Meerut Cable Network Private Limited

Financial Statements

2019-20

Balance Sheet as at 31st 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**			
	Fixed Assets			
	(a) Property, Plant and Equipment	3	315.44	809.92
	(b) Other Intangible assets	3	0.00	0.00
	(c) Financial Assets			
	(i) Others financial assets	4	10,272.95	61,772.95
	(d) Deferred tax assets	23	882.63	1,434.73
	(e) Other non-current assets	5	6,922.34	10,288.62
			18,393.36	74,306.22
2.	**Current assets**			
	(a) Financial Assets			
	(i) Trade receivables	6	1,138.35	7,311.91
	(ii) Cash and cash equivalents	7	1,179.39	1,847.53
	(iii) Other financial assets	8	212.37	6.49
	(b) Other current assets	9	100.55	45.72
			2,630.66	9,211.65
	Total Assets		**21,024.02**	**83,517.87**
B.	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share capital	10	1,000.00	1,000.00
	(b) Other Equity		(9,779.92)	21,492.92
			(8,779.92)	22,492.92
	Liabilities			
1.	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowing	11	14,097.08	46,498.45
	(b) Provisions	12	660.72	554.47
	(c) Other non-current liabilities	13	253.24	278.03
	Total non-current liabilities		15,011.04	47,330.95

Balance Sheet as at 31st March, 2020

	Particulars	Note No.	As at 31.03.2020 (Rs. '000)	As at 31.03.2019 (Rs. '000)
2.	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Trade payables	14		
	i. total outstanding dues to micro enterprises and small enterprises		-	-
	ii. total outstanding dues to creditors other than micro enterprises and small enterprises		5,552.91	5,649.79
	(ii) Other financial liabilities	15	8,544.18	7,474.78
	(b) Other current liabilities	16	611.26	498.48
	(c) Provision	12	84.55	70.95
	Total current liabilities		14,792.90	13,694.00
	Total Liabilities		**29,803.94**	**61,024.95**
	Total equity and liabilities		**21,024.02**	**83,517.87**

See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors of
MEERUT CABLE NETWORK PRIVATE LIMITED

DHANESH VERMA
Director
DIN No:02448716

Dated: 18th April 2020

VIVEK NANDA
Director
DIN No:05319962

Dated: 18th April 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	**REVENUE**			
	(a) Revenue from operations	17	12,886.78	14,590.73
	(b) Other income	18	660.81	1,684.65
2	**TOTAL INCOME**		13,547.59	16,275.38
3	**EXPENSES**			
	(a) Content cost		4,255.86	4,081.83
	(b) Employee benefit expense	19	2,829.61	2,863.69
	(c) Finance costs	20	4,293.13	6,004.77
	(d) Depreciation and amortisation expense	3	494.48	504.02
	(e) Other expenses	21	36,060.99	5,051.31
4	**TOTAL EXPENSES**		47,934.07	18,505.62
5	**PROFIT/(LOSS) BEFORE EXCPETIONAL ITEM AND TAX EXPENSE (2-4)**		(34,386.48)	(2,230.24)
6	Exceptional items	22	-	2,999.84
7	**PROFIT/(LOSS) BEFORE TAX (5-6)**		(34,386.48)	(5,230.08)
8	**TAX EXPENSE**	23		
	(a) Current tax expense		-	622.56
	(b) Excess provision for tax relating to prior years		130.95	-
	(c) Net current tax expense		130.95	622.56
	(d) Deferred tax		543.02	62.80
	NET TAX EXPENSE		673.97	685.36
9	**PROFIT / (LOSS) AFTER TAX (7-8)**		(35,060.45)	(5,915.44)
10	**OTHER COMPRESHENSIVE INCOME**		-	-
	(i) Items that will not be reclassified to Profit/(Loss)			
	- Remeasurements of the defined benefit obligation		36.12	0.92
	- Deferred Tax on Remeasurements of the defined benefit obligation		(9.09)	(0.24)
	(ii) Income tax relating to items that will not be reclassiied to Profit/(Loss)			
	TOTAL OTHER COMPRESHENSIVE INCOME		**27.03**	**0.68**
11	**TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (9+10)**		**(35,033.42)**	**(5,914.76)**
12	**Earnings per equity share**	26		
	(Face value of Rs. 10 per share)			
	Basic (Rs. per share)		(350.60)	(59.15)
	Diluted (Rs. per share)		(350.60)	(59.15)

See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors of
MEERUT CABLE NETWORK PRIVATE LIMITED

