Amogh Broadband Services Private Limited

Financial Statements

2019-20

Independent Auditor’s Report

To The Members of
Amogh Broadband Services Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying financial statements of **Amogh Broadband Services Private Limited** (“the Company”), which comprise the balance sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the Loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Information Other than the Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Board’s Report, but does not include the financial statements and our auditor’s report thereon. The Board’s report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read Board’s Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities;

selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 Board of Directors 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

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

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

i. 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.

ii. 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.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv. 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.

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

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

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

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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, 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 litigation on its financial position in its financial statement as specified Clause vii of "**Annexure A".**

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

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

For B. Srinivasa Rao & Co.,
Chartered Accountants
Firm Regn. No: 008763S

CA Anand Mahendrakar
Partner
Membership No. 227336

Place : Bengaluru
Date : 17-04-2020
UDIN : 20227336AAAAGX4279

Annexure 'A' To the Independent Auditors' Report of even date on the Ind AS financial statements of Amogh Broadband Services Private Limited ("the Company")

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Standalone Ind AS financial statements for the year ended March 31, 2020, we report that:

i) In respect of fixed assets:

  a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

  b) According to the information and explanations given to us, the fixed asset are physically verified by the Management in accordance with a phased programme designed to cover all items of fixed assets over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.

  c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii) The Company is a service company, primarily rendering cable system network services. Accordingly, it does not hold any physical inventories., hence paragraph 3 (ii) of the order is not applicable to the Company.

iii) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii) (a), 3(iii) (b) and 3(iii) (c) of the Order are not applicable.

iv) In our opinion and according to the information and explanations given to us, the Company had not granted any loan to Directors as per the section 185 of the Act and provide any guarantee or security during the year. The Company has complied with requisite procedures as laid down under section 186 of the Act with respect to investment made during the year.

v) In our opinion and according to the information and explanation given to us, Since the Company has not accepted any deposits therefore the question of the compliance of any directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under does not arise.

vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub section (I) of Section 148 of the Act in respect of product covered and are of the opinion that prime facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records with a view to determine whether they are accurate or complete.

vii) In respect of Statutory Dues:

  a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing its undisputed statutory dues including Provident Fund, Employees State insurance, income-tax, Goods and Services Tax, and cess etc. There are no undisputed dues payable, outstanding as on 31st March, 2020 for a period of more than six months from the date they became payable.

  b) According to the information and explanations given to us, there are no amounts in respect of income tax, service tax etc. that have not been deposited with the appropriate authorities on account of any dispute. Subject to service tax matter as follows:

  Customs, Excise & Service Tax Appellate Tribunal, South Zonal Bench, Bangalore vide its final order no. 20214/2015 dated 29/01/2015 has set aside the order of commissioner of service tax and has been remand the matter to the commissioner for fresh decision for disputed amount of Rs.4,70,52,747/-

viii) In our opinion and on the basis of available information and explanation provided to us, the Company has not defaulted in repayment of loans or borrowings to the bank and financial institution. The Company has neither taken any loans or borrowings from government nor issued any debentures during the year.

ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(ix) of the Order is not applicable. Further, the Company has not taken any term loan during the year.

x) According to the information and explanations given to us, no material fraud by the Company and neither any material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 197 read with Schedule V of the Act are not applicable to the Company. Therefore, the provisions of paragraph 3(xi) of the Order are not applicable to the Company.

xii) The Company is not a Nidhi Company, accordingly paragraph 3(xii) of the Order is not applicable.

xiii) During the course of our examination of the books and records of the Company, all transactions entered with the related parties are in compliance with section 188 of Companies Act, 2013, wherever applicable and the details have been disclosed in the Standalone Ind AS Financial Statements etc, as required by the applicable accounting standards. Further the Company, being a private company, is not required to form an audit committee and accordingly the provisions of section 177 of the Act are not applicable to the Company.

xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of paragraph 3(xiv) of the Companies (Auditor’s Report) Order 2016 are not applicable to the Company.

xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of paragraph 3(xv) of the Companies (Auditor’s Report) Order 2016 are not applicable to the Company.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3(xvi) of the Order are not applicable to the Company.

For B. Srinivasa Rao & Co.,
Chartered Accountants
Firm Regn. No: 008763S

CA Anand Mahendrakar
Partner
Membership No. 227336

Place : Bengaluru
Date : 17-04-2020
UDIN : 20227336AAAAGX4279

Annexure 'B' to the Independent Auditors' Report of even date on the Standalone Ind AS Financial Statement of Amogh Broadband Services Private Limited

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

We have audited the internal financial controls with reference to financial statements of **Amogh Broadband Services Private Limited ("the Company")** as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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.

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 Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control 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

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, 2020, based on “the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. Srinivasa Rao & Co.,
Chartered Accountants
Firm Regn. No: 008763S

CA Anand Mahendrakar
Partner
Membership No. 227336

Place : Bengaluru
Date : 17-04-2020
UDIN : 20227336AAAAGX4279

Balance Sheet as at 31 March, 2020

	Particulars	Note No.	As at 31.03.2020 (Rs.' 000)	As at 31.03.2019 (Rs.' 000)
A.	**ASSETS**			
1.	**Non-Current Assets**			
	(a) Property, plant and equipment	3	3	11
	(b) Other Non current assets	4	414	681
	Total non current assets		417	692
2.	**Current Assets**			
	(a) Financial Assets			
	(i) Trade receivables	5	356	3,902
	(ii) Cash and cash equivalents	6	1,846	1,136
	(b) Other current assets	7	678	1,136
	Total current assets		2,880	6,174
	Total Assets		**3,297**	**6,866**
B.	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity share capital	8	50	50
	(b) Other equity	9	(3,125)	(368)
	Total equity		(3,075)	(318)
	Liabilities			
1	**Current Liabilities**			
	(a) Financial liabilities			
	(i) Trade payables	10		
	- total outstanding dues to micro enterprises and small enterprises			
	- total outstanding dues to creditors other than micro enterprises and small enterprises		6,199	6,391
	(ii) Other financial liabilities	11	23	773
	(b) Other current liabilities	12	150	20
	Total current liabilities		6,372	7,184
	Total liabilities		6,372	7,184
	Total Equity and Liabilities		**3,297**	**6,866**

