Den Rajkot City Communication Private Limited
Financial Statements
2018-19

Independent Auditor's Report

TO THE MEMBERS OF Den Rajkot City Communications Private Limited

Report on Ind AS Financial Statements

We have audited the accompanying standalone financial statements of Den Rajkot City Communications Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit/loss and its cash flows for the year ended on that date.

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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 & 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
   (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and with the accounts.

(d) In our opinion, the aforesaid standalone 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 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting 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 does not have any pending litigations which would impact its financial position.

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 TRIVEDI AM & CO.
Chartered Accountants
Firm Registration No: 014838C

Maulik Trivedi
Proprietor
Membership No. 410555

Place: Rajkot
Date: 12th April, 2019

"Annexure A"

Den Rajkot City Communication Private Limited

Annexure to the Independent Auditors' Report for the period ended March 2019

(Referred to in Paragraph 1 under the Heading of "Report on Other Legal and Regulatory Requirements" of our Report even date)

(i) Fixed Assets

(a) the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;

(ii) The Company is as service company, primarily rendering cable system network services and there inventory in hand constitutes Set top Boxes, and we state that

(a) physical verification of inventory has been conducted at reasonable intervals by the management;

(b) Procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business.

(c) the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of account;

(iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.

(iv) Loans Given

The Company has not granted any Secured or Unsecured loan to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence reporting under clause 3 (iii) (a), (b) and (c) does not arise

(v) Compliance of Sec. 185 & 186

The Company has not entered into any transaction in respect of loans, investments, guarantees, and security which attracts compliance to provisions of section 185 and 186 of the Companies Act, 2013.

(vi) Cost records

In our opinion and according to information and explanations given to us, maintenance of cost records has not been prescribed by the central government under section 148(1) of the Companies Act, for the services provided by the company.

(vii) Statutory Dues:

a) According to the information and explanation given to us the company has been regular in depositing its undisputed statutory dues. There are no undisputed dues payable, outstanding as on 31st March 2019 for a period of more than six months from the date they became payable except following.

Particulars	***Amount (Rs.)***
Entertainment Tax	40,76,859

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.

(viii) The company has not taken any loans or borrowings from any financial institutions & banks.

(ix) The company has not raised money by way of initial public offer or any term loans during the period under audit.

(x) Based on audit procedures performed we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to information & explanations given to us no managerial remuneration has been paid or provide during the period under audit.

(xii) The Company is not a Nidhi Company.

(xiii) As per the information and explanations given by the management, all the transactions with related parties are in compliance with section 188 of the Companies Act, 2013 and details have been disclosed in the financial statements etc, as required by the applicable accounting standards.

(xiv) As per the information and explanations given by the management, company has not made any preferential allotment or private placement of share or fully or partly convertible debentures during the year under review.

(xv) As per the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) As per the information and explanations given by the management, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For TRIVEDI AM & CO.
Chartered Accountants
Firm Registration No: 014838C

Maulik Trivedi
Proprietor
Membership No. 410555

Place: Rajkot
Date: 12th April, 2019

"Annexure B"

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 over financial reporting of Den Rajkot City Communication Pvt. Ltd. ("the Company") as of 31st March, 2017 in conjunction with our audit of the Standalone 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For TRIVEDI AM & CO.
Chartered Accountants
Firm Registration No: 014838C

Maulik Trivedi
Proprietor
Membership No. 410555

Place: Rajkot
Date: 12th April, 2019

Balance Sheet as at 31 March, 2019

Particulars		Note No.	As at 31.03.2019 (Rs. in '000)	As at 31.03.2018 (Rs. in '000)
A.	**ASSETS**			
1.	**Non-current assets**			
	(a) Property, Plant and Equipment	3	67,128	115,043
	(b) Other Intangible assets	3	655	257
	(c) Financial Assets			
	i) Investments	4	5,830	5,830
	ii) Loans	6	-	-
	iii) Finance lease receivables			
	iv) Others financial assets	5	55	53
	(d) Deferred tax assets	23	0	16,105
	(e) Other non-current assets	7	2,377	2,786
			76,045	140,073
2.	**Current assets**			
	(a) Financial Assets			
	i) Trade receivables	8	22,993	3,1916
	ii) Loan	6	11,311	1,3091
	iii) Cash and cash equivalents	9	19,224	10,587
	(b) Other current assets	10	2,804	10,689
			56,332	66,283
	TOTAL Assets		**132,377**	**206,356**
B.	**EQUITY AND LIABILITIES**			
1.	**Equity**			
	(a) Equity Share capital	11	113	113
	(b) Other Equity		13,162	45,877
			13,275	45,990
	Liabilities			
2.	**Non-current liabilities**			
	(a) Financial Liabilities			
	i) Borrowing	12	0	0
	(b) Provisions	12	0	0
	(c) Deferred tax liabilities (net)	23	11,527	0
	(d) Other non-current liabilities	13	14,956	42,755
	Total non-current liabilities		26,483	42,755
3.	**Current liabilities**			
	(a) Financial Liabilities			
	i) Trade payables	14	81,502	102,644
	(b) Other current liabilities	15	6,986	13,094
	(c) Current tax liabilities (Net)	16	4,130	1,873
	Total current liabilities		92,618	117,611
	Total Liabilities		**119,102**	**160,365**
	Total equity and liabilities		**132,377**	**206,356**

See accompanying notes forming part of the financial statements

As per our report of even date attached

For Trivedi A M & Co.
Chartered Accountants

For and on behalf of the Board of Directors of
DEN RAJKOT CITY COMMUNICATION PVT LTD

