

Royal Challengers Sports Private Limited
Balance Sheet
(All amounts are INR Millions unless otherwise stated)

	Note	As at March 31, 2022	As at March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	4	-	-
Intangible assets	5	3,334	3,440
Deferred tax assets (net)	13	-	-
Income tax assets (net)	6	542	436
Other non-current assets	9	14	14
Total non-current assets		3,890	3,890
Current assets			
Financial assets			
(i) Trade receivables	7(a)	715	271
(ii) Cash and cash equivalents	7(b)	4	4
(iii) Other financial assets	7(c)	-	6
Other current assets	9	178	127
Total current assets		897	408
Total assets		4,787	4,298
Equity and liabilities			
Equity			
Equity share capital	10(a)	0	0
Other equity			
Reserves and surplus	10(b)	2,152	1,491
Total equity		2,152	1,491
Non-current liabilities			
Contract liabilities	8	-	100
Provisions	12	-	1
Deferred tax liabilities (net)	13	485	261
Total non-current liabilities		485	362
Current liabilities			
Financial liabilities			
(i) Borrowings	11(a)	1,275	1,900
(ii) Trade payables	11(b)		
(a) total outstanding dues of micro and small enterprises; and		1	2
(b) total outstanding dues other than (ii)(a) above		573	346
(iii) Other financial liabilities	11(b)	-	-
Contract liabilities	8	188	119
Provisions	12	16	16
Other current liabilities	14	97	62
Total current liabilities		2,150	2,445
Total liabilities		2,635	2,807
Total equity and liabilities		4,787	4,298

The above Balance Sheet should be read in conjunction with the accompanying notes.



As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
Firm Registration No.: 304026E/E-300009


Dibyendu Majumder
Partner
Membership No.: 057687

Place: Bengaluru
Date: May 12, 2022

For and on behalf of the Board of Directors
Royal Challengers Sports Private Limited
CIN: U92400KA2008PTCo45565

 
Prathmesh Mishra **Rajesh Menon**
Chairman Director
DIN: 02350010 DIN: 05274177

Place: Mumbai Place: Mumbai
Date: May 12, 2022 Date: May 12, 2022

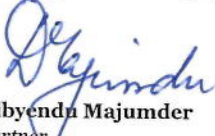
Royal Challengers Sports Private Limited
Statement of Profit and Loss
(All amounts are INR Millions unless otherwise stated)

	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue			
Revenue from operations	15	2,916	2,319
Other income	16	22	90
Total Income		2,938	2,409
Expenses			
Employee benefits expense	18	-	2
Amortisation expense	19	106	93
Finance costs	20	125	212
Other expenses:			
Operational expenses	17	1,686	1,261
Other expenses	21	140	107
Total expenses		2,057	1,675
Profit before tax		881	734
Income tax expense:			
Current tax relating to earlier years	22	(4)	6
Deferred tax expense	22	224	186
MAT credit charged-off	22	-	-
Total tax expense		220	192
Profit for the year		661	542
Other Comprehensive Income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of post employment benefit	12	-	1
Tax impact on the above		-	-
Other comprehensive income for the year, net of tax		-	1
Total comprehensive income for the year		661	543
Basic and diluted earnings per share (in INR) (Face value of INR 10 each)	23	44.997	36.896

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.


As per our report of even date


For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
Firm Registration No.: 304026E/E-300009


Dibyendu Majumder
Partner
Membership No.: 057687

Place: Bengaluru
Date: May 12, 2022

For and on behalf of the Board of Directors
Royal Challengers Sports Private Limited
CIN: U92400KA2008PTCo45565


Prathmesh Mishra
Chairman
DIN: 02350010


Rajesh Menon
Director
DIN: 05274177

Place: Mumbai
Date: May 12, 2022

Place: Mumbai
Date: May 12, 2022

Royal Challengers Sports Private Limited
Statement of Changes in Equity
 (All amounts are INR Millions unless otherwise stated)

A. Equity Share Capital

	Note	Amount
For the year ended March 31, 2021		
As at April 1, 2020		0
Changes in equity share capital		-
As at March 31, 2021	10(a)	0
For the year ended March 31, 2022		
As at April 1, 2021		0
Changes in equity share capital		-
As at March 31, 2022	10(a)	0

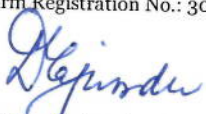
B. Other Equity

	Note	Reserves and Surplus		Total
		Securities Premium	Retained earnings/ (Accumulated losses)	
For the year ended March 31, 2021				
As at April 1, 2020				
Profit for the year		1,699	(750)	949
Other comprehensive income/(loss)		-	542	542
Total comprehensive income		-	-	-
As at March 31, 2021	10(b)	1,699	(208)	1,491
For the year ended March 31, 2022				
As at April 1, 2021				
Profit for the year		1,699	(208)	1,491
Other comprehensive income/(loss)		-	661	661
Total comprehensive income		-	-	-
As at March 31, 2022	10(b)	1,699	453	2,152

The above Statement of Changes in equity should be read in conjunction with the accompanying notes.

As per our report of even date


For Price Waterhouse & Co Chartered Accountants LLP
 Chartered Accountants
 Firm Registration No.: 304026E/E-300009


Dibyendu Majumder
 Partner

Membership No.: 057687

Place: Bengaluru
 Date: May 12, 2022

For and on behalf of the Board of Directors
Royal Challengers Sports Private Limited
 CIN: U92400KA2008PTCo45565



Prathmesh Mishra **Rajesh Menon**
 Chairman Director
 DIN: 02350010 DIN: 05274177

Place: Mumbai Place: Mumbai
 Date: May 12, 2022 Date: May 12, 2022


Royal Challengers Sports Private Limited
Statement of Cash Flows
(All amounts are INR Millions unless otherwise stated)

	Note	For the year ended	For the year ended
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		881	734
Adjustments for			
Amortisation expense	19	106	93
Finance costs	20	125	212
Provision/ liabilities no longer required written back	16	(1)	-
Interest on income tax refund	16	(15)	(68)
Advance written off	21	-	-
Operating profit before working capital changes		1,096	971
(Increase) / decrease in trade receivables		(444)	(270)
(Increase) / decrease in other financial assets		6	(6)
(Increase) / decrease in other current assets		(51)	(44)
Increase/ (decrease) in trade payables		227	213
Increase/ (decrease) in contract liabilities		(31)	(148)
Increase/ (decrease) in other current liabilities		35	47
Increase/ (decrease) in provisions		(1)	-
Cash generated from operations		837	763
Income taxes (paid) / Refund received [net]		(87)	257
Net cash inflow from operating activities		750	1,020
B. CASH FLOW FROM INVESTING ACTIVITIES			
		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		2,478	1,495
(Repayment) of borrowings		(3,090)	(2,333)
Finance costs paid		(138)	(195)
Net cash (outflow) from financing activities		(750)	(1,033)
Net (decrease) in cash and cash equivalents (A+B+C)		-	(13)
Cash and cash equivalents at the beginning of the year		4	17
Cash and cash equivalents at the end of the year		4	4
Cash and cash equivalents comprises of the following:			
Balances with banks:			
in current accounts	7(b)	4	4
		4	4