In terms of our report attached
For **B Srinivasa Rao & Co.**
Chartered Accountants
Firm No: 008763S

CA Anand Mahendrakar.,
Partner
(Membership No: 227336)

Place: Bengaluru
Dated: 17-04-2020
UDIN: 20227336AAAAGX4279

For and on behalf of the Board of Directors of
Amogh Broadband Services Private Limited

Director
Munish singla
DIN : 02703417

Place: New Delhi
Dated: 17/04/2020

Director
Ayyapan Koorathawar
DIN : 07673248

Place: New Delhi
Dated: 17/04/2020

Statement of Profit and Loss for the year ended 31st March 2020

	Particulars	Note No.	For the year ended 31.03.2020 (Rs.' 000)	For the year ended 31.03.2019 (Rs.' 000)
1.	**Income**			
	a. Revenue from operations	13	2,424	5,265
	b. Other income	14	24	2,567
2.	**Total Income**		**2,448**	**7,832**
3.	**Expenses**			
	a. Employee benefit expense	15	896	1,000
	b. Depreciation and amortisation expense	3	8	8
	c. Other expenses	16	4,296	4,094
4.	**Total Expenses**		**5,200**	**5,101**
5.	**Profit/(Loss) before Exceptional item and Tax expense (2-4)**		(2,753)	2,731
6.	Exceptional items	17	-	2,699
7.	**Profit before Tax (5-6)**		**(2,753)**	**32**
8.	**Tax Expense**			
	Current tax expense		-	-
	Add: Earlier Years		4	
	Net Tax Expense		**4**	**-**
9.	**Profit after tax (7-8)**		(2,757)	32
10.	**Other Compreshensive Income**			
	(i) Items that will not be reclassified to Profit			
	- Remeasurements of the defined benefit obligation		-	-
	- Deferred Tax on Remeasurements of the defined benefit obligation		-	-
	Total other compreshensive income		-	-
11.	**Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period) (9+10)**		**(2,757)**	**32**
12.	**Earnings per equity share**			
	(Face value of Rs. 10 per share)			
	Basic (Rs. per share)	23	(0.55)	0.01
	Diluted (Rs. per share)	23	(0.55)	0.01

See accompanying notes forming part of the Ind AS financial statements

In terms of our report attached
For **B Srinivasa Rao & Co.**
Chartered Accountants
Firm No: 008763S

CA Anand Mahendrakar.,
Partner
(Membership No: 227336)

Place: Bengaluru
Dated: 17-04-2020
UDIN: 20227336AAAAGX4279

For and on behalf of the Board of Directors of
Amogh Broadband Services Private Limited

Director
Munish singla
DIN : 02703417

Place: New Delhi
Dated: 17/04/2020

Director
Ayyapan Koorathawar
DIN : 07673248

Place: New Delhi
Dated: 17/04/2020

Statement of Cash Flow for the year ended 31st March 2020

	Particulars	For the year ended 31.03.2020 (Rs.' 000)	For the year ended 31.03.2019 (Rs.' 000)
A	**Cash flow from Operating activities**		
	Net Profit before tax	(2,753)	32
	Adjustments for:		
	Depreciation	8	8
	Finance costs	-	-
	Liabilities/ excess provisions written back (net)	(421)	-
	Provision for doubtful debts	2,657	197
	Bad debts written off	1,125	-
	Interest income on income tax refund	(24)	-
	Operating profit before working capital changes	**592**	**237**
	Changes in working capital:		
	Adjustments for (increase)/ decrease in operating assets:		
	Trade Receivables	(236)	(903)
	Other current financial assets	-	-
	Other current non- financial assets	458	(739)
	Adjustments for increase / (decrease) in operating liabilities:		
	Current financial Liabilities	(521)	884
	Current non-financial Liabilities	130	(202)
	Cash generated from operations	**423**	**(723)**
	Taxes paid / (refunds)	287	**-**
	Net Cash generated from Operating Activities	711	(723)
B	**Cash flow from Investing activities**		
	Capital expenditure on fixed assets, including capital advances	-	-
	Bank balances not considered as Cash and cash equivalents	-	-
	Interest income on Fixed Deposit	-	-
	Loan	-	-
	Interest on others	-	-
	Security deposit	-	-
	Net Cash used in Investing Activities	-	-

Statement of Cash Flow for the year ended 31st March 2020

	Particulars	For the year ended 31.03.2020 (Rs.' 000)	For the year ended 31.03.2019 (Rs.' 000)
C	**Cash flow from Financing activities**		
	Proceeds from long term borrowings	-	-
	Finance costs	-	-
	Payment of Equity dividend Iincluding Tax	-	-
	Net Cash used in Financing Activities	-	-
	Net Increase/(Decrease) in Cash and Cash Equivalents	711	(723)
	Cash and Cash Equivalents at the beginning of the year	1,136	1,858
	Cash and Cash Equivalents at the end of the year	1,846	1,136
	Cash and Cash Equivalents at the end of the year comprise of:		
	Cash on Hand	-	-
	Balances with Banks in Current Accounts	1,846	1,136
		1,846	1,136

In terms of our report attached
For **B Srinivasa Rao & Co.**
Chartered Accountants
Firm No: 008763S

CA Anand Mahendrakar.,
Partner
(Membership No: 227336)

Place: Bengaluru
Dated: 17-04-2020
UDIN: 20227336AAAAGX4279

For and on behalf of the Board of Directors of
Amogh Broadband Services Private Limited