Maulik Trivedi
Membership No.: 410555

Nitin Sureshchandra Nathwani
Director
DIN No.: 00353875

Rajendra Kale
Director
DIN No.: 07288226

Place: Rajkot
Dated: 12th April, 2019

Statement of Profit and Loss for the year ended 31 March, 2019

	Particulars	**Note No.**	**For the year ended 31.03.2019**	**For the year ended 31.03.2018**
			(Rs. in '000)	**(Rs. in '000)**
1.	**REVENUE**			
	(a) Revenue from operations	17	202,918	204,469
	(b) Other income	18	916	555
2.	**TOTAL INCOME**		203,834	205,023
3.	**EXPENSES**			
	(a) Content cost		86,524	73,413
	(b) Placement Fees		-	-
	(c) Employee benefit expense	19	-	-
	(d) Finance costs	20	119	62
	(e) Depreciation and amortisation expense	3	40,495	38,934
	(f) Other expenses	21	71,547	49,961
4.	**TOTAL EXPENSES**		198,685.163	162,369.86
5.	**Profit/(Loss) before exceptional items and tax expenses (2 – 4)**		5,149	42,653
6.	**Exceptional items (Refer note 7)**	22	6,071	-
7.	**Share of Profit/(Loss) of associates**		-	-
8.	**PROFIT/(LOSS) BEFORE TAX (5 + 6 - 7)**		(922)	42,653
9.	**TAX EXPENSE**			
	(a) Current tax expense	23	6,773	6,628
	(b) Deferred tax		17,890	10,968
10.	**Total tax expenses**		24,663	17,596
11.	**PROFIT/(LOSS) AFTER TAX (8 – 10)**		(25,585)	25,058
12.	**Other Comprehensive Income**			
	i) Items that will not be reclassified to Profit/(Loss)			
	– Remeasurements of the defined benefit obligation		-	-
	– Deferred Tax on Remeasurements of the defined benefit obligation		-	-
	ii) Income tax relating to items that will not be reclassified to Profit/(Loss)		-	-
	Total other comprehensive income		0	0
13.	**Total Comprehensive Income for the period (9 + 10)**		(25,585)	25,058
14.	**Earnings per equity share**			
	(Face value of Rs. 10 per share)			
	Basic (Rs. per share)		(2,263)	2,216
	Diluted (Rs. per share)		(2,263)	2,216

See accompanying notes forming part of the financial statements

As per our report of even date attached

For Trivedi A M & Co.
Chartered Accountants

Maulik Trivedi
Membership No.: 410555

Place: Rajkot
Dated: 12th April, 2019

For and on behalf of the Board of Directors of
DEN RAJKOT CITY COMMUNICATION PVT LTD

Nitin Sureshchandra Nathwani
Director
DIN No.: 00353875

Rajendra Kale
Director
DIN No.: 07288226

Statement of Changes in Equity for the year ended 31 March, 2019

A. Equity Share Capital

For the Year Ended 31st MARCH, 2019 **(Rs. in '000)**

Balance as at 01st April, 2018	Changes in equity share capital during the year	Balance as at 31st March, 2019
113	-	113

For the Year Ended 31st March, 2018 **(Rs. in '000)**

Balance as at 01st April, 2017	Changes in equity share capital during the year	Balance as at 31st March, 2018
113	-	113

B. Other Equity

Statement of Change in Equity for the Year ended March 31, 2019 **(Rs. in '000)**

Particulars	Reserves and Surplus		Other comprehensive income	Total
	Securities premium	Retained earnings	Actuarial Gain/ (Loss)	
Balance at the beginning of April 1, 2018	4,898	40,980	-	45,877
Premium on shares issued during the year	-	-	-	-
Share issue costs	-	-	-	-
ESOP compensation expense	-	-	-	-
Equity instruments of other entity	-	-	-	-
Total comprehensive income for the year	-	(25,585)	-	(25,585)
Transfer to retained earnings	-	-	-	-
Redemption of Preference shares-CRR	-	-	-	-
Balance at the end of March 31, 2019	4,898	8,265	-	13,162
	0	-7,130.36	0	-7,130.36

Statement of Change in Equity for the Year ended March 31, 2018 **(Rs. in '000)**

Particulars	Reserves and Surplus		Other comprehensive income	Total
	Securities premium	Retained earnings	Actuarial Gain/ (Loss)	
Balance at the beginning of April 1, 2017	4,898	15,922	-	20,820
Premium on shares issued during the year	-	-	-	-
Share issue costs	-	-	-	-
ESOP compensation expense	-	-	-	-
Equity instruments of other entity	-	-	-	-
Total comprehensive income for the year	-	25,058	-	25,058
Transfer to retained earnings	-	-	-	-
Redemption of Preference shares-CRR	-	-	-	-
Balance at the end of March 31, 2018	4,898	40,980	-	45,877

See accompanying notes forming part of the financial statements

As per our report of even date attached

For Trivedi A M & Co.
Chartered Accountants

For and on behalf of the Board of Directors of
DEN RAJKOT CITY COMMUNICATION PVT LTD

Maulik Trivedi
Membership No.: 410555

Nitin Sureshchandra Nathwani
Director
DIN No.: 00353875

Rajendra Kale
Director
DIN No.: 07288226

Place: Rajkot
Dated: 12th April, 2019

Statement of Cash Flow for the year ended 31 March, 2019

	Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
		(Rs. in '000)	(Rs. in '000)
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) before tax	(922)	42,653
	Adjustments for:		
	Depreciation and amortisation expense	40,495	38,934
	Finance costs	119	62
	Liabilities/excess provisions written back (net)	-	(197)
	Provision for doubtful debts	18,574	-
	Interest income on Fixed Deposit	(916)	(555)
	Operating profit before working capital changes	57350	**80,898**
	Changes in working capital:		
	Adjustments for (increase)/decrease in operating assets:		
	Trade Receivables	(9,651)	9,619
	Other current financial assets	-	0
	Other current non- financial assets	7,885	160
	Other Financial Assets	(2)	(2.15)
	Loan	1,781	(326)
	Other non current non-financial assets	409	2318
	Adjustments for increase/(decrease) in operating liabilities:		
	Current financial Liabilities	-	0
	Current non-financial Liabilities	(3,555)	(26567)
	Current tax liabilities (Net)	-	0
	Trade Payable	(21,083)	(23847)
	Other non current non-financial Liabilities	(27,798)	(1970)
	Long Term Provisions	-	(197)
	Short term provisions	-	0
	Cash generated from operations	5,335	40,086
	Taxes paid/(received)	(4,517)	(10,949)
	Net Cash from Operating Activities	819	29,136
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Capital expenditure on fixed assets,	7,021	(25,974)
	Sale of investment	-	-
	Interest income on Fixed Deposit	916	555
	Advance for Investment	-	-
	Net Cash used in Investing Activities	7,938	(25,419)

