March 2020, there are no dues to the Mup enterprises and small enterprises as defined under Micro, Small enterprises Development which are outstanding for more than 45 days at anytime during the period, which is on the basis of such parties having been identified by the management and relied upon by the Auditors.

**24 Details of Derivative Instruments and unhedged foreign currency exposures**

As at 31 March 2021 and 31 March 2020, the company does not have any outstanding position in respect of any of the derivative contracts. The unhedged foreign currency exposure as at Balance Sheet date is as given below.

| Particulars | Foreign Currency | As at 31 March 2021 |               | As at 31 March 2020 |               |
|-------------|------------------|---------------------|---------------|---------------------|---------------|
|             |                  | Amount in FCY       | Amount in Rs. | Amount in FCY       | Amount in Rs. |
| Receivables | USD              | 77,522              | 5,677,255     | 126,766             | 9,577,332     |

**25 Expenditure in Foreign Currency (on accrual basis)**

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|-------------|----------------------------------|----------------------------------|
|             | Rs.                              | Rs.                              |
| Travel      | 287,204                          | 3,048,024                        |
| Others      | 5,666,566                        | 1,064,583                        |

**26 Earnings in foreign Exchange (on accrual basis)**

| Particulars  | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|--|----------------------------------|----------------------------------|
|  | Rs.                              | Rs.                              |
| Gross Receipts in respect of Invoices raised in Foreign Currency | 2,650,546                        | 3,395,000                        |
| Commission Earned on the above                                   | 1,650,546                        | 3,395,000                        |
| Net Income earned on the above                                   |                                  |                                  |

**27 Remittances during the year in foreign currency on account of dividends to non-resident shareholders**

| Particulars                                     | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|----------------------------------|----------------------------------|
|   | Rs.                              | Rs.                              |
| Number of non-resident shareholders             | 1                                | 1                                |
| Number of equity shares (shares of Rs. 10 each) | 1,428,000                        | 1,428,000                        |
| Amount remitted (excluding dividend tax)        | 1,642,203                        | 5,712,000                        |
| Year for which dividend remitted                | 2019-20                          | 2018-19                          |

**28 Corporate Social Responsibility**

The Company's average Profit Before Tax for the 3 preceding previous years is less than Rs. 5 crores. Hence, the Company does not have liability towards Corporate Social Responsibility Payments.



**R.K.SWAMY BBDG PRIVATE LIMITED**  
Notes forming part of the financial statements for the year ended 31 March 2021.

**29 Employee Benefits**

**29.1 Provident Fund**

The Company makes Provident Fund contributions for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 78,31,653 (Previous year - Rs. 10,228,738) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to the plan by the Company are at rates specified in the rules of the scheme. With respect to the Provident Fund Trust administered by the Company, the Company shall make good the deficiency, if any, in the interest rate declared by Trust below statutory limit. Having regard to the assets of the Fund and the return on the investments, the Company does not expect any deficiency in the foreseeable future.

The Key Assumptions and the results, as provided by an independent actuary, are as below:

**29.2 Gratuity**

The Company's obligation towards the Gratuity Fund is a Defined Benefit Plan which is funded with Life Insurance Corporation of India. The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

| Particulars   | For the year ended             | For the year ended             |
|---|--------------------------------|--------------------------------|
|   | 31 March 2021                  | 31 March 2020                  |
|   | Rs.                            | Rs.                            |
| <b>Change in projected benefit obligation</b>   |                                |                                |
| Present value of Defined Benefit Obligation at beginning of the Year                  | 58,026,274                     | 61,403,206                     |
| Current Service Cost  | 4,057,907                      | 4,537,178                      |
| Interest cost   | -                              | -                              |
| Actuarial (gain) / loss   | 3,317,495                      | 4,439,908                      |
| Benefits paid   | (15,215,828)                   | (5,707,495)                    |
| Present value of Defined Benefit Obligation at End of the Year                        | 49,700,528                     | 58,026,274                     |
| <b>Change in Fair Value of Assets during the Year</b>                                 |                                |                                |
| Plan Assets at Beginning of the Year  | 55,365,338                     | 50,731,861                     |
| Expected return on plan assets  | 3,675,519                      | 3,978,645                      |
| Actual gain / (loss)  | (735,184)                      | (3,978,645)                    |
| Actual Company Contributions  | 2,500,000                      | 13,200,000                     |
| Benefits paid   | (15,215,828)                   | (8,568,523)                    |
| Plan Assets at End of the Year  | 45,588,925                     | 55,365,338                     |
| <b>Reconciliation of present value of obligation on the fair value of plan assets</b> |                                |                                |
| Present value of projected benefit obligation at the end of the year                  | 49,700,528                     | 58,026,274                     |
| Funded status of the plans  | 2,500,000                      | 55,365,338                     |
| Funded status amount of (Asset) / Liability recognized in the balance sheet           | 4,111,603                      | 7,660,936                      |
| <b>Cost of Defined Benefit Plan for the Year</b>                                      |                                |                                |
| Current Service Cost  | 4,057,907                      | 4,537,178                      |
| Interest Cost   | 3,317,495                      | 4,439,908                      |
| Expected Return on Plan Assets  | (3,675,519)                    | (3,978,645)                    |
| Net Actuarial Gains/(Losses)  | (34,881,229)                   | (1,808,850)                    |
| <b>Net Cost Recognized in the Statement of Profit and Loss</b>                        | <b>(10,781,641)</b>            | <b>3,189,591</b>               |
| <b>Actuarial assumptions:</b>   |                                |                                |
| Discount rate   | 6.75%                          | 6.58%                          |
| Attribution Rate  | 4.00%                          | 4.00%                          |
| Salary increase   | 5.00%                          | 5.00%                          |
| Rate of return on plan assets   | 7.50%                          | 7.50%                          |
| Demographic assumptions - Mortality   | Indian Assured Lives (2017-19) | Indian Assured Lives (2012-14) |