Director
Munish singla
DIN : 02703417

Place: New Delhi
Dated: 17/04/2020

Director
Ayyapan Koorathawar
DIN : 07673248

Place: New Delhi
Dated: 17/04/2020

Statement of Change in Equity

		As at 31.03.2020 (Rs.' 000)	As at 31.03.2019 (Rs.' 000)
A.	**Equity Share Capital**		
	(a) Authorised		
	5,000 (As at 31st March' 2019 5,000) Equity Shares of Rs. 10/- each	50	50
	(b) Issued, subscribed and fully paid up		
	5,000 (previous year 5,000) Equity shares of Rs. 10/- each fully paid up	50	50
		50	**50**

B. Equity Share Capital **(Rs.' 000)**

Particulars	**As at 31.03.2020**		**As at 31.03.2019**	
	No of shares	**Amount**	**No of shares**	**Amount**
Numbers of shares at the Beginning	5,000	50	5,000	50
Add: Shares issued during the year	-	-	-	
Numbers of shares at the End	5,000	50	5,000	50

a) Shares held by holding/ultimate holding company and/or their subsidiaries/associates:

Particulars	**As at 31.03.2020**		**As at 31.03.2019**	
	No of shares	**Amount**	**No of shares**	**Amount**
Den Networks Limited (Holding Company)	5,000	50	5,000	50

b) Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	**As at 31.03.2020**		**As at 31.03.2019**	
	No of shares	**% Holding**	**No of shares**	**% Holding**
Den Networks Limited (Holding Company)	4,994	99.88%	4,994	99.88%
Total	**4,994**	**100%**	**4,994**	**100%**

c) The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. Equity Shareholders are eligible to dividend proposed by the Board of Directors as approved by Shareholders in the ensuing Annual General Meeting.

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

Statement of Change in Equity

B. Other equity

For the year ended March 31, 2020 **(Rs.' 000)**

	Reserves and Surplus					Other comprehensive income	Total
Particulars	**Securities premium**	**General reserve**	**Equity-settled employee benefits reserve**	**Capital Redemption Reserve**	**Retained earnings**	**Actuarial Gain / (Loss)**	
Balance at the beginning of the reporting year	-	-	-	-	(368)	-	(368)
Transfer to retained earnings	-	-	-	-	(2,757)	-	(2,757)
Balance at the end of the reporting year	**-**	**-**	**-**	**-**	**(3,125)**	**-**	**(3,125)**

For the year ended March 31, 2019 **(Rs.' 000)**

	Reserves and Surplus					Other comprehensive income	Total
Particulars	**Securities premium**	**General reserve**	**Equity-settled employee benefits reserve**	**Capital Redemption Reserve**	**Retained earnings**	**Actuarial Gain / (Loss)**	
Balance at the beginning of the reporting year	-	-	-	-	(400)	-	(400)
Transfer to retained earnings	-	-	-	-	32	-	32
Balance at the end of the reporting year	**-**	**-**	**-**	**-**	**(368)**	**-**	**(368)**

In terms of our report attached
For **B Srinivasa Rao & Co.**
Chartered Accountants
Firm No: 008763S

CA Anand Mahendrakar.,
Partner
(Membership No: 227336)

Place: Bengaluru
Dated: 17-04-2020
UDIN: 20227336AAAAGX4279

For and on behalf of the Board of Directors of
Amogh Broadband Services Private Limited

Director
Munish singla
DIN : 02703417

Place: New Delhi
Dated: 17/04/2020

Director
Ayyapan Koorathawar
DIN : 07673248

Place: New Delhi
Dated: 17/04/2020

Notes forming Part of the Financial Statements

1. Corporate Information:

Amogh Broadband Services Private Limited (hereinafter referred to as 'the Company'), was incorporated on 26th day of May 2004, The Registered of the Company is situated at B II /32, Mohan Co-Operative Industrial Estate, Badarpur, New Delhi, 110 044,

The Main Object of the Company is the carry on the Business of Cable Television Networking business pertaining to distribution/ re- transmission of Cable television signals, by establishing head end/control rooms and cable network including laying and / or hiring/ leasing of optical fiber cable, Satellite systems, or distribution, or redistribution, exchange of audio, video communication or other signals and exploits such as Network systems for own business or rent, lease and franchise or allow others to use it in part or full. The Company was incorporated as a Private Limited company. It became a private limited company which is subsidiary of DEN NETWORKS LTD., Public Limited Company by virtue of Section 4(1) (a) of the Act with effect from 29th July 2008.

The National Company Law Tribunal approved the Scheme of Arrangement filed by the Company for the demerger of Cable Business Division vide order dated 16th August 2017 and appointed date being 31 March 2016. Consequently, the Company transferred the entire properties, assets, liabilities, rights, operations, activities forming part of Cable Business Division to Den Futuristic Cable Networks Pvt. Ltd., the Resulting Company.

After the demerger of Cable Business Division, the Company continues to operate only the Advertisement Business Division. Accordingly, the Financial Statements have been prepared only for the Advertisement Business Division.

Note on Merger:

The Composite Scheme of Amalgamation and Arrangement between the Holding company - Den Networks Limited ("Den"), Hathway Cable and Datacom Limited ("Hathway"), TV18 Broadcast Limited ("TV18"), Network18 Media & Investments Limited ("Network18"), Media18 Distribution Services Limited ("Media18"), Web18 Digital Services Limited ("Web18") and Digital18 Media Limited ("Digital18") ("Scheme") have been approved by the Board of Directors of the respective companies on 17th February 2020. This composite scheme is subject to relevant statutory approval. However, said merger does not have impact on the financial statement of the company as on 31.03.2020.

2. Significant accounting policies:

2.01. Basis of preparation

i. Statement of Compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended 31 March, 2016, the Company prepared its financial statements in accordance with the requirements of Indian GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006.

ii. Basis of preparation and measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Notes forming Part of the Financial Statements

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the assets or liability.