Statement of Cash Flow for the year ended 31 March, 2019

Particulars		For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
		(Rs. in '000)	(Rs. in '000)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Finance costs	(119)	(62)
	Payment of Equity dividend including Tax	-	-
	Repayment of long term borrowings	-	-
	Net Cash from Financing Activities	(119)	(62)
	Net Increase/(Decrease) in Cash and Cash Equivalents	8,637	3,656
	Cash and Cash Equivalents at the beginning of the period	10,587	6,931
	Cash and Cash Equivalents at the end of the period	19,224	10586.7709
	Cash and Cash Equivalents at the end of the period comprise of:		
	Cash on Hand	180	1,538
	Cheques on hand	-	235
	Balances with Banks in Current Accounts	19,045	8,814
		19,224	10,587
		19224	10587

Note: The above Cash Flow Statement has been prepared under the indirect method set out in IND AS - 07 "Statement of Cash Flow" issued by the Central Government under Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (Companies Indian Accounting Standard Rules, 2015)

As per our report of even date attached

For Trivedi A M & Co.
Chartered Accountants

Maulik Trivedi
Membership No.: 410555

Place: Rajkot
Dated: 12th April, 2019

For and on behalf of the Board of Directors of
DEN RAJKOT CITY COMMUNICATION PVT LTD

Nitin Sureshchandra Nathwani
Director
DIN No.: 00353875

Rajendra Kale
Director
DIN No.: 07288226

Notes Forming Part of the Financial Statements

1. Background

DEN RAJKOT CITY COMMUNICATION PVT LTD. is a Company incorporated in India on October 03, 2006. The Company is primarily engaged in providing cable television distribution and other related services. It is a subsidiary of DEN Networks Limited which is listed on BSE & NSE.

2 Significant accounting policies

2.01 Basis of preparation

(i) Statement of Compliance and basis of preparation

The financial statements of the company Comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (Companies Indian Accounting Standard Rules, 2015) and other relevant provisions of the Act. These financial statements are the company's has first Ind AS financial statements and as covered by IND As 101 (first time adoption of Indian Accounting standards). For all periods upto and including the year ended d March 31, 2016, the Company prepared its financial statements in accordance with the Accounting Standards as notified under section 133 of the companies act 2013, read together with the companies (accounts) rules 2014 (herein after referred to as Indian GAAP financial statements). These financial statements for the year ended 31st march 2017 are the first the company has prepared in accordance with Ind AS.

(i) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for certain financial assets that is measured at DEN RCCPL.

2.02 Use of estimates

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

2.03 Cash and cash equivalents (for purpose of Cash Flow Statement)

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

2.04 Cash flow statement

Cash flows are reported using indirect method, whereby Profit before tax reported under statement 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.

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

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 amortization. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

Notes forming part of the Financial Statements

Goodwill on acquisition is included in intangible assets is not amortized but it is tested for impairment annually. The goodwill is carried at cost less accumulated impairment losses.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

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

The management believes that useful lives as given above represent the period over which management expects to use these assets.

Depreciation methods, useful life's and residual values are reviewed at each reporting date and adjusted, if appropriate

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

a.	Distribution network rights	5 years
b.	Software	5 years
c.	License fee for internet service	Over the period of license agreement
d.	Non compete fees	5 years

2.06 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.

i. Income from operations

1. 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 recognized based on percentage completion method as per terms of the contract with the customer. Period based services are accrued and recognized pro-rata over the contractual period.
2. Activation fees on Set top boxes (STBs) is recognized on activation of boxes over the life of the STBs. Activation fees received in advance and deferred over the period of life of the STB has been considered as deferred revenue in current and non-current liabilities at respective places.
3. Amounts billed for services in accordance with contractual terms but where revenue is not recognized, have been classified as advance billing and disclosed under current liabilities.

ii. Sale of equipment

Revenue relating to sale of equipment is recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of equipment to customers. Sales exclude sales tax and value added tax.

Notes forming part of the Financial Statements

2.07 Other income

Interest income from a financial asset is recognized 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,. 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).

2.08 Foreign exchange gains and losses

The functional currency for the Company is INR 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, i.e. INR which is also presentation currency of the company.

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 monetary items in foreign currency are taken into Statement of Profit and Loss.

2.09 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.09.1 Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

2.09.2 Subsequent measurement

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising at the time of subsequent measurement are recognising in the statement of profit or loss.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for financial liabilities recognized in a business combination which is subsequently measured at fair value through

Notes forming part of the Financial Statements

profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

(v) Derecognition of financial assets/liabilities

If financial assets is primarily derecognized when the right to receive the cash flows from the assets has expired or the company has transferred the rights to receive cash flows from the assets. IF financial liabilities is derecognized when the obligation under the liability is discharged or cancelled or expired.

(vi) Impairment of financial assets

In accordance with IND AS 109, the company applies expected credit loss method (ECL) for measurement and recognition impairment loss on the financial assets that are debt instruments and trade receivables.