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
Firm Registration No.: 304026E/E-300009


Dibyendu Majumder
Partner
Membership No.: 057687

Place: Bengaluru
Date: May 12, 2022

For and on behalf of the Board of Directors
Royal Challengers Sports Private Limited
CIN: U92400KA2008PTCo45565


Prathmesh Mishra
Chairman
DIN: 02350010

Place: Mumbai
Date: May 12, 2022


Rajesh Menon
Director
DIN: 05274177

Place: Mumbai
Date: May 12, 2022

Royal Challengers Sports Private Limited
Notes to the financial statements for year ended March 31, 2022
 (All amounts are INR Millions unless otherwise stated)

1. Background

Royal Challengers Sports Private Limited (the "Company") is a company limited by shares, incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka. The Company is a wholly-owned subsidiary of United Spirits Limited ("USL"). The Company holds perpetual franchise right for the Bangalore team of Indian Premier League ("IPL"), called Royal Challengers Bangalore ("RCB"), from the Board of Control for Cricket in India ("BCCI").

The financial statements were authorised for issue by the Board of Directors on May 12, 2022.

2 Summary of Significant accounting policies

2.1 Basis of Preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under Section 133 of the Companies Act, 2013 ('the Act') [Companies (Indian Accounting standards) Rules, 2015, as amended] and other related provisions of the Act.

(ii) Historical Cost Convention

The financial statements have been prepared on historical cost basis except for certain financial assets and liabilities and defined benefit obligations that are measured at fair value.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Act. Based on the nature of services and the time between the acquisition of asset for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.

(iii) New and amended standards adopted by the Company:

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 1, 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
 - Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.
- The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods

The standards and amendments mentioned above did not have any significant impact on the amounts recognised in prior years and does not have significant impact in the amounts recognised in the current year.

(iv) New amendments issued but not effective:

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 1, 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

(v) Reclassifications consequent to amendments to Schedule III:

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 1, 2021.

Consequent to above, the Company has changed the classification/presentation of current maturities of long-term borrowings in the current year.

The current maturities of long-term borrowings (including interest accrued) has now been included in the "Current borrowings" line item. Previously, current maturities of long-term borrowings and interest accrued were included in 'other financial liabilities' line item.

The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Balance sheet (extract)	March 31, 2021 (as previously reported)	Increase/ (Decrease)	March 31, 2021 (as restated)
Other financial liabilities (current)	405	(405)	-
Current borrowings	1,495	405	1,900



2.2 Segment Reporting

The Company's Board of Directors has been identified as the Chief Operating Decision Maker ("CODM") as defined under Ind AS 108 "Operating Segments". The CODM reviews the financial performance and allocates resources for the Company as a whole and thus the management considers the entity to be a single reportable segment.

2.3 Foreign Currency Translation

(i) Functional and Presentation Currency

The financial statements are presented in Indian Rupee (INR), which is company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in the statement of profit and loss as part of fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

2.4 Property, Plant and Equipment

All items of property, plant and equipment are stated at historical cost less depreciation and less impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation method, estimated useful lives and residual value

Depreciation is provided using straight-line method on a pro rata basis, over the remaining useful lives of assets as prescribed under Schedule II of the Act. Assets purchased during a period are proportionate depreciated over the useful life of the asset as specified under Schedule II of the Act.

Property, plant and equipment	Estimated useful life
Computer	3 years

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit or loss.

2.5 Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Amortisation methods and periods

The company amortises intangible assets on a straight line basis, commencing from the date the asset is available for its use, over their useful lives as estimated by the management.

Intangible assets	Estimated life
Franchise rights	50 years/IPL seasons



2.6 Impairment of Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.7 Financial Instruments

Initial recognition

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual obligations of the instrument. All financial assets and liabilities are recognized at fair value initially. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement

Financial assets and liabilities are subsequently measured at amortised cost.

Impairment of Financial Asset

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which required expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

Offsetting financial instruments

Financial Assets and Liabilities are offset and the net amount is reported in the balance sheet where there is legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company.



2.8 Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance. The company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Unbilled receivables where the Company has satisfied all performance obligations and hence has an unconditional right to consideration are included under Trade receivables.

2.9 Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant change in value.

2.10 Revenue Recognition

Revenue from Contracts with customers is recognised as and when control over the services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in the exchange for those services. The company also considers whether there are other promises in the contract that are separate performance obligation to which a portion of transaction price needs to be allocated. Transaction price allocated to such separate performance obligation is determined on the basis of relative standalone selling price. In determining the transaction price, the company considers the affect of variable and non-cash consideration.

I. Revenue from various contractual arrangements for central rights, sponsorship, royalty and licensing fee

Central Rights income - Company receives a share of central rights revenue from BCCI for conducting and participating in cricket matches during IPL league season. Central Rights revenue is recognised on a straight line basis over 5 IPL seasons (IPL 11 to IPL 15) based on current terms of arrangement with BCCI.

Sponsorship Income, Royalty and licensing fee - Company receives sponsorship revenue for displaying sponsor's logo/ brand on the players jersey, company website etc. Royalty and licensing revenue is received from customers for usage of RCB brand name, RCB logo, player photograph etc. Revenue from Sponsorship and Royalty and Licensing Contracts are recognised over the period of IPL league season, based on number of matches played, which corresponds with the period of service.

Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues are reflected in the statement of profit and loss in the period in which the circumstances that give rise to the revision become known to the management.

Contract assets are in the nature of unbilled receivables where the Company has partially satisfied the performance obligation and hence does not have an unconditional right to consideration. Where the Company has an obligation to transfer goods or services to a customer for which the Company has received consideration from the customer in advance, a contract liability is recognised.

II. Revenue from sale of tickets

The Company earns revenue from sale of tickets for home league matches. Revenue from sale of tickets are recognised as and when the matches are played.

III. Transfer fees

Fee received for transfer of players to another franchisee is recognised when the Company transfers control of rights on the player.

IV. Play-off fee

Company earns play-off fee as per the terms of agreement with BCCI when it qualifies for additional matches (when the team finishes in top 4) in the IPL tournament and this is recognised in financial year in which such matches are played.

2.11 Operational expenses

Expenses directly related to the IPL league season are disclosed under operational expenses. Such expenses which are directly attributable to a season in progress are recognised as and when the matches are played. Other operational expenses are recognised when the company receives the goods or services.



Royal Challengers Sports Private Limited
Notes to the financial statements for year ended March 31, 2022
(All amounts are INR Millions unless otherwise stated)

2.12 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in India. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.13 Earnings Per Share

Basic earnings per share is calculated by dividing profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The diluted earnings per share is calculated on the same basis as basic earnings per share, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

2.14 Provisions and Contingent Liabilities

Provisions for legal claims and tax authorities are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimate of the obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.