**Notes:**

- The entire Plan Assets are managed by Life Insurance Corporation of India (LIC), Insurer. The details with respect to the composition of investments in the fair value of Plan Assets have not been disclosed in the absence of necessary information.
- The Expected Return on Plan Assets is as furnished by the Independent Actuary.
- The estimate of future salary increases takes into account inflation, likely increments, promotions and other relevant factors.
- Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.
- Expected contribution to be made in the coming financial year is Rs. 3,000,000 (Previous year Rs. 8,000,000)
- Experience adjustments:

| Particulars                                 | For the Year ended | For the Year ended | For the Year ended | For the Year ended | For the Fifteen |
|---|--------------------|--------------------|--------------------|--------------------|-----------------|
|   | 31 March 2021      | 31 March 2020      | 31 March 2019      | 31 March 2018      | Months ended    |
|   | Rs.                | Rs.                | Rs.                | Rs.                | 31 March 2017   |
|   |                    |                    |                    |                    | Rs.             |
| Present value of Defined Benefit Obligation | 49,700,528         | 58,026,274         | 61,403,206         | 62,720,180         | 56,961,637      |
| Fair value of plan assets                   | 45,588,925         | 55,365,338         | 50,731,861         | 53,049,822         | 59,253,598      |
| Funded status / (Surplus) / (Deficit)       | (4,111,603)        | (2,660,936)        | (10,671,345)       | (9,670,256)        | (2,296,961)     |
| Experience loss / (gain) on obligation      | (111,963)          | (8,631,705)        | (7,809,789)        | (11,456,809)       | 1,404,255       |
| Actuarial gain / (loss) on plan assets      | (735,184)          | (3,978,645)        | (21,396)           | (224,407)          | (500,212)       |

**29.3 Compensated Absences**

The key assumptions, as provided by an independent actuary, used in the computation of provision for Compensated Absences are as below:

| Particulars            | For the year ended | For the year ended |
|------------------------|--------------------|--------------------|
|                        | 31 March 2021      | 31 March 2020      |
| Discount Rate          | 6.75%              | 6.58%              |
| Future Salary Increase | 5.00%              | 5.00%              |
| Attribution Rate       | 4.00%              | 4.00%              |

**30 Segment Reporting**

The Company is engaged in the business of advertising agency which constitutes single business segment and the business in India constitutes more than 99%. Hence there are no other business / geographical segments to be reported under Accounting Standard 17. The geographical segment is the secondary segment as per the aforesaid standard. The details of segment in India and Outside India (Others) is as under:

| Particulars         | For the year ended 31 March 2021/ As at 31 March 2021 |           |               | For the year ended 31 March 2020/ As at 31 March 2020 |           |               |
|---------------------|---|-----------|---------------|---|-----------|---------------|
|                     | India   | Others    | Total         | India   | Others    | Total         |
| Segment Revenue     | 510,274,392   | 2,650,596 | 512,924,988   | 674,102,027   | 3,205,000 | 677,307,027   |
| Segment Assets      | 2,441,589,967   | 5,877,255 | 2,447,467,222 | 1,762,800,371   | 9,577,362 | 1,772,377,733 |
| Capital Expenditure | 800,581   | -         | 800,581       | 1,074,165   | -         | 1,074,165     |