DHANESH VERMA
Director
DIN No:02448716

Dated: 18th April 2020

VIVEK NANDA
Director
DIN No:05319962

Dated: 18th April 2020

Statement Cash Flow for the Year Ended 31st March, 2020

	Particulars	For the year ended March 31, 2020 (Rs. '000)	For the year ended March 31, 2019 (Rs. '000)
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
1	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) before tax	(34,386.48)	(5,230.08)
	Adjustments for:		
	Depreciation and amortisation expense	494.48	504.02
	Finance costs	4,293.13	6,004.77
	Liabilities/ excess provisions written back (net)	(50.97)	(99.84)
	Provision for doubtful debts	33,647.64	-
	Operating profit before working capital changes	**3,997.80**	**1,178.87**
	Changes in working capital:		
	Adjustments for (increase)/ decrease in operating assets:		
	Trade Receivables	(27,474.08)	2,719.61
	Other current financial assets	(205.88)	(6.49)
	Other current non- financial assets	(54.83)	968.82
	Other Financial Assets	-	57.96
	Loan & Advances	-	1,665.59
	Other non current non-financial assets	6,445.87	(1,330.40)
	Adjustments for increase / (decrease) in operating liabilities:		
	Current financial Liabilities	1,069.40	5,887.16
	Current non-financial Liabilities	148.91	(274.57)
	Current tax liabilitites (Net)	-	-
	Trade Payable	(45.91)	2,142.65
	Other non current Financial Liabilities	2,359.18	-
	Other non current non-financial Liabilities	(24.79)	(3,172.63)
	Long Term Provisions	106.25	127.15
	Short term provisions	13.59	26.28
	Cash generated from operations	(13,664.48)	9,990.00
	Taxes paid / (received)	(3,210.54)	(440.57)
	Net Cash from Operating Activities	**(16,875.02)**	**9,549.42**

Statement Cash Flow for the Year Ended 31st March, 2020

	Particulars	For the year ended March 31, 2020 (Rs. '000)	For the year ended March 31, 2019 (Rs. '000)
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Capital expenditure on fixed assets,	0.00	0.00
	Advance for Investment	51,500.00	13,752.05
	Net Cash used in Investing Activities	**51,500.00**	**13,752.05**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds/ (Repayment) from long term borrowings	(31,000.00)	(16,555.98)
	Finance costs	(4,293.13)	(6,004.77)
	Net Cash from Financing Activities	**(35,293.13)**	**(22,560.75)**
	Net Increase/(Decrease) in Cash and Cash Equivalents	(668.14)	740.73
	Cash and Cash Equivalents at the beginning of the period	1,847.53	1,106.80
	Cash and Cash Equivalents at the end of the period	**1,179.39**	**1,847.53**
	Cash and Cash Equivalents at the end of the period comprise of:		
	Cash on Hand	243.20	209.06
	Cheques on hand		
	Balances with Banks in Current Accounts	936.19	1,638.47
		1,179.39	**1,847.53**

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)

For and on behalf of the Board of Directors of
MEERUT CABLE NETWORK PRIVATE LIMITED

DHANESH VERMA
Director
DIN No:02448716

Dated: 18th April 2020

VIVEK NANDA
Director
DIN No:05319962

Dated: 18th April 2020

Statement of Change in Equity for the Year ended 31st March, 2020

A. Equity Share Capital

For the Year Ended 31st March, 2020 **(Rs. '000)**

Balance as at 01st April, 2019	Changes in equity share capital during the year	Balance as at 31st March, 2020
1,000.00	**-**	**1,000.00**

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

Balance as at 01st April, 2018	Changes in equity share capital during the year	Balance as at 31st March, 2019
1,000.00	**-**	**1,000.00**

B. Other Equity

Statement of Change in Equity for the Year ended March 31, 2020 **(Rs. '000)**

Particulars			Other comprehensive income	Total
	Capital Redemption Reserve	Retained earnings	Actuarial Gain / (Loss)	
Balance at the beginning of April 1, 2019	2,500.00	18,991.82	1.10	21,492.92
Total comprehensive income for the year	-	(35,060.45)	27.03	(35,033.42)
Redemption of Preference shares-CRR	5,000.00	(5,000.00)	-	-
Unwinding Discount	3,760.58	-		3,760.58
Balance at the end of March 31, 2020	**11,260.58**	**(21,068.63)**	**28.13**	**(9,779.92)**

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

Particulars			Other comprehensive income	Total
	Capital Redemption Reserve	Retained earnings	Actuarial Gain / (Loss)	
Balance at the beginning of April 1, 2018	2,500.00	21,633.71	0.42	24,134.13
Total comprehensive income for the year	-	(5,915.44)	0.68	(5,914.76)
Redemption of Preference shares-CRR	-	-	-	-
Unwinding Discount	-	3,273.55	-	3,273.55
Balance at the end of March 31, 2019	**2,500.00**	**18,991.82**	**1.10**	**21,492.92**

See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors of
MEERUT CABLE NETWORK PRIVATE LIMITED

DHANESH VERMA
Director
DIN No:02448716

Dated: 18th April 2020

VIVEK NANDA
Director
DIN No:05319962

Dated: 18th April 2020

Notes forming part of the Financial Statements

1. Background

Meerut Cable Network Private Limited is a Company incorporated in India on September 4, 2003. The Company is primarily engaged in providing cable television distribution and other related services. It is a subsidiary of DEN Networks Limited w.e.f 01st December 2007 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 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;
- 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 Investments in associates and joint ventures

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.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. 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.