2.15 Borrowings

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

Borrowings are derecognized from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.16 Trade and Other Payables

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

2.17 Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and performance incentives that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields of government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of profit and loss. The obligations are presented as current / non-current liabilities in the balance sheet depending on whether the entity has unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligation

The Company's defined benefit plans comprise of gratuity.

The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined-contribution plan:

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund with the government. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.



2.18 Rounding Off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Million as per the requirement of Schedule III (Division II) to the Act, unless otherwise stated. The sign '0' in these financial statements indicate that the amount involved are below INR five lakhs and the sign '-' indicate that the amounts are nil.

3 Critical estimates and judgements

The application of accounting standards and policies requires the Company to make estimates and assumptions about future events that directly affect its reported financial condition and operating performance. The accounting estimates and assumptions discussed are those that the Company considers to be most critical to its financial statements. An accounting estimate is considered critical if both (a) the nature of estimates or assumptions is material due to the level of subjectivity and judgement involved, and (b) the impact within a reasonable range of outcomes of the estimates and assumptions is material to the Company's financial condition or operating performance. Accounting estimate could change from period to period. Actual results could differ from such estimates. Changes in estimates are made as and when the management becomes aware of changes in the circumstances of those estimates. Change in estimates is reflected in the period in which changes are made and disclosed accordingly, if material.

(i) Useful life of intangible assets:

The Company holds perpetual franchise right for the Bangalore team of IPL. The limited over version of the game which was first introduced in 1970s is continuing even now after 50 years and an even shorter version (20 overs) introduced in 2000s is more popular than the 50 overs format. Although the Management regards the useful life as indefinite, as a measure of prudence a useful life of 50 years/ IPL seasons is considered as appropriate and the rights are amortized over 50 years/ IPL seasons having regard to the following factors:

(i) The game of cricket has been in existence for over 100 years and there is no indication of interest in the game and the commercial prospects waning;

(ii) The shorter version of the game is increasingly popular;

(iii) The commercial exploitation of the shorter version is on an increasing scale and is expected to reach the scale which other games like soccer have reached;

(iv) IPL and its teams have acquired brand status and teams are not identified with countries or geographies but with brand names; and

(v) The franchisees have the intent and ability to provide the necessary financial and other resources required to obtain the expected future economic benefits from this for at least 50 years.

The carrying value of the capitalized rights would be assessed for impairment at every balance sheet date.



Royal Challengers Sports Private Limited
Notes to the financial statements for year ended March 31, 2022
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4 Property, Plant and Equipment (Refer note below)

	Computers	Total
Year ended March 31, 2021		
Gross carrying amount		
Opening gross carrying amount	0	0
Additions	-	-
Disposals	0	0
Closing gross carrying amount	-	-
Accumulated depreciation		
Opening accumulated depreciation	0	0
Depreciation charge for the year	-	-
Disposals	0	0
Closing accumulated depreciation	-	-
Net carrying amount as at March 31, 2021	-	-
Year ended March 31, 2022		
Gross carrying amount		
Opening gross carrying amount	-	-
Additions	-	-
Closing gross carrying amount	-	-
Accumulated depreciation		
Opening accumulated depreciation	-	-
Depreciation charge for the year	-	-
Closing accumulated depreciation	-	-
Net carrying amount as at March 31, 2022	-	-

Note

The Company does not own any any immovable property in the current year or in the previous year.



5 Intangible Assets (Refer notes below)

	Franchise Rights	Total
Year ended March 31, 2021		
Gross carrying amount		
Opening gross carrying amount	3,998	3,998
Additions	-	-
Closing gross carrying amount	3,998	3,998
Accumulated amortisation		
Opening accumulated amortisation	465	465
Amortisation charge for the year	93	93
Closing accumulated amortisation	558	558
Net carrying amount as at March 31, 2021	3,440	3,440
Year ended March 31, 2022		
Gross carrying amount		
Opening gross carrying amount	3,998	3,998
Additions	-	-
Closing gross carrying amount	3,998	3,998
Accumulated amortisation		
Opening accumulated amortisation	558	558
Amortisation charge for the year	106	106
Closing accumulated amortisation	664	664
Net carrying amount as March 31, 2022	3,334	3,334

Notes

(i) Carrying amount of franchise rights will be amortised over the remaining period of 36 years/ IPL seasons (2021: 37 years/ IPL seasons) .

(ii) The Company has estimated the useful life of the franchisee right to be 50 years/ IPL seasons based on the assessment performed. The actual useful life may be different depending on various circumstances. If the useful life were shorter by 5 years, the carrying amount of franchise right would be INR 3,137 million (2021: INR 3,145 million). If the useful life were longer by 5 years, the carrying amount would be INR 3,457 million (2021: INR 3,478 million).



Royal Challengers Sports Private Limited
Notes to the financial statements for year ended March 31, 2022
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	March 31, 2022	March 31, 2021
6 Income Tax Assets (net)		
Opening balance	436	627
Add/(Less): Reclassification	-	4
Add/(Less): Current tax expense for the year	4	(6)
Add/(Less): Taxes paid/ (refund received) - net	102	(189)
Total Income Tax Assets (Net)	542	436
7 Financial Assets		
7(a) Trade Receivables		
Trade receivables from contract with customers – billed	118	30
Trade receivables from contract with customers – unbilled [^]	597	244
Trade receivables from contract with customers - related parties	-	-
Less: Loss allowance	-	(3)
Total Trade receivables	715	271
Current Portion	715	271
Non-Current Portion	-	-
Break up of security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	715	274
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	715	274
Loss allowance	-	(3)
Total trade receivables	715	271

[^]The receivable is 'unbilled' because the Company has not yet issued an invoice; however, the balance has been included under trade receivables (as opposed to contract assets) because it is an unconditional right to consideration.

**Aging of trade receivables:
Unsecured, Undisputed**

	March 31, 2022	March 31, 2021
Unbilled dues		
Not due	597	244
<i>Outstanding for following periods from the due date:</i>		
Less than 6 months	-	-
6 months -1 year	118	27
1-2 Years	-	-
2-3 years	-	0
More than 3 years	-	-
	-	3
	715	274
Less: Provision for expected credit loss	-	(3)
Total	715	271



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Notes to the financial statements for year ended March 31, 2022
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	March 31, 2022	March 31, 2021
7(b) Cash and Cash Equivalents		
Balances with banks in current accounts	4	4
Total cash and cash equivalents	4	4
7(c) Other Financial Assets		
Current		
Insurance claim receivable	-	6
Total Other Financial Assets - Current	-	6
8 Contract liabilities		
Contract liabilities relating to sponsorship contracts	111	29
Contract liabilities relating to central rights contract	77	190
Total contract liabilities	188	219
Current Portion	188	119
Non-Current Portion	-	100

(i) Significant changes in contract liabilities

Contract liabilities represent advance received towards upcoming matches in IPL Season 15. Contract liabilities have decreased due to the reduction in the advance amounts received from customers and recognition of revenue during the current year from the opening balance.