(vii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.10 Employee benefits

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

a. Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees. The company pays provident fund contributions to publically administered provident funds as per local regulations. The company has no further payment obligations once the contributions has been paid. The contribution accounted for as defined contribution plans and are recognised as employee benefits expenses when they are due.

b. Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Measurement of the net defined benefit liability, which comprises actuarial gains and losses are recognised immediately in other comprehensive income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

c. Short term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange of services rendered by employees are recognised during the year when the employee renders the services. These benefits include salaries, bonus, leave travel allowance and performance incentives.

d. Other Long term employee benefits

The Liabilities for earned leave and sick leave are not expected to settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of service provided by the employees upto end of the reporting period using the projected unit credit method. The benefits are using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit & Loss. The Obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Notes forming part of the Financial Statements

2.11 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset (net of income earned on temporary deployment of funds) are capitalised as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

2.12 Leases

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases.

2.13 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.

2.14 Taxes on income

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

2.14.1 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. Current income tax relating to items recognized directly in the equity is recognised in equity and not in statement of profit and loss." The Company current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.14.2 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 using balance sheet approach. 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 relating to items recognised in other comprehensive income and directly in equity is recognised in correlation to the underlying transaction."

Notes forming part of the Financial Statements

Deferred Tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the end of the reporting period. Further the carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient profit will be available

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

2.15 Impairment of assets

2.15.1 Financial Assets

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.

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.

2.15.2 Non financial assets

Intangible assets and property, plant and equipment Property plant

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, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.16 Provisions and contingencies

A provision is recognised if as a result of a past event the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

Notes forming part of the Financial Statements

2.17 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.

2.18 Service tax input credit

Service 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/ utilizing the credits.

2.19 Operating Cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization 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.

2.20 Current Versus Non Current Classification :

i. The assets and liabilities in the Balance Sheet are based on current/ non - current classification. An asset as current when it is:

1 Expected to be realized or intended to be sold or consumed in normal operating cycle

2 Held primarily for the purpose of trading

3 Expected to be realized within twelve months after the reporting period, or

4 Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve monthsafter the reporting period

All other assets are classified as non - current.

ii A liability is current when:

1. Expected to be settled in normal operating cycle
2. Held primarily for the purpose of trading
3. Due to be settled within twelve months after the reporting period, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reportingperiod

All other liabilities are treated as non - current.

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

Notes forming part of the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT

3A Tangible Assets **(Rs. in '000)**

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2017
Carrying amounts of:			
Leasehold Improvements	-	-	-
Plant and equipment			
Headend and distribution equipment	20,255	26,249	14,687
Set top boxes*	46,653	88,518	226,230
Modems and routers			
Building			
Computers	97	135	650
Office and other equipment			
Furniture and Fixtures	118	132	34
Vehicles	5	9	228
	67,128	**115,043**	**241,828**
Capital work in progress	-	-	-
	67,128	**115,043**	**241,828**

(Rs. in '000)

Particulars	Plant and equipment		Computers	Furniture and Fixtures	Vehicles	Total
	Headend and distribution equipment	Set top boxes*				
Deemed cost						
Balance at 1 April, 2018	**14,687**	**226,230**	**650**	**34**	**228**	**241,828**
Additions	21,055	4,786	48	108	-	**25,997**
Disposals	(24)	-	-	-	-	**(24)**
Balance at 31 March, 2018	35,717	231,016	698	142	228	**267,802**
Additions	761	-	-	-	-	**761**
Disposals	-	-	-	-	-	-
Balance at 31 March, 2019	**36,478**	**231,016**	**698**	**142**	**228**	**268,563**
Accumulated depreciation						
Balance at 1 April, 2018	(5,343)	(107,849)	(478)	(4)	(206)	**(113,881)**
Depreciation expenses	(4,125)	(34,649)	(85)	(6)	(13)	**(38,879)**
Elimination on disposals of assets	-	-	-	-	-	-
Balance at 31 March, 2018	(9,469)	(142,499)	(563)	(10)	(219)	(152,759)
Depreciation expenses	(6,754)	(33,552)	(38)	(14)	**(4)**	**(40,363)**
Provision for Impairment of Fixed Assets	-	(8,313)	-	-	-	**(8,313)**
Balance at 31 March, 2019	**(16,223)**	**(167,738)**	**(602)**	**(25)**	**(223)**	**(184,809)**
Carrying amount						
Balance at 1 April, 2018	14,687	226,230	650	34	228	**241,828**
Additions	21,055	4,786	48	108	-	**25,997**
Disposals	(24)	-	-	-	-	**(24)**
Depreciation expenses	(9,469)	(142,499)	(563)	(10)	(219)	**(152,759)**
Balance at 31 March, 2018	26,249	88,518	135	132	9	**115,043**
Additions	761	-	-	-	-	**761**
Disposals	-	-	-	-	-	
Provision for Impairment of Fixed Assets	-	(8,313)	**(8,313)**			
Depreciation expense	(6,754)	(33,552)	(38)	(14)	(4)	**(40,363)**
Balance at 31 March, 2019	**20,255**	**46,653**	**97**	**118**	**5**	**67,128**

Note:

* Set top boxes are installed at the premises of the customers.

Notes forming part of the Financial Statements

3B Other intangible assets **(Rs. in '000)**

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Carrying amounts of:			
Goodwill	-	-	0
Distribution and network rights	-	-	0
Software	655	257	312
Licence fee for internet service	-	-	0
Non compete fees	-	-	0
	655	257	312

Particulars	Distribution and network rights	Software	Total
Deemed cost			
Balance at 1 April, 2018	**-**	**313**	**312**
Additions	-	-	**-**
Disposals	-	-	**-**
Balance at 31 March, 2018	0	312	312
Additions	-	531	**531**
Disposals	-	-	**-**
Balance at 31 March, 2019	**0**	**843**	**843**
Accumulated depreciation			
Balance at 1 April, 2018	**-**	**-**	-
Depreciation expenses	-	(56)	**(56)**
Elimination on disposals of assets	-	-	-
Balance at 31 March, 2018	0	(56)	(56)
Depreciation expenses	**-**	**(133)**	**(133)**
Eliminated on disposals of assets	-	0	**-**
			(188)
Balance at 31 March, 2019	**-**	**(188)**	**(188)**
Carrying amount			
Balance at 1 April, 2018	-	312	312
Additions	-	-	-
Disposals	-	-	-
Depreciation expenses	-	(56)	(56)
Balance at 31 March, 2018	0	257	257
Additions	-	531	531
Disposals	-	-	-
Depreciation expense	-	(133)	(133)
Balance at 31 March, 2019	**0**	**655**	**655**