Note: All the fixed assets of the Company are located in India



**R.K.SWAMY BBDO PRIVATE LIMITED**  
Notes forming part of the financial statements for the year ended 31 March 2021

**31 Related Party Transactions**

**31.1 Names of Related Parties and Nature of Relationship**  
(With respect to parties with whom the Company had transactions during the Year)

| Nature of Relationship  | As at<br>31 March 2021                          | As at<br>31 March 2020                          |
|---|---|---|
| Holding Company   | Hansa Vision India Private Limited              | Hansa Vision India Private Limited              |
| Fellow Subsidiaries<br>(With respect to parties with whom the Company had transactions during the year) | Hansa Research Group Private Limited            | Hansa Research Group Private Limited            |
|   | Hansa Holdings Private Limited                  | Hansa Holdings Private Limited                  |
|   | Hansa Customer Equity Services Private Limited  | Hansa Customer Equity Services Private Limited  |
|   | Hansa Estates Private Limited                   | Hansa Estates Private Limited                   |
|   | Hansa Marketing Services USA                    | Hansa Marketing Services USA                    |
| Investing party and its group<br>(With respect to parties with whom the Company had transactions)       | BBDO Asia Pacific Pte Limited                   | BBDO Asia Pacific Pte Limited                   |
| Key Management Personnel  | Mr. Srinivasan K Swamy- Managing Director       | Mr. Srinivasan K Swamy- Managing Director       |
|   | Mr. Narasimhan K Swamy- Whole time Director     | Mr. Narasimhan K Swamy- Whole time Director     |
|   | Mrs. Sangeetha Narasimhan - Whole time Director | Mrs. Sangeetha Narasimhan - Whole time Director |
| Relatives of Key Management Personnel   | Mrs. Sruti Swamy                                | Mrs. Sruti Swamy                                |

**Note:**  
Related party relationships are as identified by the Management and relied upon by the Auditors.

**31.2 Details of transactions with the related parties during the year ended 31 March 2021 and outstanding as at 31 March 2020**

| Related Party Transactions during the year |  | Amount in Rs.                       |                                     |
|--|--|-------------------------------------|-------------------------------------|
| Transaction                                | Related Party                                  | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
| Rendering of services                      | Hansa Vision India Private Limited             | 288,174                             | 2,501,516                           |
|  | Hansa Research Group Private Limited           | 3,564,098                           | 108,308                             |
|  | Hansa Customer Equity Services Private Limited | 248,263                             | -                                   |
|  | Hansa Estates Private Limited                  | 169,017                             | -                                   |
| Interest income                            | Hansa Vision India Private Limited             | 4,207,308                           | 10,235,021                          |
|  | Hansa Estates Private Limited                  | 17,768,369                          | 17,768,369                          |
| Lease Rentals for office premises          | Hansa Vision India Private Limited             | 9,300,000                           | 9,300,000                           |
| Receipt of services                        | Hansa Vision India Private Limited             | 1,880,885                           | 6,332,425                           |
|  | Hansa Research Group Private Limited           | 1,587,690                           | 1,792,420                           |
|  | Hansa Holdings Private Limited                 | 25,131                              | 28,811                              |
|  | BBDO India Pvt Ltd                             | 6,974,861                           | -                                   |
|  | Hansa Customer Equity Services Private Limited | 7,548,020                           | -                                   |