(ii) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year

	March 31, 2022	March 31, 2021
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Contract liabilities relating to sponsorship contracts	26	47
Contract liabilities relating to central rights contract	114	130
Revenue recognised from performance obligations satisfied in the previous year	-	-

9 Other Assets		
Non-Current		
Service tax paid under protest	14	14
Total Other Non-Current Assets	14	14
Current		
Advances to vendors	3	2
Prepaid expenses	39	64
Balances with government authorities	136	61
Total Other Current Assets	178	127



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10(a) Equity Share Capital

Authorised:

50,000 (2021: 50,000) equity shares of INR 10 each

Issued, subscribed and paid-up:

14,690 (2021: 14,690) equity shares of INR 10 each

a. Reconciliation of the number of shares outstanding

	March 31, 2022		March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Equity Shares:				
Balance at the beginning of the year	14,690	0	14,690	0
Add: Equity shares issued during the year	-	-	-	-
Balance at the end of the year	14,690	0	14,690	0

b. Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of the equity shares is entitled to one vote per share. The declaration of dividend if any and its payment is in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive assets remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the shareholders.

c. Shares held by holding/ ultimate holding company and/or their subsidiaries/ associates

Equity shares of INR 10 each held by:

14,690 share (2021: 14,690) held by United Spirits Limited, the holding company and its nominees

	March 31, 2022	March 31, 2021
	0	0

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

	March 31, 2022		March 31, 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity shares of INR 10 each				
United Spirits Limited and its nominees	14,690	100%	14,690	100%

e. There are no shares issued as bonus during the period of five years immediately preceding the reporting date.

f. There are no shares bought back during the period of five years immediately preceding the reporting date.

g. The Company has not issued any shares for consideration other than cash during the period of five years immediately preceding the reporting date.

h. There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestments.

i. Disclosure of Shareholding of Promoters

United Spirits Limited

No. of Shares

% of total shares

% Change during the year

	March 31, 2022	March 31, 2021
No. of Shares	14,690	14,690
% of total shares	100%	100%
% Change during the year	0%	0%

10(b) Reserves and surplus

Securities premium

Retained earnings/ (Accumulated losses)

Total Reserves and Surplus

Retained earnings/ (Accumulated losses)

Opening balance

Net profit for the year

Other comprehensive income

Closing balance

Nature and purpose of other reserves

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Act.

	March 31, 2022	March 31, 2021
Securities premium	1,699	1,699
Retained earnings/ (Accumulated losses)	453	(208)
Total Reserves and Surplus	2,152	1,491
Retained earnings/ (Accumulated losses)		
Opening balance	(208)	(75)
Net profit for the year	661	542
Other comprehensive income	-	-
Closing balance	453	(208)



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11 Financial Liabilities
11(a) Borrowings

	March 31, 2022	March 31, 2021
Non-current borrowings		
Unsecured		
From related party:		
United Spirits Limited	-	405
Total Non-current Borrowings	-	405
Less: Current maturities [included in note 11(b)]	-	(392)
Less: Interest accrued [included in note 11(b)]	-	(13)
Non-current Borrowings (as per Balance Sheet)	-	-
Current Borrowings		
Unsecured		
From related party:		
United Spirits Limited	1,275	1,495
Current maturities of non-current borrowings from related party	-	392
Interest accrued but not paid on borrowings from related party	-	13
Total Current Borrowings	1,275	1,900

Loan from related party: The Company had obtained loan from its holding company, United Spirits Limited and carries an interest rate of 8% (2021: 8%). The loan with interest is repayable on or before July 30, 2022.

Net Debt reconciliation

Cash and cash equivalents	(4)	(4)
Current borrowings	1,275	1,900
	1,271	1,896

Net debt as at March 31, 2020

	Cash and cash equivalents	Borrowings	Total
Cash flows	(17)	2,725	2,708
Proceeds from borrowings	13	-	13
Repayment of borrowings	-	1,495	1,495
Interest expense	-	(2,333)	(2,333)
Interest paid	-	208	208
Net debt as at March 31, 2021	(4)	1,900	1,896
Cash flows	-	-	-
Proceeds from borrowings	-	2,478	2,478
Repayment of borrowings	-	(3,090)	(3,090)
Interest expense	-	125	125
Interest paid	-	(138)	(138)
Net debt as at March 31, 2022	(4)	1,275	1,271



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11(b) Trade Payables

Current

Trade payables

total outstanding dues of micro enterprises and small enterprises; and (Refer note 31)
 total outstanding dues of creditors other than micro enterprises and small enterprises

Total Trade Payables

Aging of trade payables:

(i) Undisputed dues - Micro, small and medium enterprises

Unbilled

Not due

Outstanding for following periods from the due date:

Less than 1 year

1-2 Years

2-3 years

More than 3 years

(ii) Undisputed dues - Others

Unbilled

Not due

Outstanding for following periods from the due date:

Less than 1 year

1-2 Years

2-3 years

More than 3 years

Total

	March 31, 2022	March 31, 2021
Trade payables		
total outstanding dues of micro enterprises and small enterprises; and (Refer note 31)	1	2
total outstanding dues of creditors other than micro enterprises and small enterprises	573	346
Total Trade Payables	574	348
Aging of trade payables:		
(i) Undisputed dues - Micro, small and medium enterprises		
Unbilled	-	-
Not due	1	2
<i>Outstanding for following periods from the due date:</i>		
Less than 1 year	-	0
1-2 Years	-	-
2-3 years	-	-
More than 3 years	-	-
	1	2
(ii) Undisputed dues - Others		
Unbilled	365	212
Not due	2	5
<i>Outstanding for following periods from the due date:</i>		
Less than 1 year	206	129
1-2 Years	-	-
2-3 years	-	-
More than 3 years	-	-
	573	346
Total	574	348

12 Provisions

Non-current

Employee benefits:

Gratuity [refer note (ii) below]

Total

Current

Employee benefits:

Compensated absences

Indirect tax matters [refer note (i) below]

Total

Gratuity [refer note (ii) below]	-	1
Total	-	1
<i>Current</i>		
Employee benefits:		
Compensated absences	-	0
Indirect tax matters [refer note (i) below]	16	16
Total	16	16

(i) Disclosure under Ind-AS 37 on "Provisions, Contingent Liabilities and Contingent Assets" :

For the year ended March 31, 2021

	As at April 1, 2020	Additions during the year	Utilised during the year	Reversed during the year	As at March 31, 2021
Indirect tax matters	12	4	-	-	16
	12	4	-	-	16

For the year ended March 31, 2022

	As at April 1, 2021	Additions during the year	Utilised during the year	Reversed during the year	As at March 31, 2022
Indirect tax matters	16	-	-	-	16
	16	-	-	-	16

Provision is made for probable cash outflow arising out of pending disputes / litigations with regulatory authorities/ parties. It is not practicable for the Company to estimate the timing of the cash outflows, if any, in respect of the above, pending resolution of respective proceedings.