The results and assets and liabilities of associates or joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the balance sheet at cost and adjusted thereafter to recognise the Company's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Company's share of losses of an associate or a joint venture exceeds the Company's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate or joint venture), the Company discontinues

Notes to the Financial Statements

recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Company determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Company investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Company retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Company measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Company accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Company continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Company reduces its ownership interest in an associate or a joint venture but the Company continues to use the equity method, the Company reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Company entity transacts with an associate or a joint venture of the Company, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Company's financial statements only to the extent of interests in the associate or joint venture that are not related to the Company.

2.03 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 recognised in the periods in which the results are known / materialise.

2.04 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.

Notes to the Financial Statements

2.05 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.

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) and as per amendment notified in March 2017 by the Ministry of Corporate Affairs issued in the Companies (Indian Accounting Standards) (Amendments) Rules, 2017

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

2.06 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.

a.	Headend and distribution equipment	6 -15 years
b.	Set top boxes (STBs)	8 years
c.	Office and other equipment	5 years
d.	Furniture and fixtures	3 to 10 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
h.	Computers	3 years

Notes to the Financial Statements

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.

2.07 Intangible assets

Intangible assets acquired 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:

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

Deemed cost on 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.

2.08 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.

Notes to the Financial Statements

2.09 Revenue recognition

The Company derives revenues primarily from sale of services. Effective April 1, 2018, the Company adopted Ind AS 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 Ind AS 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.

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.

i. Rendering of services

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 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.
2. 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.
3. 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.

Notes to the Financial Statements

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

ii. 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:

a) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

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

c) the amount of revenue can be measured reliably

d) it is probable that the economic benefits associated with the transaction will flow to the Company; and

e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.10 Other income

Dividend income and interest income

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.

2.11 Share-based payment arrangements

Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

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.

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 remeasured, with any changes in fair value recognised in profit or loss for the year.

2.12 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

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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.

2.13 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 theentity’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.

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

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):

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

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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):

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

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:

- it has been acquired principally for the purpose of selling it in the near term; or• 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
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

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.

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.

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Financial assets at FVTPL are measured at fair value at the end of each reporting period, 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 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.

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.

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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.

- 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.
- 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.
- 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.

2.14 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.

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:

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

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- 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
- 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:

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

<u>Financial liabilities subsequently measured at amortised cost</u>

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.

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.

<u>Financial guarantee contracts</u>

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:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

<u>Commitments to provide a loan at a below-market interest rate</u>

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:

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

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.

2.15 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. Remeasurement, 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. Remeasurement 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:

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. remeasurement

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.

Short-term and other long-term employee benefits

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.

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Contributions from employees or third parties to defined benefit plans

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:

- 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 remeasurement of the net defined benefit liability (asset).
- 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 19.70 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 19.70.

2.16 Leases

On April 1, 2019, the Company adopted IFRS 16, Leases. Accordingly, the policy for Leases as presented in the Company's Annual Report is amended as under:

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right- of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an options to extend the lease if the Company is reasonably certain to exercise that options; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that options. In assessing whether the company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that crate an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

2.17 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.

2.18 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.

2.19 Taxation

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

<u>Current tax</u>

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.

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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 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.

Current and deferred tax for the year

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.

2.20 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.

2.21 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.

2.22 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

Notes to the Financial Statements

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.

2.23 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.

2.24 Goods and Services tax input credit

GST 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.

2.25 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.

2.26 Current and non Current classfication :

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 realised or intended to be sold or consumed in normal operating cycle

2 Held primarily for the purpose of trading

3 Expected to be realised 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 months after 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 reporting period

All other liabilities are treated as non - current.

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

Notes to the Financial Statements

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

Particulars	**As at 31 March, 2020**	**As at 31 March, 2019**
Carrying amounts of :		
Headend and distribution equipment	315.44	809.92
Computers	0.00	0.00
Office and other equipment	0.00	0.00
Furniture and Fixtures	0.00	0.00
Vehicles	0.00	0.00
	315.44	**809.92**
Capital work in progress	-	-
	315.44	**809.92**

(Rs. '000)