2.02. Cash and cash equivalents

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

2.03. Cash flow statement

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

2.04. Property, plant and equipment

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

All the items of property, plant and equipment are stated at historical cost net off Cenvat credit less depreciation. 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 recognised 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 derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Intangible assets acquired in business combinations are stated at fair value as determined by the management of the Company on the basis of valuation by expert valuers, less accumulated amortisation. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful life is taken in accordance with Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Headend and distribution equipment	6-15 years
Set top boxes (STBs)	8 - years
Office and other equipment	3 - years
Furniture and fixtures	3-10 years
Vehicles	6 years
Leasehold improvements	Lower of the useful life and period of the lease
Fixed assets acquired through business	5 years as estimated by an approved valuer

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Notes forming Part of the Financial Statements

2.05. Intangible Assets:

Intangible Assets accquired separately:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Derecognition of intangible assets:

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Useful lives of intangible assets:

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Transition to Ind AS:

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

2.06. Impairment of tangible and intangible assets other than goodwill:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.07. Revenue recognition:

Revenue is measured at the fare value of consideration received or receivable. Amount disclosed as revenue are net of return, trade allowances, rebates, service taxes and amount collected on behalf of third parties.

The company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been mapped for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transection and specifics of each arrangements.

Notes forming Part of the Financial Statements

a. Rendering of services

i. Service revenue comprises subscription income from digital and analog subscribers, placement of channels, advertisement revenue, fees for rendering management, technical and consultancy services and other related services. Income from services is recognised upon completion of services as per the terms of contracts with the customers. Period based services are accrued and recognised pro-rata over the contractual period.

ii. Activation fees on Set top boxes (STBs) is recognised on activation of boxes over the life of the STBs. Activation fees received in advance is deferred over the period of life of the STB and has been considered as deferred revenue.

iii. Amounts billed for services in accordance with contractual terms but where revenue is not recognised, have been classified as advance billing and disclosed under current liabilities.

iv. Revenue from prepaid internet service plans, which are active at the end of accounting period, is recognised on time proportion basis.

b. Sale of goods (equipment):

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

i. The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

ii. The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

iii. The amount of revenue can be measured reliably

iv. It is probable that the economic benefits associated with the transaction will flow to the Company; and

v. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.08. Other income:

<u>Dividend income and interest income:</u>

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Profit on sale of investments in mutual funds, being the difference between the sales consideration and carrying value of investments.

2.09. Share-based payment arrangements

<u>Share-based payment transactions of the Company:</u>

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Notes forming Part of the Financial Statements

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is re-measured, with any changes in fair value recognised in profit or loss for the year.

2.10. Foreign exchange gains and losses:

The functional currency for the Company is determined as the currency of the primary economic environment in which it operates. For the Company, the functional currency is the local currency of the country in which it operates, which is INR.

In preparing the financial statements the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Treatment of exchange differences:

The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are taken into Statement of Profit and Loss.

2.11. Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Investment in Subsidiaries:

A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed,or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over entity Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns Investments in subsidiaries are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost On transition to IND AS, the Company has adopted optional exception under IND AS 101 to fair value investment in subsidiaries at fair value (refer Note no 4 of first time adoption tab).

Investment in joint ventures and associates:

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The investment in joint ventures and associates are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Notes forming Part of the Financial Statements

Classification of financial assets:

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

a. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

b. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer Note 3.24.5

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

a. the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

b. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of ‘Reserve for debt instruments through other comprehensive income’. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI, refer Note 3.24.5

All other financial assets are subsequently measured at fair value.

Effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

Investments in equity instruments at FVTOCI:

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the ‘Reserve for equity instruments through other comprehensive income’. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

a. it has been acquired principally for the purpose of selling it in the near term; or

b. on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

c. it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

The Company has equity investments in two entities which are not held for trading. The Company has elected the FVTOCI irrevocable option for both of these investments (see note 12.1). Fair value is determined in the manner described in note 52.

Notes forming Part of the Financial Statements

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item

Financial assets at fair value through profit or loss (FVTPL):

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading (see note 3.24.3 above).

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Notes forming Part of the Financial Statements

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

a. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

b. Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

c. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.12. Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Notes forming Part of the Financial Statements

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities:

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

a. it has been incurred principally for the purpose of repurchasing it in the near term; or

b. on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

c. it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

a. such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

b. the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or

c. it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

Notes forming Part of the Financial Statements

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

a. the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and

b. the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Commitments to provide a loan at a below-market interest rate:

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

a. the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and

b. the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in ‘Other income’.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.13. Employee benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

Notes forming Part of the Financial Statements

a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. net interest expense or income; and

c. re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

<u>Short-term and other long-term employee benefits</u>

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

<u>Contributions from employees or third parties to defined benefit plans</u>

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

a. If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the re-measurement of the net defined benefit liability (asset).

b. If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the Company reduces service cost by attributing the contributions to periods of service using the attribution method required by Ind AS 19 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the Company reduces service cost in the period in which the related service is rendered / reduces service cost by attributing contributions to the employees' periods of service in accordance with Ind AS 19.

2.14. Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

<u>The Company as lessor</u>

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Notes forming Part of the Financial Statements

The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the financial statements as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company general policy on borrowing costs Contingent rentals are recognised as expenses in the periods in which they are incurred.

2.15. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.16. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.17. Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary

Notes forming Part of the Financial Statements

difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

<u>Current and deferred tax for the year:</u>

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.18. Provisions and Contingencies:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.19. Share issue expenses:

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account, if any, is expensed in the Statement of Profit and Loss.

2.20. Fair value measurement:

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or a liability acting in their best economic interest. The Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities.

2.21. Insurance claims:

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.22. GST tax Input Credit:

GST tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing/ utilising the credits.