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(ii) Employment benefit obligations

The Company provides gratuity to employees who are in continuous services for a period of 5 years or more. The amount of gratuity payable on termination/retirement is employees last drawn salary per month computed proportionately for 15 days salary multiplied for the number of completed years of service. The gratuity scheme is unfunded. There are no employees as at March 31, 2022 and hence no actuarial valuation is performed

	As at March 31, 2022	As at March 31, 2021
Present value of funded obligations	-	1
Fair value of plan assets	-	-
Net Employment benefit obligations	-	1

	Present value of obligation	Fair value of plan assets	Net amount
As of April 1, 2020	1	-	1
Current service cost	0	-	0
Past service cost	-	-	-
Interest expense/(income)	0	-	0
Total amount recognised in profit and loss	0	-	0
Remeasurements			
Expected return on plan assets, excluding amounts included in internet expense/(income)	-	-	-
Net actuarial (gain)/loss			
(Gain) or loss on plan assets	-	-	-
Change in experience	-	-	-
Change in demographic assumptions	-	-	-
Change in financial assumptions	-	-	-
Total amount recognised to comprehensive income	-	-	-
Employer contribution	-	-	-
Transfer from holding Company	-	-	-
As of March 31, 2021	1	-	1

	Present value of obligation	Fair value of plan assets	Net amount
As of April 1, 2021	1	-	1
Current service cost	(1)	-	(1)
Past service cost	-	-	-
Interest expense/(income)	-	-	-
Total amount recognised in profit and loss	(1)	-	(1)
Remeasurements			
Expected return on plan assets, excluding amounts included in internet expense/(income)	-	-	-
Net actuarial (gain)/loss			
(Gain) or loss on plan assets	-	-	-
Change in experience	-	-	-
Change in demographic assumptions	-	-	-
Change in financial assumptions	-	-	-
Total amount recognised to comprehensive income	-	-	-
Employer contribution	-	-	-
Benefit payments directly by employer	-	-	-
Transfer from holding Company	-	-	-
As of March 31, 2022	-	-	-



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Significant estimates: actuarial assumptions

Financial assumption:

Discount rate
 Salary escalation rate

Demographic assumption:

Mortality rate

Attrition rate
 Retirement age

	As at March 31, 2022	As at March 31, 2021
Discount rate	NA	6.81%
Salary escalation rate	NA	8.00%
Mortality rate	NA	IALM (2012-14) Ultimate
Attrition rate	NA	13.00%
Retirement age	NA	58 Years

Risk exposure:

The company's obligation under defined benefit plans which includes direct payments to beneficiaries may significantly vary depending on number of market, economic, demographic conditions and employee turnover.

These risk factors may affect the company's future cash outflows to fund its obligations, amounts of periodic benefit cost used in calculating net profit and remeasurement charges reported under other comprehensive income.

The expected maturity analysis of undiscounted gratuity is as follows:

Less than a year
 Between 1 to 2 years
 Between 2 to 5 years
 Over 5 years
Total

	As at March 31, 2022	As at March 31, 2021
Less than a year	-	1
Between 1 to 2 years	-	-
Between 2 to 5 years	-	0
Over 5 years	-	-
Total	-	1

The weighted average duration of the defined benefits obligation is Nil years (2021: 13.62 years).



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13 Deferred Tax Liabilities

The details of deferred tax assets and deferred tax liabilities as at year end are given below:

Particulars	March 31, 2022	March 31, 2021
Unabsorbed depreciation	254	472
Loss allowance on trade receivables	-	1
Other provisions	4	4
Total deferred tax assets	258	477
Intangible assets	743	738
Total deferred tax liabilities	743	738
Net deferred tax liabilities	(485)	(261)

Deferred tax assets/(liabilities)	As at April 1, 2020	(Charge) in Statement of profit and loss	Credit/(charge) in Other comprehensive income	As at March 31, 2021
Unabsorbed depreciation	639	(167)	-	472
Loss allowance on trade receivables	1	-	-	1
MAT credit entitlement	-	-	-	-
Other provisions	3	1	-	4
Intangible assets	(718)	(20)	-	(738)
Total	(75)	(186)	-	(261)

Deferred tax assets/(liabilities)	As at April 1, 2021	(Charge) in Statement of profit and loss	Credit/(charge) in Other comprehensive income	As at March 31, 2022
Unabsorbed depreciation	472	(218)	-	254
Loss allowance on trade receivables	1	(1)	-	-
Other provisions	4	(0)	-	4
Intangible assets	(738)	(5)	-	(743)
Total	(261)	(224)	-	(485)

Particulars of carried forward losses and unabsorbed depreciation

Particulars	March 31, 2022 Amount Expiry period	March 31, 2021 Amount Expiry period
Unabsorbed depreciation	1,007 Indefinite	1,873 Indefinite

14 Other Current Liabilities

	March 31, 2022	March 31, 2021
Tax deducted at source payable	96	50
Goods and services tax payable	1	11
Others	-	1
Total Other Current Liabilities	97	62



Royal Challengers Sports Private Limited
Notes to the financial statements for year ended March 31, 2022
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15 Revenue from operations

Revenue from contract with customers:

Central rights income

Income from sponsorship

Play-off fee

Royalty and licensing fee

Total Revenue from Operations

	March 31, 2022	March 31, 2021
Central rights income	1,987	1,674
Income from sponsorship	828	558
Play-off fee	44	44
Royalty and licensing fee	57	43
Total Revenue from Operations	2,916	2,319

Note: 'Revenue from operations' does not include prize money and other player awards amounting to INR 98 million (2021: INR 89 million) collected from BCCI and other IPL franchisees and distributed to concerned players.

Aggregate amount of transaction price allocated to central rights income that are partially unsatisfied as at the year end

	March 31, 2022	March 31, 2021
Aggregate amount of transaction price allocated to central rights income that are partially unsatisfied as at the year end	1,448	3,379

Management expects that the transaction price allocated to unsatisfied performance obligation under the central rights contract as of March 31, 2022 will be recognised as revenue over the next 1 season. Performance obligations under all other contracts are due to be satisfied within a period of 1 year.