	Plant and equipment			Furniture and Fixtures	Vehicles	Total
	Headend and distribution equipment	Computers	Office and other equipment			
Gross Block						
Balance at 1 April, 2018	**3,804.16**	**81.52**	**195.64**	**307.02**	**102.02**	**4,490.36**
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance at 31 March, 2019	**3,804.16**	**81.52**	**195.64**	**307.02**	**102.02**	**4,490.36**
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance at 31 March, 2020	**3,804.16**	**81.52**	**195.64**	**307.02**	**102.02**	**4,490.36**
Accumulated depreciation						
Balance at 1 April, 2018	**(2,491.45)**	**(81.52)**	**(195.64)**	**(305.78)**	**(102.02)**	**(3,176.41)**
Depreciation expenses	(502.78)	-	-	(1.24)	-	**(504.02)**
Elimination on disposals of assets	-	-	-	-	-	-
Balance at 31 March, 2019	**(2,994.23)**	**(81.52)**	**(195.64)**	**(307.02)**	**(102.02)**	**(3,680.43)**
Depreciation expenses	(494.48)	-	-	-	-	**(494.48)**
Eliminated on disposals of assets	-	-	-	-	-	-
Balance at 31 March, 2020	**(3,488.71)**	**(81.52)**	**(195.64)**	**(307.02)**	**(102.02)**	**(4,174.91)**
Provision for Impairment						
Balance at 1 April, 2018	-	-	-	-	-	-
Impairment Expenses	-	-	-	-	-	-
Balance at 31 March, 2019	-	-	-	-	-	-
Impairment Expenses	-	-	-	-	-	-
Balance at 31 March, 2020	-	-	-	-	-	-
Carrying amount						
Balance at 1 April, 2018	1,312.71	0.00	0.00	1.24	0.00	**1,313.95**
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Impairment Expense	-	-	-	-		
Depreciation expenses	(502.78)	-	-	(1.24)	-	**(504.02)**
Balance at 31 March, 2019	**809.92**	**0.00**	**0.00**	**0.00**	**0.00**	**809.92**
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Impairment Expenses	-	-	-	-		
Depreciation expense	(494.48)	-	-	-	-	**(494.48)**
Balance at 31 March, 2020	**315.44**	**0.00**	**0.00**	**0.00**	**0.00**	**315.44**

Notes to the Financial Statements

3(B) Other intangibe assets **(Rs. '000)**

	As at 31 March, 2020	As at 31 March, 2019
Carrying amounts of :		
Distribution and network rights	0.00	0.00
	-	-
	0.00	**0.00**

(Rs. '000)

	Distribution and network rights	Total
Gross Block		
Balance at 1 April, 2018	**13,345.76**	**13,345.76**
Additions	-	-
Disposals	-	-
Balance at 31 March, 2019	**13,345.76**	**13,345.76**
Additions	-	-
Disposals	-	-
Balance at 31 March, 2020	**13,345.76**	**13,345.76**
Accumulated depreciation		
Balance at 1 April, 2018	**(13,345.76)**	**(13,345.76)**
Depreciation expenses	-	-
Elimination on disposals of assets	-	-
Balance at 31 March, 2019	**(13,345.76)**	**(13,345.76)**
Depreciation expenses	-	-
Eliminated on disposals of assets	-	-
Balance at 31 March, 2020	**(13,345.76)**	**(13,345.76)**
Carrying amount		
Balance at 1 April, 2018	0.00	0.00
Additions	-	-
Disposals	-	-
Depreciation expenses	-	-
Balance at 31 March, 2019	**0.00**	**0.00**
Additions	-	-
Disposals	-	-
Depreciation expense	-	-
Balance at 31 March, 2020	**0.00**	**0.00**

Notes to the Financial Statements

		As at 31.03.2020	As at 31.03.2019
			(Rs. '000)
4.	**Other financial assets***		
	Considered good		
	a. Security deposits*	525.00	525.00
	b. Advance for investments	9,747.95	61,247.95
		10,272.95	**61,772.95**
		10,272.95	**61,772.95**
	*Refer Note 27		
5.	**Other non-current assets**		
	Other non-financial assets		
	i. Considered good		
	a. **Advance Tax**	6,669.10	10,010.59
	(Net of provision of Rs.2350 thousand. (P.Y.-2350 thousand)		
	b. Prepaid expenses	253.24	278.03
		6,922.34	**10,288.62**
	ii. Considered doubtful		
	Other Loans and Advances considered Doubtful	30,000.00	-
	Provision for doubtful	(30,000.00)	-
		6,922.34	**10,288.62**
6.	**Trade receivables (Unsecured)***		
	Current		
	(a) Trade Receivables considered good - Secured	-	-
	(b) Trade Receivables considered good - Unsecured	**1,138.35**	**7,311.91**
	(c) Trade Receivables which have significant increase in Credit Risk	**144.07**	-
	(d) Trade Receivables - credit impaired	**(144.07)**	-
	* Refer Note No. 27	**1,138.35**	**7,311.91**
	Pertains to Related Party	1,138.35	7,311.91
	Movements in the allowance for doubtful debts		
	Opening balance of provision bad and doubtful debts	-	-
	Add: Provision for bad and doubtful debts made during the year	144.07	-
	Less: Excess provision written back during the year	-	-
	Closing balance of provision for bad and doubtful debts	**144.07**	-

Notes to the Financial Statements

(Rs. '000)

	Particulars	As at 31.03.2020	As at 31.03.2019
7.	**Cash and cash equivalents***		
	a. Cash on hand	243.20	209.06
	b. Balance with scheduled banks		
	in current accounts	936.19	1,638.47
	Cash and cash equivalent as per balance sheet	**1,179.39**	**1,847.53**
	Less : Bank over draft	-	-
	Cash and cash equivalent as per cash flows	**1,179.39**	**1,847.53**
	* Refer Note No. 27		
8.	**Other financial assets**		
	i. Considered good		
	a. Unbilled Revenue	0.47	6.49
	b. Loans to employees	11.90	-
	c. Other Loans and Advances considered Good	200.00	-
		212.37	**6.49**
	ii. Considered doubtful		
	a. Other Loans and Advances considered Doubtful	988.78	988.78
		988.78	988.78
	Less: Provision for doubtful loans and advances	(988.78)	(988.78)
		212.37	**6.49**
	* Refer Note No. 27		
9.	**Other current assets**		
	Other non-financial assets		
	a. Prepaid expenses	60.62	45.72
	b. Balance with government authorities		
	i GST credit receivable	39.93	-
		100.55	**45.72**