Notes forming Part of the Financial Statements

2.23. Operating Cycle:

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

2.24. Current and non Current classification :

The assets and liabilities in the Balance Sheet are based on current/ non - current classification.

a. An asset as current when it is:
   i. Expected to be realised or intended to be sold or consumed in normal operating cycle.
   ii. Held primarily for the purpose of trading
   iii. Expected to be realised within twelve months after the reporting period, or
   iv. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

b. All other assets are classified as non - current.

c. liability is current when:
   i. Expected to be settled in normal operating cycle
   ii. Held primarily for the purpose of trading
   iii. Due to be settled within twelve months after the reporting period, or
   iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

d. All other liabilities are treated as non - current.

e. Deferred tax assets and liabilities are classified as non - current assets and liabilities.

2.25. Recent Accounting Pronouncements:

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified certain amendments to Indian Accounting Standards (Ind AS). All these amendments are effective from financial year beginning on or after April 1, 2019.

<u>Issue of Ind AS 116 – “Leases”</u>

Ind AS 116 will supersede the current Accounting Standards on Leases i.e. Ind AS-17 “Leases”, As per Ind AS- 116, the lessor will have to bring to books all the non-cancellable portion of leasing arrangement.

<u>Amendments to Existing standards:</u>

The MCA has also carried out amendments of the following accounting standards:

i. Ind AS 101 - First time adoption of Indian Accounting Standards.
ii. Ind AS 103 – Business Combinations
iii. Ind AS 109 – Financial Instruments
iv. Ind AS 111 – Joint Arrangements
v. Ind AS 12 - Income Taxes
vi. Ind AS 19 - Employee Benefits
vii. Ind AS 23 - Borrowing costs
viii. Ind AS 28 – Investment in Associates and Joint Ventures

Application of any of the above standards are not expected to have any significant impact on the Company’s financial statements.

Notes forming Part of the Financial Statements

3. Property, plant and equipment **(Rs.' 000)**

	As at 31.03.2020	As at 31.03.2019
Carrying amounts of :		
a) Leasehold Improvements	-	-
b) Plant and equipment		
(i) Headend and distribution equipment	3	11
(ii) Set top boxes	-	-
(iii) Modems and routers	-	-
(iv) Computers	-	-
(v) Office and other equipment	-	-
c) Furniture and fixtures	-	-
	3	**11**

	Plant and equipment			
	Headend and distribution equipment	Computers	Furniture and fixtures	Total
Gross Block				
Balance at 1 April, 2018	**38**	**113**	**-**	**151**
Additions	-	-	-	**-**
Disposals	-	-	-	**-**
Balance at 31 March, 2019	**38**	**113**	**-**	**151**
Additions	-	-	-	**-**
Disposals	-	-	-	**-**
Balance at 31 March, 2020	**38**	**113**	**-**	**151**
Accumulated depreciation				
Balance at 1 April, 2018	**(19)**	**(113)**	**-**	**(132)**
Depreciation expenses	(8)	-	-	**(8)**
Elimination on disposals of assets	-	-	-	**-**
Balance at 31 March, 2019	**(27)**	**(113)**	**-**	**(140)**
Depreciation expenses	(8)	-	-	**(8)**
Eliminated on disposals of assets	-	-	-	**-**
Balance at 31 March, 2020	**(34)**	**(113)**	**-**	**(147)**
Provision for Impairment				
Balance at 1 April, 2018	**-**	**-**	**-**	**-**
Impairment expenses	-	-	-	**-**
Balance at 31 March, 2019	**-**	**-**	**-**	**-**
Impairment expenses	-	-	-	**-**
Balance at 31 March, 2020	**-**	**-**	**-**	**-**

Notes forming Part of the Financial Statements

	Plant and equipment			
	Headend and distribution equipment	Computers	Furniture and fixtures	Total
Carrying amount				
Balance at 1 April, 2018	18	-	-	**18**
Additions	-	-	-	**-**
Disposals	-	-	-	**-**
Depreciation expenses	(8)	-	-	**(8)**
Balance at 31 March, 2019	**11**	**-**	**-**	**11**
Additions	-	-	-	**-**
Disposals	-	-	-	**-**
Depreciation expense	(8)	-	-	**(8)**
Impairment expenses	-	-	-	**-**
Balance at 31 March, 2020	**3**	**-**	**-**	**3**

4. Other non current assets

	As at 31.03.2020 (Rs.' 000)	As at 31.03.2019 (Rs.' 000)
(a) Balances with Revenue Authorities	413	681
	-	
	413	**681**

5. Trade receivables

(a) Trade Receivables considered good - Secured	-	-
(b) Trade Receivables considered good - Unsecured	356	3,902
(c) Trade Receivables which have significant increase in Credit Risk	3,782	1,125
	4,138	5,027
(d) Less: Provision for doubtful/expected credit loss	(3,782)	(1,125)
	356	**3,902**

Notes:

a) The average credit period on sales of services is 0-180 days. No interest is charged on any overdue trade receivables.

b) The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on aprovision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected Credit Loss (%)
0- 90 Days	-
Above 90 Days	1.00

Notes forming Part of the Financial Statements

Age of Receievables

Particulars	**As at 31.03.2020 ('000)**	**As at 31.03.2019 ('000)**
0-90 Days	356	547
91-180 Days	180	502
180 Days and Above	3,602	4,038
Total	**4,138**	**5,087**

5.01. Movement in the allowance for doubtful debts

Balance at beginning of the year	1,125	927
Add: Provided during the year	2,657	198
	3,782	1,125
Less: Reversed on account of balances written off	(1,125)	-
Balance at end of the year	**2,657**	**1,125**

5.02. Trade receivables breakup (net of allowances)

Of the above, trade receivables from:		
- Related Parties	-	-
Less: Provision for doubtful trade receivables	-	-
Total	-	-
- Others	4,138	5,027
Less: Provision for doubtful trade receivables	3,782	1,125
Total	**356**	**3,902**

6. Cash and cash equivalents

(a) Cash on hand	-	-
(b) Cheques on hand	-	-
(c) Balance with scheduled banks	-	-
(i) in current accounts	1,846	1,136
(ii) in deposit accounts	-	-
	-	-
	1,846	**1,136**