Reconciliation of revenue recognised with contract price:

Contract price

Adjustments for:

Franchisee fees to BCCI

Revenue from operations

	March 31, 2022	March 31, 2021
Contract price	3,628	2,889
Adjustments for:		
Franchisee fees to BCCI	(712)	(570)
Revenue from operations	2,916	2,319

16 Other Income

Interest on income tax refund

Insurance claim received

Provision/ liabilities no longer required written back

Miscellaneous income

Total Other Income

	March 31, 2022	March 31, 2021
Interest on income tax refund	15	68
Insurance claim received	-	21
Provision/ liabilities no longer required written back	1	-
Miscellaneous income	6	1
Total Other Income	22	90

17 Operational expenses

Players and support staff fees

Per diem allowances to players, support staff and management

Stadium rent

Insurance

Travel expenses

Hotel expenses

Event management costs

Commission on sponsorship income

Man of the match award (net)

Total Operational Expenses

	March 31, 2022	March 31, 2021
Players and support staff fees	1,181	955
Per diem allowances to players, support staff and management	43	37
Stadium rent	3	9
Insurance	27	19
Travel expenses	78	35
Hotel expenses	95	57
Event management costs	123	63
Commission on sponsorship income	135	86
Man of the match award (net)	1	-
Total Operational Expenses	1,686	1,261

18 Employee benefits expense

Salaries, wages and bonus

Contribution to provident fund

Gratuity [Refer Note 12(ii)]

Staff welfare expenses

Total Employee benefits expense

	March 31, 2022	March 31, 2021
Salaries, wages and bonus	1	2
Contribution to provident fund	-	0
Gratuity [Refer Note 12(ii)]	(1)	0
Staff welfare expenses	0	0
Total Employee benefits expense	-	2



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	March 31, 2022	March 31, 2021
19 Amortisation expense		
Amortisation of intangible assets (Refer note 5)	106	93
Total Depreciation and amortisation expense	106	93
20 Finance Costs		
Interest on borrowings from related party (Refer note 27)	125	208
Interest on indirect tax	-	4
Total Finance Costs	125	212
21 Other Expenses		
Advertisement and sales promotion	72	54
Gift and entertainment	0	0
Bank charges	0	0
Legal and professional charges	52	49
Travel expense	1	1
Hotel expense	0	0
Payment to auditors*	2	2
Corporate social responsibility expenditure (Refer note 33)	10	-
Rent	1	1
Rates and taxes	0	0
Miscellaneous expenses	2	-
Total Other Expenses	140	107
*Details of payment to auditors (excluding taxes)		
As auditors:		
Statutory audit fees	2	2
Tax audit fees	0	0
Total payment to auditors	2	2



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22 Income taxes

(a) Tax expense recognised in the statement of profit and loss:

	March 31, 2022	March 31, 2021
<i>Current Tax</i>		
Current tax on profit for the year	-	-
Tax relating to earlier years	(4)	6
Total current tax expense	(4)	6
<i>Deferred tax</i>		
Deferred tax expense	224	186
MAT credit charged-off	-	-
Total deferred tax expense	224	186
Total income tax expense	220	192

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

Profit before tax	881	734
Effects of permanent differences	10	1
Profit as per books (including permanent differences)	891	735
Tax at India tax rate of 25.17% (2021: 25.17%)	224	186
Adjustments for current tax of prior periods	(4)	6
Income tax expense	220	192

23 Earnings per share

Nominal value of equity share (in INR)	10	10
(a) Profits attributable to equity holders of the Company	661	542
(b) Weighted average number of equity shares of INR 10 each outstanding during the year	14,690	14,690
Basic and diluted earnings per share (in INR)	44.997	36.896



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2.4 Fair value measurements

(i) Financial instruments by category and fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value through Other Comprehensive Income (OCI) or fair value through Profit and Loss (FVPL) and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

The carrying amounts and fair values of financial instruments are as follows:

	March 31, 2022	March 31, 2021
	Amortised Cost	Amortised Cost
Financial assets		
Trade receivables	715	271
Cash and cash equivalents	4	4
Other financial assets	-	6
Total Financial Assets	719	281
Financial liabilities		
Borrowings	1,275	1,900
Trade payables	574	348
Total financial liabilities	1,849	2,248

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between Level 1, Level 2 and Level 3 during the year. The Company's policy is to recognise transfer into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade payables, cash and cash equivalents, trade receivables and other current financial assets are considered to be the same as their fair values, due to their short-term nature. The loan from holding company is interest bearing at commercial borrowing rates and hence the carrying value is considered to be the same as its fair value.

There are no financial assets or financial liabilities as on the reporting date that are measured at fair value.



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25 Financial Risk Management

In the course of its business, the company is exposed to a number of financial risk: Credit Risk, Liquidity risk and Foreign currency risk.

This note presents the companies policies and processes for managing its financial risk and capital.

A. Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to credit risk at the reporting date is primarily from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned from sponsorship revenue and central rights from BCCI.

Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses an expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as regulatory developments which may impact the customer's ability to repay, and the Company's historical experience for each of its customers.

The company is exposed to trade receivables of INR 715 Million (2021: INR 274 Million) against which INR Nil (2021: INR 3 Million) expected credit loss allowance has been recognised. Most of the receivables outstanding are aged less than one year.

Reconciliation of loss allowance provision- Trade Receivables

Allowance at the beginning of the year
 Write off
Allowance at the end of the year

	March 31, 2022	March 31, 2021
	3	3
	(3)	-
	-	3

B. Liquidity Risk

The Company has obtained loan from its holding company, United Spirits Limited, due to which it is exposed to liquidity risk. Prudent liquidity risk management implies maintaining sufficient cash and availability of funds through committed credit facilities to meet obligations as and when due. The holding company has confirmed that the loan will be extended on a need basis.

C. Interest Rate Risk

The Company is exposed to interest rate risk on its loan from the holding company. The interest rate is reset every year to reflect the market rate. A change in interest rate by 1% will result into increase/decrease of the finance cost by INR 16 Million (2021: INR 19 Million).

D. Foreign Currency Risk

The Company is exposed foreign exchange risk arising from foreign currency transactions, primarily with respect to payment to players and support staff, mobile application maintenance etc. The risk is measured through a forecast of highly probable foreign currency cash flows. The company does not have any foreign currency receivable or payable as at March 31, 2022.

26 Capital Management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

The Company has a credit facility from its parent Company amounting to INR 4,000 Million (2021: INR 4,000 Million). The Company monitors capital using debt to equity ratio.

Total equity attributable to equity shareholders of the Company
 Net debt
 Debt to equity ratio

	March 31, 2022	March 31, 2021
	2,152	1,491
	1,271	1,896
	0.59	1.27



Royal Challengers Sports Private Limited
Notes to the financial statements for year ended March 31, 2022
 (All amounts are INR Millions unless otherwise stated)

27 Related party disclosures

A Names of related parties and description of relationship

Holding Company :

United Spirits Limited, India

Ultimate holding company :

Diageo Plc, United Kingdom

Intermediate holding company

Tanqueray Gorden & Company Limited, United Kingdom

Relay BV, The Netherlands

Key Managerial Personnel :

Prathmesh Mishra, Chairman (from July 1, 2021)

Anand Kripalu, Chairman (from September 20, 2020 to June 30, 2021)

Sanjeev Churiwala, Chairman (upto September 19, 2020)

Rajesh Menon, Director (from September 29, 2021)

B Summary of transactions with related parties during the year is as follows:

Nature of Transactions	Holding Company	
	March 31, 2022	March 31, 2021
Intercompany borrowing received during the year	2,478	1,495
Intercompany borrowing re-paid during the year	3,090	2,333
Interest on Intercompany borrowings	125	208
Income from royalty (Refer note below)	25	22
Legal and professional charges	23	16
Other expenses	1	1

Note: Income from Royalty represents revenue earned from the contract with the Holding Company towards use of RCB logo, player ID usage rights, branding rights in home stadium, player appearances for advertisement, use of players in communication and advertising, free of cost/ discounted tickets and discounts in team merchandise and memorabilia.