Notes to the Financial Statements

10. SHARE CAPITAL* **(Rs. '000)**

Particulars	**As at 31.03.2020**	**As at 31.03.2019**
AUTHORISED		
100,000 (100,000) Equity Shares of Rs. 10/- each	1,000	1,000
ISSUED, SUBSCRIBED AND FULLY PAID UP		
1,00,000 Equity Shares of Rs. 10/- each, fully paid up	1,000	1,000
	1,000	**1,000**

a) **The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2020 and March 31,2019 is set out below:** **(Rs. '000)**

Particulars	**March 31, 2020**		**March 31, 2019**	
	No of Shares	**Amount**	No of Shares	Amount
Numbers of shares at the Beginning	100,000	1,000.00	100,000	1,000.00
Add: Shares issued during the year	-	-	-	
Numbers of shares at the End	100,000	1,000.00	100,000	1,000.00

b) **Shares held by holding/ultimate holding company and/or their subsidiaries/associates:** **(Rs. '000)**

Particulars	**March 31, 2020**		**March 31, 2019**	
Name of Shareholders	**No of Shares**	**Amount**	No of Shares	Amount
Den Networks Limited (Holding Company)*	51000	510.00	51000	510.00

* Including 4 Shares held by nominees

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

Particulars	**March 31, 2020**		**March 31, 2019**	
	No of Shares	**% Holding**	No of Shares	% Holding
Den Network Limited (Holding Company)	51,000	51.00	51,000	51.00
Romi Shiv	9,000	9.00	9,000	9.00
Anupam Gupta	13,750	13.75	13,750	13.75
Late Bimla Shiv	7,000	7.00	7,000	7.00
Rachna Shiv	16,250	16.25	16,250	16.25

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) 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..

Notes to the Financial Statements

11. LONG-TERM BORROWINGS* **(Rs. '000)**

	As at 31.03.2020	As at 31.03.2019
a. Loans from related parties	-	26,000.00
b. Unsecured at FVTPL		
i. Redeemable preference shares*	14,097.08	20,498.45
	14,097.08	**46,498.45**

* Refer Note No. 27

* 13.5% non-cummulative 7 Years redeemable pref shares issued. Theses shares has been shown under long term borrowing as financial liabilites (using fair vaue through profit and loss method) as per IND AS. These redeemble preference shares do not contain any equity component.

12. Provisions

Long-term provisions		
Provision for employee benefits		
i. Provision for gratuity	660.72	554.47
	660.72	**554.47**
Provisions		
Short-term provisions		
Provision for employee benefits		
i. Provision for gratuity	84.55	70.95
	84.55	**70.95**

13. Other non-current liabilities

Other non-financial liabilities		
Others Liabilities:		
a. Deferred revenue	253.24	278.03
	253.24	**278.03**

14. Trade payables*

Trade payables - Other than acceptances		
a. Payable for goods and services	5,552.91	5,649.79
	5,552.91	**5,649.79**
* Refer Note No. 27		
Pertains to Related Party	5,362.68	5,002.24

Notes to the Financial Statements

15. Other financial liabilities* **(Rs. '000)**

Particulars	**As at 31.03.2020**	**As at 31.03.2019**
a. Interest accrued and due on borrowings	8,380.18	7,140.58
b. Salary payable	-	191.40
c. Others	164.00	142.80
	8,544.18	**7,474.78**

* Refer Note 27

16. Other current liabilities

<u>Other non financial liabilities</u>		
a. Deferred revenue	67.95	45.22
b. Statutory Liablities	321.64	453.26
c. Other payables		
i Advances from customers	221.67	-
	611.26	**498.48**

17. REVENUE FROM OPERATIONS **(Rs. '000)**

Particulars	**For the year ended 31.03.2020**	**For the year ended 31.03.2019**
a. Operating revenue	12,886.78	14,590.73
	12,886.78	**14,590.73**

18. OTHER INCOME

a. Liabilities/ excess provisions written back	50.97	99.84
b. Miscellaneous income	-	1,584.81
c. Intt on income tax refund	609.84	-
	660.81	**1,684.65**

19. EMPLOYEE BENEFIT EXPENSE

a. Salaries and allowances*	2,294.14	2,481.28
b. Gratuity expense	155.96	154.36
c. Staff welfare expenses	379.51	228.05
	2,829.61	**2,863.69**
*** Salary for the previous year have been effected on account of actuarial gain/(loss) taken on OCI**	**36.12**	0.92