Notes forming part of the Financial Statements

	Particulars	As at 31.03.2019 (Rs. in '000)	As at 31.03.2019\8 (Rs. in '000)
4.	**NON-CURRENT INVESTMENTS**		
	Others	5,830	5,830
		5,830	**5,830**
5.	**OTHER FINANCIAL ASSETS**		
	Considered good		
	(a) Security deposits	55	53
		55	**53**
6.	**LOANS**		
	Current		
	Other Loans and Advances considered Good	11,311	13,091
	Other Loans and Advances considered Doubtful	1,642	0
	Provision for doubtful	(1,642)	0
		11,311	**1,3091**
7.	**OTHER NON-CURRENT ASSETS**		
	(a) Other non-financial assets		
	Considered good		
	(b) Prepaid expenses	2,377	2,786
	(c) Advance Tax	-	-
	i) Sales tax authorities	-	-
		2,377	**2,786**
8.	**TRADE RECEIVABLES (Unsecured)**		
	Current		
	Trade receivables		
	(a) Secured, considered good		
	(b) Unsecured, considered good	**22,993**	**31,916**
	(c) Doubtful	**22,477**	**-**
	Allowance for doubtful debts (Expected credit loss allowance)	(22,477)	0
		22,993	**31,916**
	Movements in the allowance for doubtful debts		
	Opening balance of provision bad and doubtful debts	0	0
	Add: Provision for bad and doubtful debts made during the year	22,477	0
	Less: Excess provision written back during the year	0	
	Closing balance of provision for bad and doubtful debts	22,477	0
9.	**CASH AND CASH EQUIVALENTS***		
	(a) Cash on hand	180	1,538
	(b) Cheques on hand	0	235
	(c) Balance with scheduled banks		
	in current accounts	1,063	5,642
	in deposit accounts	17,981	3,172
	Cash and cash equivalent as per balance sheet	19,224	10,587
	Less: Bank over draft	0	
	Cash and cash equivalent as per cash flows	19,224	10,587

Notes forming part of the Financial Statements

	Particulars	As at 31.03.2019 (Rs. in '000)	As at 31.03.2019\8 (Rs. in '000)
10.	**OTHER CURRENT ASSETS**		
	Other non-financial assets		
	(a) Prepaid expenses	2,804	2,325
	(b) Balance with government authorities		
	i) Service tax credit receivable	0	8367
		2,804	**10,689**
11.	**SHARE CAPITAL**		
	AUTHORISED		
	50000 Equity Shares of Rs. 10/- each	500,000	500000
	ISSUED, SUBSCRIBED AND FULLY PAID UP		
	11306 Equity Shares of Rs. 10/- each, fully paid up	113	113
		113	**113**

(a) The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2019 and March 31, 2018 is set out below:

(Rs. in '000)

Particulars	March 31, 2019		March 31, 2018	
	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
Numbers of shares at the Beginning	11,306	113,060	11,306	113,060
Add: Shares issued during the year	-	-	-	
Numbers of shares at the End	11,306	113,060	11,306	113,060

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

Particulars	March 31, 2019		March 31, 2018	
	No. of shares	Amount Rs.	No. of Shares	Amount Rs.
Den Networks Limited (Holding Company)*	5764	57,640	5764	57,640

* Including 4 Shares held by nominees

(c) Number of Shares held by each shareholder having more than 5% shares:

Particulars	March 31, 2019		March 31, 2018	
	No. of Shares	% Holding	No. of Shares	% Holding
Den Networks Limited (Holding Company)	5,764	51%	5,764	51%
Mukeshbhai Bundela	665	6%	665	6%
Jugalbhai Bundela	665	0.058818327	665	6%
Virenkumar Parekh	665	0.058818327	665	0.058818327
Krunalbhai Dudakiya	665	0.058818327	665	0.058818327
	8,424	**75%**	**8,424**	**75%**

(d) 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.

(e) 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

(f) Nature and Purpose of Reserves:

Securities Premium Account: This account is created when shares are issued at premium. The Company may issue fully paid-up bonus shares to its members out of the security premium account and company can use this account for buyback of its shares.

Notes forming part of the Financial Statements

	Particulars	As at 31.03.2019 (Rs. in '000)	As at 31.03.2018 (Rs. in '000)
12.	**PROVISIONS**		
	Long-term provisions		
	Others	-	-
		-	-
13.	**OTHER NON-CURRENT LIABILITIES**		
	Others Liabilities:		
	Deferred revenue	14,956	42,755
	Deferred tax Liabilities	-	
		14,956	**42,755**
14.	**TRADE PAYABLES**		
	Trade payables - Other than acceptances*		
	(a) total outstanding dues of creditors other than micro enterprises and small enterprises		
	– Payable for goods and services	81,502	102,644
		81,502	**102,644**

* The Company has not received intimation from suppliers regarding the status under Micro Small and Medium Enterprises Development Act, 2006 and based on the information available with the Company there are no dues to Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	As at 31-03-2019 (Rs. '000)	As at 31-03-2018 (Rs. '000)
MSME Disclosure in notes to accounts		
The following details relating to micro, small and medium enterprises shall be disclosed in the notes:-		
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	0	0
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	0	0
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	0	0
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and 3	0	0
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	0	0
Explanation: The terms 'appointed day', 'buyer', 'enterprise', 'micro enterprise', 'small enterprise' and 'supplier', shall have the same meaning as assigned to them under clauses (b), (d), (e), (h), (m) and (n) respectively of section 2 of the Micro, Small and Medium Enterprises Development Act, 2006."		