Nature of Transactions	Rajesh Menon	
	March 31, 2022	March 31, 2021
Per diem allowances	0	-

Nature of Transactions	Diageo Business Services India Private Limited (Fellow subsidiary)	
	March 31, 2022	March 31, 2021
Legal and professional charges	3	3

C Outstanding balances as at the year-end are as follows:

Nature of Transactions	Holding Company	
	March 31, 2022	March 31, 2021
Inter company borrowings	1,275	1,887
Trade Payable	21	39
Interest accrued and due on intercompany borrowings	-	13

Nature of Transactions	Diageo Business Services India Private Limited (Fellow subsidiary)	
	March 31, 2022	March 31, 2021
Trade Payable	3	3

D General terms and conditions for transactions with related parties

Transactions with related parties are carried out in the normal course of business and are generally on normal commercial terms.



Royal Challengers Sports Private Limited
Notes to the financial statements for year ended March 31, 2022
 (All amounts are INR Millions unless otherwise stated)

28 Ratios

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	Variance	Reasons for variance in excess of 25%
Current Ratio	Total current assets	Total current liabilities	0.42	0.17	150%	Change in ratio on account of repayment of loan received from holding company
Debt-equity ratio	Total Debt	Total equity	0.59	1.27	-54%	Change in ratio on account of repayment of loan received from holding company
Debt service coverage ratio	Earnings available for debt service *	Debt service @	0.28	0.34	-18%	Not applicable
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	0.36	0.44	-18%	Not applicable
Trade receivables turnover ratio	Revenue from operations	Average Trade receivables	5.91	17.05	-65%	Higher trade receivables on account of receivables relating to IPL 14 and IPL 15 seasons.
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	3.96	5.66	-30%	Increase in trade payables due to accrual of expenditure towards IPL 15 matches in the current year.
Net capital turnover ratio	Revenue from operations	Working capital (Current assets - Current liabilities)	(2.33)	(1.14)	104%	Increase in trade receivables and repayment of loan received from holding company resulting in increase in current assets and reduction in current liabilities respectively
Net profit ratio	Net Profits after taxes	Revenue from operations	0.23	0.23	-3%	Not applicable
Return on Capital employed	Earnings before interest and tax	Capital Employed #	0.26	0.26	-1%	Not applicable
Return on Investment	Earning before interest and taxes	Average Total Assets	0.22	0.22	0%	Not applicable

* Earnings available for debt service = Net Profit after taxes + Amortisation on intangibles + Finance costs + Other non-cash items

@ Debt service = Finance cost payments + Principal repayments

Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability



Royal Challengers Sports Private Limited
Notes to the financial statements for year ended March 31, 2022
 (All amounts are INR Millions unless otherwise stated)

29 Contingent Liabilities

Sl. No.	Description	March 31, 2022	March 31, 2021
1	Service tax matters [Refer (A) below]	350	448
2	Income tax matters under litigation [Refer (B) below]	13	13

(A) Service tax matters:

(i) The service tax department has raised demands aggregating to INR 100 Million through various notices served on the company for the financial years 2008-09 to 2012-13, on payment made to foreign players and foreign support staff under the taxable service of business auxiliary service. The Company has submitted that players will not provide any individual endorsement of any person, product or service. Thus, the consideration paid to foreign players is not a consideration for provision of any service which is in the nature of marketing or promotion of any product or service. The main objective is to avail services of the players to play the game of cricket. However, the demand is based on the assumption that the contract is only for brand endorsement. The Company considers that there a reasonable likelihood of relief granted in favour of the company in each of these cases.

(ii) The service tax department has also raised demands aggregating to INR 250 Million through various notices on the company's share of central rights income as a franchisee for the financial years 2008-09 to 2012-13, in reference to the agreement between the company and BCCI under the taxable service of 'Business Support' services. The Company has filed appeals against the said demands and the matter is currently pending before CESTAT. The Company considers that there is a reasonable likelihood of obtaining relief on the matter.

(iii) Service tax department issued a show cause notice on the company alleging that the Company has wrongly availed ineligible service tax input credit aggregating to INR 98 Million for the financial years 2013-14 to 2017-18 on the exempt Income from Sponsorship Service. The Company has filed a response stating that sponsorship revenue is not an exempt income and tax is payable under reverse charge mechanism by the service recipient. Further, extended period of limitation cannot be invoked in this case as the department was aware of the transaction from service tax returns and through Central Excise revenue audit. During the year ended March 31, 2022, Company has received a favourable order from Principal Commissioner Of Central Tax wherein the proceedings as per show cause notice were set aside.

(iv) Interest upto the balance sheet date on matters under (i) and (ii) above is estimated to be INR 631 Million (2021: INR 579 Million)

(B) Income tax matters:

The Income tax department has raised demand for non deduction of tax at source on payment to foreign players relating to the financial year 2009-10. The Company has submitted that payments were made for matches played in South Africa and hence TDS provisions are not applicable. The Company has preferred an appeal with Commissioner of Income Tax (Appeals). The Company considers that there is a reasonable likelihood of obtaining relief on this matter.

30 Capital and other Commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances): INR Nil
 (2021 : INR Nil)

b) Other Commitment:

Players and support staff fees

	March 31, 2022	March 31, 2021
	46	67
	<u>46</u>	<u>67</u>

31 Dues to Micro and Small Enterprises

The disclosures pursuant to the said MSMED Act are as follows:

Particulars	March 31, 2022	March 31, 2021
Principal amount due to suppliers registered under MSMED and remaining unpaid as year end	1	2
Interest amount due to suppliers registered under MSMED and remaining unpaid as year end	-	-
Principal amount paid to suppliers registered under MSMED Act, beyond the appointed day during the year	-	-
Interest amount paid to suppliers registered under MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act for payments already made	0	0
Further interest remaining due and payable for earlier years	0	-



Royal Challengers Sports Private Limited
Notes to the financial statements for year ended March 31, 2022
 (All amounts are INR Millions unless otherwise stated)

32 Segment Reporting

The Company holds perpetual franchise right for the Bangalore team of IPL, called Royal Challengers Bangalore, from the Board of Control for Cricket in India. The Chief Operating Decision Maker assesses performance and allocates resources for the business of the Company as a whole and hence the management considers Company's business activities as a single operating segment.

The Company has one external customer (2021: one external customer) individually contributing to more than ten percent or more of the Company's revenues amounting to INR 2,031 million (2021: INR 1,718 million).

The following information discloses external revenues and non-current assets based on the physical location of the customers and assets respectively.