Notes to the Financial Statements

20. FINANCE COSTS **(Rs. '000)**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
a. Other borrowing costs	4,293.13	6,004.77
	4,293.13	**6,004.77**

21. OTHER EXPENSES

a. Rent and hire charges	-	1,859.40
b. Repairs and maintenance		
i. Plant and machinery	868.11	815.99
ii. Others	177.82	54.03
c. Power and fuel	77.26	159.37
d. Consultancy, professional and legal charges*	134.60	122.50
e. Contract service charges	48.14	155.68
f. Printing and stationery	201.86	75.04
g. Communication expenses	240.66	435.28
h. Insurance	7.83	7.87
i. Rates and taxes	296.79	1,249.12
j. Provision for doubtful trade receivables and advances	30,144.07	-
k. Bad trade receivables and advances written off	3,503.57	-
l. Miscellaneous expenses	360.28	117.03
	36,060.99	**5,051.31**

* Consultancy, professional and legal charges includes Auditor's remuneration as under :

a. To statutory auditors		
For audit	100.00	100.00
For other services	-	-
	100.00	**100.00**

22. EXCEPTIONAL ITEMS

a. Unwinding Discount Income	-	1,584.81
b. Rate, Fee & Taxes	-	244.26
c. Provision for Doubtful Advances	-	988.78
d. Deferred Tax	-	181.99
	-	**2,999.84**

Notes to the Financial Statements

23 Current Tax and Deferred Tax

(a) Income Tax Expense

(Rs. '000)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Current Tax:		
Current Income Tax Charge	-	622.56
Short/ (Excess) Provision of earlier years	130.95	
Deferred Tax		
In respect of current year origination and reversal of temporary differences	543.02	62.80
Total Tax Expense recognised in profit and loss account	**673.97**	**685.36**
Deferred tax considered in exceptional Items	-	**181.99**
Total Tax Expense recognised	**673.97**	**867.35**

(i) Movement of Deferred Tax for 31.03.2020

(Rs. '000)

Particulars	Year ended 31.03.2020			
	Opening Balance	**Recognised in profit and Loss**	**Regognised in OCI**	**Closing balance**
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	1,535.44	(269.05)	-	1,266.39
Other financial asset	(604.45)	(327.96)	-	(932.41)
	930.99	**(597.01)**	**-**	**333.98**
Tax effect of items constituting deferred tax assets				
Employee Benefits	162.61	34.05	(9.09)	187.57
Doubtful debts/advances/impairment	257.08	28.04	-	285.12
Other financial asset	84.05	(8.09)	-	75.96
	503.74	**54.00**	**(9.09)**	**548.65**
Net Tax Asset (Liabilities)	**1,434.73**	**(543.01)**	**(9.09)**	**882.63**

(ii) Movement of Deferred Tax for 31.03.2019

(Rs. '000)

Particulars	Year ended 31.03.2019			
	Opening Balance	**Recognised in profit and Loss**	**Regognised in OCI**	**Closing balance**
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	1,861.78	(326.34)	-	1,535.44
Other financial asset	(1,208.60)	604.15	-	(604.45)
	653.18	**277.81**	**-**	**930.99**
Tax effect of items constituting deferred tax assets				
Employee Benefits	122.72	40.13	(0.24)	162.61
Doubtful debts/advances/impairment	-	257.08	-	257.08
Financial Assets	903.87	(819.82)	-	84.05
Other Items	-	-	-	-
	1,026.59	**(522.61)**	**(0.24)**	**503.74**
Net Tax Asset (Liabilities)	**1,679.77**	**(244.80)**	**(0.24)**	**1,434.73**

Notes to the Financial Statements

(b) Numerical Reconciliation between average effective tax rate and applicable tax rate : **(Rs. '000)**

Particulars	As at 31.03.2020		As at 31.03.2019	
	Amount	Tax Rate	Amount	Tax Rate
Profit/(Loss) Before Excpetional Item And Tax Expense	**(34,386.48)**	**25.17%**	**(2,230.24)**	**26.00%**
Exceptional Items	-		**2,999.84**	
Profit/(Loss) After Excpetional Item And Before Tax Expense	**(34,386.48)**		**(5,230.08)**	
Income Tax using the Company's domestic Tax rate	(8,654.40)		(1,359.82)	
Tax Effect of following				
Permanent Differences				
-Income Tax Provision relating to earlier years	130.95		622.56	
-Expense on which DTA not provided	582.09		(185.16)	
-Interest on TDS	72.54		9.54	
Changes in Timing Differences	8,542.77		1,353.45	
Rounding off Tax Provision	-		244.80	
Income Tax recognised In P&L from Continuing Operations (Effective Tax Rate)	**673.95**		**685.37**	

24 Related Party Disclosures

I. List of related parties

a Holding Company

1 DEN Networks Limited

b Fellow Subsidiaries Company

1 Futuristic Media And Entertainment Private Limited

2 Mansion Cable Network Pvt. Ltd.

c Persons having substansial interest in the company

1 Romi Shiv

d Key managerial personnel

1	Romi Shiv	Director
2	Anupam Gupta	Director
3	Shiva Entertainment	Proprietor - Mr. Romi Shiv

Notes to the Financial Statements

II. Transactions/ outstanding balances with related parties during the year (Figures in bracket relates to previous year)