7. Other current assets

(a) Balance with government authorities		
(i) GST credit receivable	678	1,136
(b) Other advances		
(i) Supplier advances	-	-
(ii) Other advances	-	-
	678	**1,136**

Notes forming Part of the Financial Statements

8. Equity Share Capital

	As at 31.03.2020 ('000)	As at 31.03.2019 ('000)
(a) Authorised		
5,000 (As at 31st March' 2019 5,000) Equity Shares of Rs. 10/- each	50	50
(b) Issued, subscribed and fully paid up		
5,000 (As at 31st March' 2019 5,000) Equity Shares of Rs. 10/- each fully paid up	50	50
	50	**50**

8.01. The reconciliation of the number of shares outstanding and the amount of share capital:

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Numbers of shares at the Beginning	5,000	50,000	5,000	50,000
Add: Shares issued during the year	-	-	-	-
Numbers of shares at the End	**5,000**	**50,000**	**5,000**	**50,000**

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Den Networks Ltd	**5,000**	**50,000**	**5,000**	**50,000**

8.03. Details of shares held by each shareholder holding more than 5% shares:
Equity Shares

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% Holding	No. of Shares	% Holding
Den Networks Ltd	4,994	99.88%	4,994	99.88%
Total	**4,994**	**100%**	**4,994**	**100%**

8.04. The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. Equity Shareholders are eligible to dividend proposed by the Board of Directors as approved by Shareholders in the ensuing Annual General Meeting.

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

Notes forming Part of the Financial Statements

9. Other Equity

For the year ended March 31, 2020 **(Rs.' 000)**

	Reserves and Surplus				Other comprehensive income	
Particulars	**Securities premium**	**General reserve**	**Equity-settled employee benefits reserve**	**Retained earnings**	**Actuarial Gain / (Loss)**	**Total**
Balance at the beginning of the reporting year	-	-	-	(368)	-	(368)
Transfer to retained earnings	-	-	-	(2,757)	-	(2,757)
Transfer of other comprehensive income to retained earning	-	-	-	-	-	-
Balance at the end of the reporting year	**-**	**-**	**-**	**(3,125)**	**-**	**(3,125)**

For the year ended March 31, 2019 **(Rs.' 000)**

	Reserves and Surplus				Other comprehensive income	
Particulars	**Securities premium**	**General reserve**	**Equity-settled employee benefits reserve**	**Retained earnings**	**Actuarial Gain / (Loss)**	**Total**
Balance at the beginning of the reporting year	-	-	-	(400)	-	(400)
Transfer to retained earnings	-	-	-	32	-	32
Redemption of Preference shares-CRR	-					
Transfer of other comprehensive income to retained earning	-	-	-			
Balance at the end of the reporting year	**-**	**-**	**-**	**(368)**	**-**	**(368)**

10. Trade payables

	As at 31.03.2020 ('000)	**As at 31.03.2019 ('000)**
Trade payables - Other than acceptances		
(a) total outstanding dues of micro enterprises and small enterprises	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Payable for goods and services	6,199	6,391
	6,199	**6,391**

Notes forming Part of the Financial Statements

10.01 Trade payable breakup

	As at 31.03.2020 ('000)	As at 31.03.2019 ('000)
Of the above, trade payable to:		
- Related Parties	5,820	6,012
- Others	379	379
Total	**6,199**	**6,391**

11. Other financial liabilities
Current

(a) Others		
(i) Security Deposits received	-	354
(ii) Payable to Auditors	23	20
(iii) Payments for expenses	1	399
	24	**773**

12. Other current liabilities

(a) Statutory remittances	17	20
(b) Other payables		
(i) Advances from customers	100	-
(ii) Indirect Tax Payables and others	33	-
	150	**20**

13. Revenue from operations

Particulars	**For the year ended 31.03.2020 ('000)**	**For the year ended 31.03.2019 ('000)**
(a) Sale of services (See note below)	2,002	5,265
(b) Other operating revenue		
(i) Liabilities/ excess provisions written back	422	-
	2,424	**5,265**
Reveue disaggregation by type of services:		
Sale of services comprises:		
(a) Advertisement Income	1,959	5,265
(b) Other Income	43	-
	2,002	**5,265**
Share of Jointly controlled entities	**43**	**-**

Notes forming Part of the Financial Statements

	Particulars	For the year ended 31.03.2020 (‘000)	For the year ended 31.03.2019 (‘000)
14.	**Other Income**		
	(a) Interest on Income Tax Refund	24	-
	(b) prior period income	-	2,568
		24	**2,568**
15.	**Employee benefit expense**		
	(a) Salaries and allowances	801	860
	(b) Contribution to provident and other funds (See Note No. 21)	93	93
	(c) Staff welfare expenses	2	47
		896	**1,000**
16.	**Other Expenses**		
	(a) Rent and hire charges	-	163
	(b) Repairs and maintenance		
	(i) Plant and machinery	100	-
	(ii) Others	-	2
	(c) Electricity expense	-	92
	(d) Consultancy, professional and legal charges (Please refer 24.01)	148	395
	(e) Travelling and conveyance	61	44
	(f) Advertisement, publicity and business promotion	-	3,142
	(g) Telecommunication expenses	10	(28)
	(h) Rates and taxes	181	5
	(i) Provision for doubtful debts	2,657	198
	(j) Bad debts written off	1,125	-
	(k) Miscellaneous expenses	15	81
		4,297	**4,094**

16.01. Consultancy, professional and legal charges includes Auditor’s remuneration as under :

	Payments to Auditors		
(i)	Statutory audit fee	25	20
(ii)	Other Services	10	-
		35	**20**

Notes forming Part of the Financial Statements

17. EXCEPTIONAL ITEM

(a) Prior period items (net)	-	2,699
	-	**2,699**

18 Capital commitments and contingent liabilities

	As at 31.03.2020 (‘000)	As at 31.03.2019 (‘000)
(a) Capital commitments		
Estimated amount of contracts remaining to be executed on tangible capital assets (net of advances)	-	-
(b) **Contingent liabilities**		
i) Claims against the Company not acknowledged as debts*		
Service Tax Disputes	47,053	47,053