Notes forming part of the Financial Statements

	Particulars	As at 31.03.2019	As at 31.03.2018
		(Rs. in '000)	(Rs. in '000)
15.	**OTHER CURRENT LIABILITIES**		
	Other non financial liabilities		
	(a) Deferred revenue	1,455	6,138
	(b) Statutory Liabilities	5,531	6,956
	(c) Other payables		
	Advances from customers	-	-
		6,986	**13,094**
16.	**CURRENT TAX LIABILITIES**		
	Provision for tax	4,130	1,873
		4,130	**1,873**

	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
		(Rs. in '000)	(Rs. in '000)
17.	**REVENUE FROM OPERATIONS**		
	(a) Operating revenue	197,795	195,662
	(b) Other operating revenue		
	i) Sale of equipment	4,884	8,293
	ii) Commission income	-	-
	iii) Profit on sale of fixed assets	-	-
	i) Liabilities/excess provisions written back	-	197
	ii) Miscellaneous income	240	317
		202,918	**204,469**
18.	**OTHER INCOME**		
	(a) Interest income		
	i) on fixed deposits	916	555
		916	**555**
19.	**EMPLOYEE BENEFIT EXPENSE**		
	(a) Salaries and allowances*	-	-
	(b) Gratuity expense	-	-
		-	**-**
	* Salary for the previous year have been effected on account of actuarial gain/(loss) taken on OCI	-	-
20.	**FINANCE COSTS**		
	(a) Interest expense on		
	Interest on finance lease obligations	-	1
	(b) Other borrowing costs	119	61
		119	**62**

Notes forming part of the Financial Statements

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
	(Rs. in '000)	**(Rs. in '000)**
21. OTHER EXPENSES		
(a) Cost of traded items	6,482	8,814
(b) Rent and hire charges	2,400	2,400
(c) Repairs and maintenance		
i) Plant and machinery	9,431	13,768
ii) Others	-	-
(d) Power and fuel	2,099	2,195
(e) Consultancy, professional and legal charges*	406	351
(f) Brokerage/commission	3,393	4,323
(g) Contract service charges	7,346	7,720
(h) Printing and stationery	24	42
(i) Travelling and conveyance	962	259
(j) Communication expenses	72	146
(k) Leaseline/bandwidth expenses	6,906	7,548
(l) Security charges	363	393
(m) Freight and labour charges	-	-
(n) Insurance	-	-
(o) Rates and taxes	11	65
(p) STB Activation charges	400	650
(q) Provision for doubtful trade receivables and advances	18,574	-
(r) Fixed assets/capital work in progress written off	-	-
(s) Bad debts written off	10,799	816
(t) Miscellaneous expenses	1,833	471
(u)`Prior period expense (net)	47	-
	71,547	**49,961**
* Consultancy, professional and legal charges includes Auditor's remuneration as under:		
(a) To statutory auditors		
For audit	50	50
For other services	25	75
(b) To cost auditors for cost audit	-	-
	75	**125**
22. EXCEPTIONAL ITEM		
(a) Impairment of Doubtful Advances/Receivable	5,545	
(b) Obsolescence /Impairment value of Fixed Assets	526	
	6,071	**-**

Notes forming part of the Financial Statements

23. CURRENT TAX AND DEFERRED TAX

(a) Income Tax Expense

Particulars	Year ended 31.03.2019 (Rs. in '000)	Year ended 31.03.2018 (Rs. in '000)
Current Tax:		
Current Income Tax Charge	6,773	6,628
Deferred Tax		
In respect of current year origination and reversal of temporary differences	17,890	14,850
	34,405	**21,478**
Total Tax Expense recognised in profit and loss account	**41,178**	**28,106**

(b) Movement of Deferred Tax

i) Movement of Deferred Tax for 31.03.2019 **(Rs. in '000)**

Particulars	Year ended 31.03.2019			
	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	(6,022)	(13,578)		(19,601)
Other financial asset	-	-		-
	(6,022)	**(13,578)**	**-**	**(19,601)**
Tax effect of items constituting deferred tax assets				
Employee Benefits	-	-	-	-
Share issue expenses	-	-		-
Doubtful debts/advances/impairment	-	6,253		6,253
Deferred Revenue	-	-		-
Other financial asset	22,127	(20,306)		1,820
Other Items	-	-		-
	22,127	**(14,053)**	**-**	**8,073**
Net Tax Asset (Liabilities)	**16,105**	**(27,632)**	**-**	**(11,527)**

ii) Movement of Deferred Tax for 31.03.2018 **(Rs. in '000)**

Particulars	Year ended 31.03.2018			
	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	1,381	(7,404)		(6,022)
Other financial asset	-	-		-
	1,381	**(7,404)**		**(6,022)**
Tax effect of items constituting deferred tax assets				
Employee Benefits	36	(36)	-	-
Share issue expenses	-	-		-
Doubtful debts/advances/impairment	6,957	(6,957)		-
Deferred Revenue	-	-		-
Financial Assets	22,580	(453)		22,127
Other Items	-	-		-
	29,573	**(7,447)**	**-**	**22,127**
Net Tax Asset (Liabilities)	**30,955**	**(14,850)**	**-**	**16,105**

Notes forming part of the Financial Statements

(c) Numerical Reconciliation between average effective tax rate and applicable tax rate:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Amount	Tax Rate	Amount	Tax Rate
Profit Before tax from Continuing Operations	**(922)**	**33%**	**42,653**	**33.07%**
Income Tax using the Company's domestic Tax rate #	(305)		14,105	
Tax Effect of:				
– Share of profit of equity-accounted investees reported net of tax				
– Non deductible Expenses	7,078		(7,477)	
– Tax - Exempt income				
– Tax Incentives and concessions				
– Current Year Losses for which no deferred Tax Asset is recognised				
Recognition of Tax Effect of Previously unrecognised tax losses				
Changes in recognised deductible temporary differences	17,890		10,968	
Changes in estimates related to prior years				
Unrecognised MAT Credit				
Income Tax recognised In P&L from Continuing Operations (Effective Tax Rate)	24,663	(27)	17,596	41%