(Rs. '000)

	Particulars	Holding Company	Fellow Subsidiries			Companis Under Common Control	Grand total
			Mansion Cable Network Pvt. Ltd.	Futuristic Media And Enter-tainment Private Limited	Shiva Enter-tainment	Media Pro Enterprise Private Limtied	
A.	**Transactions during the year**						
i.	**Operating revenue**						
	For the Year ended 31 March 2020	**-**	**6,000.00**				**6,000.00**
	For the Year ended 31 March 2019	-	(6,000.00)				(6,000.00)
ii.	**Content Cost**						
	For the Year ended 31 March 2020	-	**4,255.86**				**4,255.86**
	For the Year ended 31 March 2019	-	(4,081.83)				(4,081.83)
iii.	**Unwinding discount income**						
	For the Year ended 31 March 2020	**-**	-				**-**
	For the Year ended 31 March 2019	(1,584.81)	-				(1,584.81)
iv.	**Interest expense**						
	For the Year ended 31 March 2020	**2,359.20**	-	**1,932.89**			**4,292.09**
	For the Year ended 31 March 2019	(2,444.03)	-	(3,535.00)			(5,979.03)
v.	**STB Activation Charges**						
	For the Year ended 31 March 2020	**-**	**48.15**	**-**			**48.15**
	For the Year ended 31 March 2019	-	(35.31)	-			(35.31)
vi.	**Loan Paid**						
	For the Year ended 31 March 2020	**-**	-	**26,000.00**	**51,500.00**		**77,500.00**
	For the Year ended 31 March 2019	-	-	(190,000.00)	**(13,752.06)**		(203,752.06)
vii.	**Bad Debts Written off**						
	For the Year ended 31 March 2020	**3,503.57**	-	**-**	**-**		**3,503.57**
	For the Year ended 31 March 2019	-	-	-	-	-	
B.	**Outstanding balances at year end**						
i.	**Trade payables**						
	As on 31 March 2020	**203.03**	**5,159.65**				**5,362.68**
	As on 31 March 2019	(203.03)	(4,799.21)				(5,002.24)
ii.	**Preference Share Capital**						
	As on 31 March 2020	**14,097.08**					**14,097.08**
	As on 31 March 2019	(20,498.45)					(20,498.45)
iii.	**Trade receivables**						
	As on 31 March 2020	**1,061.71**	**76.64**				**1,138.35**
	As on 31 March 2019	(4,565.27)	(2,746.64)				(7,311.91)
iv	**Interest Accrued**						
	As on 31 March 2020	-	-	**8,380.18**	**-**		**8,380.18**
	As on 31 March 2019	-	-	(7,140.58)	-		(7,140.58)

Notes to the Financial Statements

	Particulars	Holding Company	Fellow Subsidiries			Companis Under Common Control	Grand total
			Mansion Cable Network Pvt. Ltd.	Futuristic Media And Enter-tainment Private Limited	Shiva Enter-tainment	Media Pro Enterprise Private Limtied	
v	**Advances for Investment**						
	As on 31 March 2020	-	-		**9,747.95**		**9,747.95**
	As on 31 March 2019	-	-		(61,247.95)		(61,247.95)
vi.	**Deferred Revenue Cost**						
	As on 31 March 2020	-	**301.80**	**-**			**301.80**
	As on 31 March 2019	-	(323.25)	-			(323.25)
vii.	**Loan**						
	As on 31 March 2020	-	-	**-**	**-**	**-**	
	As on 31 March 2019	-	-	(26,000.00)	-		(26,000.00)
viii	**Prepaid Exp**						
	As on 31 March 2020	-	**12.06**	**-**	**-**	**-**	**12.06**
	As on 31 March 2019	-	-	-	-	-	-

25 Disclosure pursuant to IND AS 15 on 'Employee Benefits'

Employee benefit plans

(i) Defined benefit plans

Gratuity plan

Gratuity liability arises on retirement, withdrawal, resignation, and death of an employee. The aforesaid liability is calculated on the basis of 15 days salary (i.e. last drawn salary plus dearness allowance) for each completed year of service or part thereof in excess of 6 months, subject to a maximum of Rs. 20 Lakhs. Vesting occurs upon completion of 5 years of service.

The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit method with actuarial valuations being carried out at each balance sheet date.