**R.K.SWAMY BBDO PRIVATE LIMITED**

Notes forming part of the financial statements for the year ended 31 March 2021

**Related Party Transactions during the year (contd.)**

| Transaction   | Related Party                         | Amount in Rs.                       |                                     |
|---|---------------------------------------|-------------------------------------|-------------------------------------|
|   |                                       | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
| Managerial remuneration                                   | Mr. Srinivasan K Swamy                | 6,367,400                           | 8,217,826                           |
|   | Mr. Narasimhan K Swamy                | 6,166,630                           | 7,257,752                           |
|   | Ms. Sangeetha Narasimhan              | 6,355,861                           | 7,528,599                           |
| Remuneration paid to relative of Key management personnel | Ms. Sruti Swamy                       | 1,836,333                           | 1,256,190                           |
| Sitting Fees  | Mr. Srinivasan K Swamy                | -                                   | 2,000                               |
|   | Mr. Narasimhan K Swamy                | -                                   | 3,000                               |
|   | Mr Keyu Soo Siong                     | -                                   | 2,000                               |
|   | Mr Jean Paul Burge                    | -                                   | 1,000                               |
|   | Ms Sangeetha Narasimhan               | -                                   | 1,000                               |
| Dividend paid   | Hansa Vision India Private Limited    | 3,044,050                           | 10,588,000                          |
|   | BBDO Asia Pacific Pte Limited         | 1,642,200                           | 5,712,000                           |
|   | Mr. Srinivasan K Swamy                | 2,872                               | 10,000                              |
|   | Mr. Narasimhan K Swamy                | 7,875                               | 10,000                              |
| Short term borrowings - Taken from Director               | Mr. Narasimhan K Swamy                | -                                   | 9,365,362                           |
| Inter-Corporate Deposit Placed                            | Hansa Vision India Private Limited    | 53,979,848                          | -                                   |
|   | Hansa Estates Private Limited         | 0                                   | 2,347,673                           |
|   | Hansa Customer Equity Private Limited | -                                   | 23,000,000                          |
|   | Hansa Holdings Private Limited        | -                                   | 7,078,728                           |
|   | Hansa Marketing Services USA          | -                                   | 4,700,750                           |
| Inter-Corporate Deposit Recovered                         | Hansa Vision India Private Limited    | -                                   | 32,824,320                          |
|   | Hansa Customer Equity Private Limited | 23,000,000                          | -                                   |
| Advances given / Repaid                                   | Hansa Holdings Private Limited        | 21,487,612                          | -                                   |
|   | Hansa Holdings Private Limited        | 44,491,531                          | -                                   |
|   | Hansa Vision India Private Limited    | (72,251)                            | 72,251                              |
|   | Hansa Customer Equity Private Limited | (935,653)                           | 935,653                             |
| Advances received/ Recovered                              | Hansa Estates Private Limited         | (90,000,000)                        | -                                   |
|   | Hansa Vision India Private Limited    | -                                   | 41,520,087                          |
| Short term borrowing taken / (repaid)                     | Mr. Narasimhan K Swamy                | (9,365,362)                         | (19,890,606)                        |

**Balances as at Year End**

| Particulars                                   | Related Party                        | Amount in Rs.          |                        |
|---|--------------------------------------|------------------------|------------------------|
|   |                                      | As at<br>31 March 2021 | As at<br>31 March 2020 |
| Rental Deposit                                | Hansa Vision India Private Limited   | 42,500,000             | 42,500,000             |
| Accounts Receivable                           | Hansa Vision India Private Limited   | 68,986,502             | 68,911,110             |
|   | Hansa Research Group Private Limited | 3,687,026              | 122,928                |
|   | Hansa Customer Equity Pvt Ltd        | 166,863                | -                      |
|   | Hansa Estates Private Limited        | 686,340                | 517,328                |
|   | Hansa Marketing Services USA         | 5,677,255              | 5,855,946              |
|   | Hansa Marketing Services USA         | 44,287,456             | -                      |
| Inter-Corporate Deposits                      | Hansa Vision India Private Limited   | -                      | 136,679,759            |
|   | Hansa Estates Private Limited        | 136,679,759            | -                      |
|   | Hansa Customer Equity Pvt Ltd        | -                      | 23,000,000             |
|   | Hansa Holdings Private Limited       | -                      | 21,487,612             |
|   | Hansa Marketing Services USA         | 101,391,584            | 101,391,584            |
| Loans and advances Given                      | Hansa Vision India Private Limited   | 132,603,693            | 88,112,162             |
|   | Hansa Customer Equity Pvt Ltd        | -                      | 935,653                |
|   | Hansa Holdings Private Limited       | -                      | 72,251                 |
| Interest Receivable                           | Hansa Vision India Private Limited   | 47,274,289             | 41,476,900             |
|   | Hansa Estates Private Limited        | 61,571,183             | 44,998,395             |
|   | Hansa Research Group Private Limited | -                      | 137,017                |
| Advances given for Purchase of Property       | Hansa Estates Private Limited        | -                      | 90,000,000             |
| Trade Payables                                | Hansa Vision India Private Limited   | 1,080,865              | 4,854,657              |
|   | Hansa Research Group Private Limited | 2,825,040              | 269,750                |
|   | BBDO India Pvt Ltd                   | 2,195,961              | -                      |
|   | Hansa Estate Private Limited         | 883,378                | 883,378                |
|   | Hansa Customer Equity Pvt Ltd        | 2,548,020              | -                      |
| Short term borrowings - Deposit from Director | Mr. Narasimhan K Swamy               | -                      | 9,365,362              |

Hansa Vision India Private Limited, the holding company has given corporate guarantee for the loan repayable on demand from banks.