Customs, Excise & Service Tax, Appellette Tribunal, South Zone Bench, Bangalore vide its final order No. 20214/2015 dated 29/01/2015 has set aside the order of commissioner of service tax and has been remade the matter to the commissioner for fresh decision for disputed amount of Rs. 4,70,52,747/-

19 **Segment Information**

The Company is engaged mainly in the business of “distribution and promotion of television channels”. The management of the company evaluates the Company’s performance, allocates resources based on the analysis of the various performance indicators of the Company as a single unit. Therefore there is no reportable segment for the Company, in accordance with the requirements of Ind AS 108- ‘Operating Segment Reporting’, notified under the Companies (Indian Accounting Standard) Rules, 2015

20 Information about major customers

	As at 31.03.2020 (‘000)	As at 31.03.2019 (‘000)
1. Dharshini Biligiri Ranganath	559	610
2. UVS Media Pvt.Ltd	1,200	1,298
3. News 7 kannada Edwin Praciella	200	-
	1,959	1,908

21 Employee benefit Expenses

(a) Defined Contribution Plans

The Company operates defined contribution retirement benefit plans for all its qualifying employees. Where empoyees leave the plans prior to full vesting of the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The total expense recognised in profit or loss of Rs. 78.80 thousand (for the year ended 31st March, 2019: Rs. 70.43 thousand) for provident fund contributions and Rs. 14.37 thousand (for the year ended 31st March, 2019: Rs. 22.89 thousand) for Employee State Insurance Scheme contributions represents contributions payable to these plans by the Company at rates specified in the rules of the plans.

Notes forming Part of the Financial Statements

22. Disclosures as per the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

		Year ended 31.03.2020 (Rs.' 000)	Year ended 31.03.2019 (Rs.' 000)
(a)	(i) the principal amount remaining unpaid to any supplier	-	-
	(ii) interest due thereon '		
(b)	interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and the amount of payment made to the supplier beyond the appointed day.	-	-
(c)	interest due and payable for the period of delay in making payment other than the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d)	interest accrued and remaining unpaid	-	-
(e)	further interest remaining due and payable even in the succeeding years for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

23. Earnings per equity share (EPS)*

a.	Net Profit attributable to equity shareholders	(2,757)	32
b.	Weighted average number of equity shares outstanding used in computation of basic EPS	5,000	5,000
c.	Basic Profit per equity share of Rs. 10 each (in Rs.)	(0.55)	0.01
d.	Dilutive effect of preference shares outstanding		
e.	Weighted average number of equity shares and equity equivalent shares shares outstanding shares outstanding outstanding used in computing diluted EPS	5,000	5,000
f.	Diluted Earnings per equity share of Rs. 10 each (in Rs.)	(0.55)	0.01

* There are no potential equity shares as at 31.3.2020 (nil at 31.03.2019)

24 Related Party Disclosures

(a) List of related Parties

(i) Holding Company
DEN Networks Limited

(ii) Key managerial personnel
1. Mr. Munish Singla
2. Mr. Kamal Gogna

(iii) Companies under the common control of the holding company
Futuristic Media and Entertainment Private Limited
DEN Broadband Private Limited

Notes forming Part of the Financial Statements

(b) **Transactions/balances outstanding with Related Parties**

**Figures in Italics relates to previous year*

(Rs '000)

	Particulars	**Holding Company**	**Companies Where commmon Control Exists**	**Total**
A.	**Transactions during the year**			
	DEN Broadband Private Limited 31.03.2020	-	43	43
		-	-	-
	Total	-	43	43
		-	-	-
	ii. **Purchase of Services**			
	Futuristic Media and Entertainment Private Limited 31.03.2020	-	-	-
	Futuristic Media and Entertainment Private Limited 31.03.2019		*1,908*	*1,908*
	DEN Networks Limited 31.03.2020	-	-	-
	DEN Networks Limited 31.03.2019	*1,182*		*1,182*
	Total	*1,182*	*1,908*	*3,090*
	ii. **Current Liabilities**			
	Futuristic Media and Entertainment Private Limited 31.03.2020	-	58	58
	Futuristic Media and Entertainment Private Limited 31.03.2019	-	*616*	616
	DEN Networks Limited 31.03.2020	(150)	-	(150)
	DEN Networks Limited 31.03.2019	*571*		571
		(150)	58	(92)
	Total	*571*	*616*	*1,187*
B.	**Outstanding Balances at the End of the Year**			
	Futuristic Media and Entertainment Private Limited 31.03.2020	-	5,784	5,784
	Futuristic Media and Entertainment Private Limited 31.03.2019		*5,725*	*5,725*
	DEN Networks Limited 31.03.2020	136	-	136
	DEN Networks Limited 31.03.2019	*287*	*287*	
	Total	136	5,784	5,920
		287	*5,725*	*6,012*

Notes forming Part of the Financial Statements

25. Financial Instruments

(a) Financial risk management objective and policies

This section gives an overview of the significance of financial instruments for the company and provides additional information on the balance sheet.