Geographic segment	March 31, 2022	March 31, 2021
(i) India		
Revenue from contracts with customers	2,916	2,319
Non-current assets	3,890	3,890
(ii) Outside India		
Revenue from contracts with customers	-	-
Non-current assets	-	-

33 Corporate social responsibility expenditure (as per section 135 of the Act)

Particulars	March 31, 2022	March 31, 2021
Contribution to 'Give foundation' for provision of 100 oxygen concentrators to hospitals through NGO networks.	10	-
Total	10	-
Amount required to be spent as per Section 135 of the Act	5	-
Amount spent during the year on (Refer note 21)	5	-
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	5	-

(a) There were no ongoing CSR projects under Section 135(6) of the Act during the year.

(b) Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Balance unspent as at April 1, 2021	Amount deposited in specified fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2022
-	-	5	10	-

(c) Details of excess CSR expenditure under Section 135(5) of the Act

Balance excess spent as at April 1, 2021	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2022
-	5	10	5

34 Impact of Covid-19

The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been disruption to regular business operations due to lock-downs, travel bans and other restrictions.

IPL Season 14 was played in India during April to May 2021 and moved to UAE for remaining matches due to COVID-19 virus in India and concluded during September and October 2021 at UAE without spectators. The IPL Season 15 has commenced from March 26, 2022 and is currently ongoing in India with limited spectators.

The Company does not expect any material impact on the financial statements including the carrying value of its assets comprising mainly Intangible Assets as at March 31, 2022. Further, the management has assessed its liquidity position for next one year and based on the confirmation from its holding company on extension of the intercompany loan due for repayment in July 2022, the Company is confident of servicing its financial obligations as they fall due.



35 Additional regulatory information

(i) Details of benami property held

No proceedings have been initiated on or are pending against the Company under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions.

(iii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vi) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(vii) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(viii) Valuation of PP&E, intangible asset and investment property

The Company did not have any Property, plant and equipment or investment property during the year. The Company has not revalued its intangible assets during the current or previous year.

(ix) Core investment companies (CIC)

The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Group does not have any CICs, which are part of the Group.

(x) Compliance with number of layers of companies

The Company has not made any investments and hence compliance with respect to number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction of number of layers) Rules, 2017 is not applicable.

(xi) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the ultimate beneficiaries.



Royal Challengers Sports Private Limited
Notes to the financial statements for year ended March 31, 2022
(All amounts are INR Millions unless otherwise stated)

36 The Company did not have any employees as at end of March 31, 2022 and hence no accruals were made towards employee benefits.

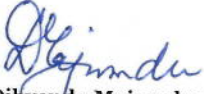
37 Previous year's figures have been regrouped/ reclassified to conform to the current year's classification.

As per our report of even date attached

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

Firm Registration No.: 304026E/E-300009



Dihyendu Majumder

Partner

Membership No.: 057687

Place: Bengaluru

Date: May 12, 2022

For and on behalf of the Board of Directors
Royal Challengers Sports Private Limited
CIN: U92400KA2008PTC045565



Prathmesh Mishra

Chairman

DIN: 02350010

Place: Mumbai

Date: May 12, 2022



Rajesh Menon

Director

DIN: 05274177

Place: Mumbai

Date: May 12, 2022

Price Waterhouse & Co Chartered Accountants LLP

Independent Auditor's Report

To the Members of Royal Challengers Sports Private Limited

Report on the Audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Royal Challengers Sports Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E300009 (ICAI registration number before conversion was 304026E)

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Royal Challengers Sports Private Limited ✓
Report on audit of the Financial Statements ✓
Page 2 of 4 ✓

Responsibilities of management and those charged with governance for the financial statements

5. 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. ✓
6. 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 responsibilities for the audit of the financial statements ✓

7. 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.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Royal Challengers Sports Private Limited
Report on audit of the Financial Statements
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- 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.
9. 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.

Report on other legal and regulatory requirements

10. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the 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 March 31, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) 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 – Refer Note 29 to the financial statements.



Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Royal Challengers Sports Private Limited
Report on audit of the Financial Statements
Page 4 of 4

- ii. The Company was not required to recognise a provision as at March 31, 2022 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2022.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries [Refer Note 35(xi) to the financial statements];

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries [Refer Note 35(xi) to the financial statements]; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year.
12. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009
Chartered Accountants



Dibyendu Majumder
Partner

Membership Number: 057687
UDIN: 22057687AIWGSZ2667

Place: Bengaluru
Date: May 12, 2022

Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Royal Challengers Sports Private Limited on the financial statements as of and for the year ended March 31, 2022
Page 1 of 5

- i. (a) (A) According to the information and explanations given to us and the records of the Company examined by us, the Company does not have any Property, plant and equipment and accordingly, reporting under this Clause is not applicable.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Company did not have any Property, plant and equipment during the year. Therefore, the provision of Clause 3(i)(b) of the Order are not applicable to the Company.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable property (Refer Note 4 to the financial statements). Therefore, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.
- (d) According to the information and explanations given to us and the records of the Company examined by us, the Company does not have any Property, plant and equipment (Refer Note 4 to the financial statements). The Company has not revalued its intangible assets during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on (or) are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.
- (b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.



Price Waterhouse & Co Chartered Accountants LLP

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Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Royal Challengers Sports Private Limited on the financial statements as of and for the year ended March 31, 2022
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- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, income tax, service tax, duty of customs, and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of goods and services tax, provident fund, duty of customs other material statutory dues which have not been deposited on account of any dispute. The particulars of dues of income tax and service tax as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Amount in INR Million					
Name of the statute	Nature of dues	Amount (Rs.)	Amount Paid under protest (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Tax deducted at source	13	13	2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Penalty	7	0	2012-13	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service Tax	350	14	2008-09 to 2012-13	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
Income Tax Act, 1961	Penalty	0	0	2018-19	Commissioner of Income Tax (Appeals)

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.



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- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that the Company has used funds raised on short-term basis aggregating Rs 1,253 million for long-term purposes.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, the reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, the reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.



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- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 28 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.



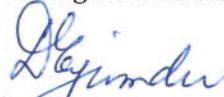
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Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Royal Challengers Sports Private Limited on the financial statements as of and for the year ended March 31, 2022
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- xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
Firm Registration Number: 304026E/E-300009



Dibyendu Majumder
Partner

Membership Number: 057687
UDIN: 22057687AIWGSZ2667

Place: Bengaluru
Date: May 12, 2022

Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditor's Report

Referred to in paragraph 11(f) of the Independent Auditor's Report of even date to the members of Royal Challengers Sports Private Limited on the financial statements as of and for the year ended March 31, 2022
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Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Royal Challengers Sports Private Limited ("the Company") as of March 31, 2022 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

2. 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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.
5. 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 with reference to financial statements.



Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditor's Report

Referred to in paragraph 11(f) of the Independent Auditor's Report of even date to the members of Royal Challengers Sports Private Limited on the financial statements as of and for the year ended March 31, 2022
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Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements 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.

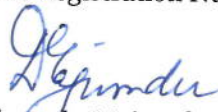
Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022 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 issued by ICAI.

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
Firm Registration Number: 304026E/E-300009



Dibyendu Majumder
Partner

Membership Number: 057687
UDIN: 22057687AIWGSZ2667

Place: Bengaluru
Date: May 12, 2022