24 EARNINGS PER EQUITY SHARE (EPS)*

	Particulars	(Rs. In '000) Year ended 31.03.2019	(Rs. In '000) Year ended 31.03.2018
a.	Profit/(Loss) for the year attributable to Owners of the Company	(25,585)	25,058
b.	Weighted average number of equity shares outstanding used in computation of basic EPS	11,306	11,306
c.	Basic earning per share from continuing operations	(2,263)	2,216
d.	Dilutive effect of preference shares outstanding		
d.	Weighted average number of equity shares and equity equivalent shares outstanding used in computing diluted EPS	11,306	11,306
e.	Diluted earning per share from continuing operations	(2,263)	2,216

25. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Particulars	As at 31.03.2019	As at 31.03.2018
	(Rs. in '000)	(Rs. in '000)
(a) Capital commitments		
Estimated amount of contracts remaining to be executed on tangible capital assets (net of advances)	NIL	NIL
(b) Contingent liabilities		
i) Claims against the Company not acknowledged as debts*	NIL	NIL
ii) Guarantees	NIL	NIL
iii) Other money for which the Company is contingently liable	NIL	NIL

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

Notes forming part of the Financial Statements

26. RELATED PARTY DISCLOSURES

I. List of related parties

(a) Holding Company

1. DEN Networks Limited

(b) Associate entities

1. Rajkot City Channel Private Limited — Mr. Nitin Nathwani, Director of this Company

(c) Persons having substantial interest in the company

1. Nitinbhai Nathwani
2. Niyati Nathwani
3. Nitinbhai Nathwani HUF
4. Bharatbhai Makwana

(d) Key managerial personnel

1. Nitinbhai Nathwani — Director

(e) Companies under the common control of the holding company

1. Media Pro Enterprise Private Limited
2. Star Den Media Services Private Limited
3. Den Futuristic Cable Networks Pvt. Ltd. (Formerly known as Den Digital Entertainment Gujarat Pvt. Ltd., Aster Entertainment Pvt. Ltd.)

II. Transactions/outstanding balances with related parties during the year

(Rs. in '000)

Particulars	Holding Company (Den Networks Ltd.)	Associates entities	Persons having substantial interest in the company	Key managerial Personnel		Companies Under Common Control	Grand total
A. Transactions during the year							
i. Operating revenue							
For the Year ended 31 March 2019	16,169						**16,169**
For the Year ended 31 March 2018	18,134						**18,134**
ii) Liabilities/excess provisions written back							
For the Year ended 31 March 2019	-		-	-	-	-	-
For the Year ended 31 March 2018	-		-	-	-	-	-
iii) Content Cost	-						
For the Year ended 31 March 2019	56,148						**56,148**
For the Year ended 31 March 2018	50,293						**50,293**
iv) Other expenses	-						-
For the Year ended 31 March 2019	5,605	8,500					**14,105**
Nitin Nathwani			684				**684**
Nitin Nathwani HUF			900				**900**
Niyati Nathwani			516				**516**
Bharat Makwana			300				**300**
For the Year ended 31 March 2018	7,726	11,500					**19,226**
Nitin Nathwani			684				**684**
Nitin Nathwani HUF			900				**900**
Niyati Nathwani			516				**516**
Bharat Makwana			300				**300**
Total	77,921.7172	8,500	2,400	0	0	0	88,821.7172
	76,153.23415	11,500	2,400	0	0	0	90,053.23415

Notes forming part of the Financial Statements

(Rs. in '000)

Particulars	Holding Company (Den Networks Ltd.)	Associates entities	Persons having substantial interest in the company	Key managerial Personnel		Companies Under Common Control	Grand total
B. Outstanding balances at year end							
i) Trade payables							
As on 31 March 2019							
Den Networks Ltd	62,124						**62,124**
Den Futuristic Cable Networks Pvt. Ltd.						0	**0**
Rajkot City Channel Pvt. Ltd.							**-**
As on 31 March 2018							
Den Networks Ltd	84,512						**84,512**
Aster Entertainment Private Limited						402	**402**
Rajkot City Channel Pvt. Ltd.							**-**
iii) Creditors of FA							**-**
As on 31 March 2019	542						**542**
As on 31 March 2018	542						**542**
v) Trade receivables							
As on 31 March 2019							
Den Networks Ltd	12,955						**12,955**
Rajkot City Channel Pvt. Ltd.		**5,567**					**5,567**
Den Futuristic Cable Networks Pvt. Ltd.						1,682	**1,682**
As on 31 March 2018							
Den Networks Ltd	22,416						**22,416**
Rajkot City Channel Pvt. Ltd.		8,460					**8,460**
Den Futuristic Cable Networks Pvt. Ltd.						1,682	**1,682**
Total	75,622	0	0	0	0	1,682	77,304
	107,471	0	0	0	0	2,085	109,555

27. 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. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument.