Financial assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

As at 31.03.2020 **(Rs.' 000)**

Financial assets	**Amortised Cost**	**FVTOCI**	**FVTPL**	**Total carrying value**
Cash and cash equivalents	1,846	-	-	1,846
Trade receivables	356	-	-	356
Security deposits	-	-	-	-
Bank Balances	-	-	-	-
Other current financial assets	-	-	-	-
	2,202	**-**	**-**	**2,202**

Financial liabilities	**Amortised Cost**	**FVTOCI**	**FVTPL**	**Total carrying value**
Non current borrowings	-	-		
Current borrowings	-	-		
Trade payables	6,199	-	-	6,199
Other current financial liabilities	24	-	-	24
	6,223	**-**	**-**	**6,223**

As at 31.03.2019

Financial assets	**Amortised Cost**	**FVTOCI**	**FVTPL**	**Total carrying value**
Cash and cash equivalents	1,136	-	-	1,136
Trade and other receivables	3,902	-	-	3,902
Loans	-			
Security deposits	-	-	-	-
Other current financial assets	-	-	-	-
	5,038	**-**	**-**	**5,038**

Financial liabilities	**Amortised Cost**	**FVTOCI**	**FVTPL**	**Total carrying value**
Long term borrowings	-	-		
Short term borrowings	-	-		
Trade payables	6,391	-	-	6,391
Other current financial liabilities	773	-	-	773
	7,164	**-**	**-**	**7,164**

Notes forming Part of the Financial Statements

(b) Risk management framework

The Company's principal financial liabilities, other than derivatives, comprises of trade and other payables. The Company's principal financial assets include trade and other receivables and cash and bank balances that derive directly from its operations. The Company is exposed to credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(i) Liquidity risk

The company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening the balance sheet. The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the company.

(Rs.' 000)

As at 31.03.2020	**<1 year**	**> 1 Year**	**Total**
Non Current			
- Borrowings	-	-	-
Current			
- Trade payables	6,391	-	6,391
- Derivatives Instruments	-		
- Other current financial liabilities	773	-	773
Total	**7,164**	**-**	**7,164**

(ii) Counterparty and concentration of credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company is exposed to credit risk for receivables and cash and cash equivalents.

For the year ended 31.03.2020 and 31.03.2019, Trade and other receivables balance the following were past due but not impaired:

As at 31.03.2020	**Due less than 6 months**	**Due greater than 6 months**	**Total**
Trade Receivables	356	-	356
Security Deposits	-	-	-
Other current financial assets	-	-	-
	356	**-**	**356**

As at 31.03.2019	**Due less than 6 months**	**Due greater than 6 months**	**Total**
Trade Receivables	1,003	2,899	3,902
Other current financial assets	-	-	
	-		
	1,003	**2,899**	**3,902**

(a) Receivables are deemed to be past due or impaired with reference to the company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions.

Notes forming Part of the Financial Statements

(b) The credit quality of the company's customers is monitored on an ongoing basis and assessed for impairment where indicators of such impairment exist. The solvency of the debtor and their ability to repay the receivable is considered in assessing receivables for impairment. Where receivables have been impaired, the company actively seeks to recover the amounts in question and enforce compliance with credit terms.

26. Capital Management

26.01. The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

26.02. The Company sets the amount of capital required on the basis of annual business and long-term operating plans.

26.03. The funding requirements are met through a mixture of equity, internal fund generation and other short term borrowings. The Company's policy is to use short term and long-term borrowings to meet anticipated funding requirements.

26.04. The Company monitors capital on the basis of the net debt to equity ratio. The Company is not subject to any externally imposed capital requirements.

26.05. Net debt are long term and short term debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents) and short-term investments. Equity comprises all components of equity without any exclusion.

The following table summarizes the capital of the Company

Particulars	**As at 31 March, 2020** (Rs.' 000)	**As at 31 March, 2019** (Rs.' 000)
Long-term borrowings	-	-
Current maturities of long term debt	-	-
Cash and cash equivalents	1,846	1,136
Net debt (a)	**(1,846)**	**(1,136)**
Total Equity (b)	**(3,076)**	**(319)**
Net debt to equity ratio (c = a/b)	NA	NA

27. The Company is a 'Multi System Operator' providing cable television network and allied services and hence has only one reportable segment. The operations of the Company are located in India.

28. Certain Credit balances included in Current Liabilities are pending for confirmation and consequential reconciliation.

29. Sundry debtors/ Advances as at the Balance Sheet date in view of management represent bonafide sums due by debtors for services arising on or before that date and advances for value to be received in cash or in kind respectively. The balances however are subject to confirmation from respective parties except related parties who have confirmed the balance outstanding in their account.

30. The debit / credit balances in group Companies including DEN Networks Limited have been grouped under Trade payable, Other liability and Trade receivable on 'gross' basis as in the previous year.

31. "Pursuant to TRAI notification, Digital Addressable System (DAS) has been implemented in the territory of the company under phase-III w.e.f 01 Jan, 2016. DEN Networks Limited "the Parent Company and the MSO" has the DAS licence for the said territory. Therefore, as per the mutual agreement, the parent company has billed to the LCOs of the company and has been charged on back to back basis by its subsidiaries. There is no impact on the profitability of the company due to billing by its subsidiaries on back to back basis."

32. The Company has total investments of Rs. Nil lac in subsidiary companies. The management of the Company expects that these subsidiary companies will have positive cash flows to adequately sustain its operations in the foreseeable future. Having regard to the long term investment and strategic involvement no provision for diminution of these investments has been considered necessary.

Notes forming Part of the Financial Statements

33. Previous year figures have been regrouped/reclassified wherever considered necessary, to make them comparable with current year figures.

34. Impact of Pandemic COVID 19

the Company being service provider of one of the " Essential Services - Television Broadcasting & Distribution was able to operate under normal course of business during the period of Nationwide Lockdown with minimal impact on operations and the scale of operation was usual up to the date of adoption of financial statement. the co pany has analysed various factors related to impact of COVID 19 on its financial reporting as per guidlines issued by ICAI and is of the view that COVID 19 is not adversly impacting the financial reporting/operation of the company.

In terms of our report attached
For **B Srinivasa Rao & Co.**
Chartered Accountants
Firm No: 008763S

CA Anand Mahendrakar.,
Partner
(Membership No: 227336)

Place: Bengaluru
Dated: 17-04-2020
UDIN: 20227336AAAAGX4279

For and on behalf of the Board of Directors of
Amogh Broadband Services Private Limited

Director
Munish singla
DIN : 02703417

Place: New Delhi
Dated: 17/04/2020

Director
Ayyapan Koorathawar
DIN : 07673248

Place: New Delhi
Dated: 17/04/2020