**R.K.SWAMY BBDO PRIVATE LIMITED**  
**Notes forming part of the financial statements for the year ended 31 March 2021**

**32 Details of Leasing Arrangements**

The Company's lease arrangements are in respect of office premises. These leasing arrangements are cancellable and are usually renewable by mutual consent on mutually agreeable terms. There are no escalation clauses applicable for the agreed period of lease.

| Particulars   | As at<br>31 March 2021<br>Rs. | As at<br>31 March 2020<br>Rs. |
|---|-------------------------------|-------------------------------|
| Lease payments recognised in the Statement of Profit and Loss | 38,505,674                    | 48,022,392                    |
| Future minimum lease payments<br>not later than one year      | 2,165,000                     | 6,600,600                     |

**33 Earnings Per Share**

| Particulars                                | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| Profit after Tax (Rs.)                     | 24,985,740             | 6,981,688              |
| Weighted Average Number of Equity Shares   | 4,080,000              | 4,080,000              |
| Face Value Per Share (Rs.)                 | 10                     | 10                     |
| Earnings Per Share (Basic & Diluted) (Rs.) | 6.12                   | 1.73                   |

**34 Taxation**

Tax expense comprises current tax and deferred tax.

**34.1 Current Tax**

Provision for current tax for the year has been determined based on the total income of the Company for the year ended 31 March 2021 and in accordance with the Income-Tax Act, 1961, duly considering the deduction / exemption proposed to be claimed by the Company in the Return of Income.

**34.2 Minimum Alternate Tax (MAT)**

Considering the future profit projections, the management believes that there is convincing evidence with regard to the earning of future taxable income and payment of normal tax before the expiry of the period stipulated for MAT credit utilisation. Accordingly, MAT Credit Entitlement amounting to Rs. 909,310 has been recognised during last year ended 31 March 2020, in accordance with the Guidance Note on Accounting for Credit Available in Respect of Minimum Alternate Tax under the Income Tax Act, 1961, issued by the Institute of Chartered Accountants of India.

**34.3 Deferred Tax**

Break up of deferred tax assets and liabilities and reconciliation of current year deferred tax charge / credit is as follows:

| Particulars  | As at<br>31 March 2021<br>Rs. | As at<br>31 March 2020<br>Rs. |
|--|-------------------------------|-------------------------------|
| <b>Tax effect of Items Constituting Deferred Tax Assets</b>                    |                               |                               |
| Difference between book balance and tax balance of property, plant & equipment | (5,140,331)                   | (3,859,122)                   |
| Disallowance under section 43B of the Income Tax Act, 1961 - Employee benefits | (5,774,911)                   | (5,835,268)                   |
| <b>Deferred Tax Asset</b>  | <b>(10,915,242)</b>           | <b>(9,794,390)</b>            |

**35 Transfer Pricing**

The Company has international and domestic transactions with related parties. The related parties have confirmed that as at 31 March 2021 and 31 March 2020, there are no further amounts payable to them by the Company or payable by them to the Company other than the amounts disclosed in the financial statements. The Company has a policy of maintaining documents as prescribed by the Income tax Act to prove that these transactions are at arm's length and the management believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.



**R.K.SWAMY BDO PRIVATE LIMITED**  
Notes forming part of the financial statements for the year ended 31 March 2021

**36 Dividends Paid**

| Particulars  | As at<br>31 March 2021<br>Rs. | As at<br>31 March 2020<br>Rs. |
|--|-------------------------------|-------------------------------|
| <b>Dividend paid on equity shares:</b>   |                               |                               |
| Final dividend for the year ended 31 March 2020 of Rs. 1.15 per fully paid share | 4,602,000                     | 17,952,000                    |

**Note:**

The Directors have proposed a final dividend of Rs. 4 per fully paid share for Financial Year 2020-2021. The proposed final dividend is subject to the approval of the shareholders in the ensuing annual general meeting. The proposed final dividend when approved in the annual general meeting will be met out of the retained earnings.

**37** The Company has made a detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets at the balance sheet date, and has concluded that no material adjustments are required in the financial statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The company will continue to monitor any material changes in future economic conditions.

**38 Approval of Financial Statements**

The Board of Directors has reviewed the realisable value of all current assets of the Company and has confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognised in the financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these financial statements for year ended 31 March 2021 in its meeting held on: 04 August 2021.

**39 Previous Year Figures**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.



**R. DESIKAN**  
**COMPANY SECRETARY**

For and on behalf of the Board of Directors



SriNivasan K Swamy  
Managing Director

Place:  
Date: 4/8/2021



Narasimhan K Swamy  
Director

Place:  
Date: 4/8/2021