Financial assets and liabilities:

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

As at 31 MAR, 2019

Financial assets*	FVTPL	FVTOCI	Amortised Cost	Total carrying value
Cash and cash equivalents			19,224	19,224
Trade receivables			22,993	22,993
Loan			11,311	11,311
Investments			5,830	5,830
Other Financial Assets			55	55
	-	-	59,413	59,413

Notes forming part of the Financial Statements

Financial liabilities*	FVTPL	FVTOCI	Amortised Cost	Total carrying value
Non current borrowings			-	-
Current borrowings			-	-
Trade payables			81,502	81,502
Other current financial liabilities	-		-	-
	-	-	81,502	81,502

As at 31 March, 2018

Financial assets*	FVTPL	FVTOCI	Amortised Cost	Total carrying value
Cash and cash equivalents			10,587	10,587
Current investments			-	-
Trade and other receivables			31,916	31,916
Loans			13,091	13,091
Investments			5,830	5,830
Other current financial asset			53	53
	-	-	61,477	61,477

Financial liabilities*	FVTPL	FVTOCI	Amortised Cost	Total carrying value
Long term borrowings			-	-
Short term borrowings			-	-
Trade payables			102,644	102,644
Other current financial liabilities	-		-	-
	-	-	102,644	102,644

Fair Value hierarchy

The fair values of the financial assets and liabilities are include at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and cash equivalent, trade receivables, trade payables, other payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.
3. All Financial Instruments with related parties are considered to be arisen from transaction which are at Arm's Length. Therefore, the same has been considered at fair value.

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within level 1 that are observable for the assets or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

Notes forming part of the Financial Statements

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March, 2019

Particulars	As at March 31, 2019	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial assets*				
Cash and cash equivalents	19,224	-	-	19,224
Trade and other receivables	22,993	-	-	22,993
Loans	11,311	-	-	11,311
Investments	5,830	-	-	5,830
Other Financial Assets	55	-	-	55
Total	**59,413**	**0**	**0**	**59,413**
Financial liabilities*				
Trade payables	81,502	-	-	81,502
Other current financial liabilities	-	-	-	-
Total	**81,502**	**0**	**0**	**81,502**

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March, 2018

Particulars	As at March 31, 2018	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial assets*				
Cash and cash equivalents	10,587	-	-	10,587
Trade and other receivables	31,916	-	-	31,916
Loans	13,091	-	-	13,091
Security deposits	5,830	-	-	5,830
Other current financial asset	53	-	-	53
Total	**61,477**	**0**	**0**	**61,477**
Financial liabilities*				
Trade payables	102,644	-	-	102,644
Other current financial liabilities	-	-	-	-
Total	**102644**	**0**	**0**	**102644**

(b) FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES:

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables and advances from Customers. The Company's principal financial assets include Investment, loans and advances, trade and other receivables and cash and bank balances that derive directly from its operations. The Company is exposed to market risk, 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.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial assets will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial Assets affected by market risk include loans and borrowings, deposits and derivative financial instruments.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Notes forming part of the Financial Statements

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

Financial Instruments and Cash Deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the Management on regular basis.

Liquidity Risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, Letter of Credit and working capital limits.

As at March 31, 2019

	<1 year	**1-3 Years**	**3-5 Years**	**> 5 Years**	**Total**
Non-Current					
Borrowings		-			-
Current					
– Borrowings	-				-
– Trade Payable	12,582	31,004	37,917		81,502
– Other Financial Liability	-				-
Total	**12,582**	**31,004**	**37,917**	**-**	**81,502**

As at March 31, 2018

	<1 year	**1-3 Years**	**3-5 Years**	**> 5 Years**	**Total**
Non-Current					
– Borrowings		-			-
Current					
Borrowings	-				-
Trade Payable	53,617	3,218	45,808	-	102,644
Other Financial Liability	-				-
Total	**53,617**	**3,218**	**45,808**	**-**	**102,644**

Notes forming part of the Financial Statements

28. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management 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 manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity and internal accruals.

29 POST REPORTING EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation

30 AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended MAR 31, 2019 were approved by the Board of Directors on 08/04/2019. The management and authorities have the power to amend the Financial Statements in accordance with Section 130 and 131 of The Companies Act, 2013.

31 In the opinion of the Management, Current Assets, Loans and Advances are of the value stated, if realized in the ordinary course of business.

32 The company has entered into cancellable operating lease for office premises. Lease payments amounting to Rs. 2400/- thousand (P.Y 2400/- thousand) made under operating lease have been recognized as an expenses in the statement of profit and loss. Lease rent paid to related party.

33 Exceptional items of Rs. 6.0709 million comprise:

a) Doubtful receivables and advances from customers/parties provided for amounting to **Rs. 5.545** million. Pursuant to implementation of new regulatory framework by Telecom Regulatory Authority of India (TRAI) dated 3 March, 2017 ('Tariff order') w.e.f. 20 December, 2018, the Group had to revamp their mode of operations which includes changes in the information technology systems to migrate to the new regulatory framework. Such adjustments also required finalisation of revenue sharing mechanism with the Local Cable Operators (LCOs). Based on the re-assessment of the value of assets appearing in the books of account in the light of the new regulatory framework and the increase in competition on account of rates parity in the market, the Company has recognised an impairment of doubtful advances/trade receivables of Rs. 5.545 million.

b) Impairment of property, plant and equipment amounting to Rs. 0.5258 million. During the period, the Group has carried out a detailed assessment of property, plant and equipment in terms of recoverability and usability of these assets and therefore have recognised a one-time impairment in the value of property, plant and equipment of **Rs.0.5258** million."

34 REVENUE FROM OPERATIONS

Accounting Policy

The Company derives revenues primarily from sale of services. Effective April 1, 2018, the Company adopted IndAS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of IndAS 115 was insignificant.

Revenue is recognized upon transfer of control of promised service to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services or goods.

For rendering of services, performance obligation is satisfied over time. The Company recognizes revenue allocated to this performance obligation over the period the performance obligation is satisfied.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and claims, if any, as specified in the contract with the customer. Revenue is also net of indirect taxes in its statement of profit and loss.

Unearned and deferred revenue ("contract liability") is recognised when there is billing in excess of revenues.

The Company disaggregates revenue from contracts with customers by type of products and services, geography and timing of revenue recognition.

Notes forming part of the Financial Statements

Use of significant judgments in revenue recognition

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

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

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

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
(Rs. (000)