The following tables set out the unfunded status of the defined benefit scheme and amounts recognised in the Company financial statements as at 31 March, 2020:

1.1 (a): Changes in Present Value of Obligations: **(Rs. '000)**

Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Present value of the obligation at the beginning of the period	625.43	471.98
Interest cost	43.78	36.58
Current service cost	112.18	117.78
Past Service cost	-	-
Benefits paid (if any)	-	-
Actuarial (gain)/loss	(36.12)	(0.92)
Present value of the obligation at the end of the period	745.27	625.43

Notes to the Financial Statements

1.1 (b): Bifurcation of total Actuarial (gain) / loss on liabilities

Period	From: 01/04/2019 To: 31/03/2020	From: 01/04/2018 To: 31/03/2019
Actuarial gain / losses from changes in Demographics assumptions (mortality)	Not Applicable	
Actuarial (gain)/ losses from changes in financial assumptions	54.64	(6.26)
Experience Adjustment (gain)/ loss for Plan liabilities	(90.76)	5.34
Total amount recognized in other comprehensive Income	(36.12)	(0.92)

1.2: Key results (The amount recognized in the Balance Sheet):

Period	As on: 31/03/2020	As on: 31/03/2019
Present value of the obligation at the end of the period	745.27	625.43
Fair value of plan assets at end of period	-	-
Net liability/(asset) recognized in Balance Sheet and related analysis	745.27	625.43
Funded Status	(745.27)	(625.43)

1.3 (a): Expense recognized in the statement of Profit and Loss:

Period	From: 01/04/2019 To: 31/03/2020	From: 01/04/2018 To: 31/03/2019
Interest cost	43.78	36.58
Current service cost	112.18	117.78
Expected return on plan asset	-	-
Expenses to be recognized in the statement of profit and loss account	155.96	154.36

1.3 (b): Other comprehensive (income) / expenses (Remeasurement)

Period	From: 01/04/2019 To: 31/03/2020	From: 01/04/2018 To: 31/03/2019
Cummulative unrecognized actuarial (gain)/loss opening. B/f	(57.82)	(56.90)
Actuarial (gain)/loss - obligation	(36.12)	(0.92)
Actuarial (gain)/loss - plan assets	-	-
Total Actuarial (gain)/loss	(36.12)	(0.92)
Cummulative unrecognized actuarial (gain)/loss opening. C/f	(93.94)	(57.82)

1.4 : Experience adjustment:

Period	From: 01/04/2019 To: 31/03/2020	From: 01/04/2018 To: 31/03/2019
Experience Adjustment (Gain) / loss for Plan liabilities	(90.76)	5.34
Experience Adjustment Gain / (loss) for Plan assets	-	-

Notes to the Financial Statements

2.1: The assumptions employed for the calculations are tabulated:

Period	From: 01/04/2019 To: 31/03/2020	From: 01/04/2018 To: 31/03/2019
Discount rate	7.00 % per annum	7.75 % per annum
Salary Growth Rate	8.00 % per annum	8.00 % per annum
Mortality	IALM 2012-14	IALM 2006-08 Ultimate
Expected rate of return	0	0
Withdrawal rate (Per Annum)	5.00% p.a.	5.00% p.a. (18 to 30 Years)
Withdrawal rate (Per Annum)		5.00% p.a. / (30 to 44 Years)
Withdrawal rate (Per Annum)		5.00% p.a. (44 to 58 Years)

2.2: Current liability:

Period	As on: 31/03/2020	As on: 31/03/2019
Current Liability (Short Term)*	84.55	70.95
Non Current Liability (Long Term)	660.72	554.47
Total Liability	745.27	625.43

* Current Liability: It is probable outlay in next 12 months as required by the Companies Act.

2.3: Effect of plan on entity's future cash flows

2.3 (a): Funding arrangements and funding policy

Not Funded

2.3 (b): Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

01 Apr 2020 to 31 Mar 2021	85
01 Apr 2021 to 31 Mar 2022	8
01 Apr 2022 to 31 Mar 2023	27
01 Apr 2023 to 31 Mar 2024	7
01 Apr 2024 to 31 Mar 2025	7
01 Apr 2025 Onwards	611

2.4: Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Notes to the Financial Statements

Period	% Change
Defined Benefit Obligation (Base)	-
Liability with x% increase in Discount Rate [% Change]	-5%
Liability with x% decrease in Discount Rate [% Change]	6%
Liability with x% increase in Salary Growth Rate [% Change]	6%
Liability with x% decrease in Salary Growth Rate [% Change]	-5%
Liability with x% increase in Withdrawal Rate [% Change]	-1%
Liability with x% decrease in Withdrawal Rate [% Change]	1%

Notes:

a. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

b. The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

c. The gratuity plan is unfunded.

26. Earnings per equity share (EPS)* **(Rs. '000)**

	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
a.	Profit/(Loss) for the year attributable to Owners of the Company	(35,060.45)	(5,915.44)
b.	Weighted average number of equity shares outstanding used in computation of basic EPS	100,000	100,000
c.	Basic earning per share from continuing operations	(350.60)	(59.15)
d.	Weighted average number of equity shares and equity equivalent shares outstanding used in computing diluted EPS	100,000	100,000
e.	Diluted earning per share from continuing operations	(350.60)	(59.15)

*** There are no potential equity shares as at 31 March, 2020**
****There is no discontinued operation of the company**

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 March, 2020 **(Rs. '000)**

Financial assets*	Amortised Cost	FVTOCI	FVTPL	Total carrying value
Other Non-current financial asset	10,272.95			10,272.95
Cash and cash equivalents	1,179.39			1,179.39
Other financial assets	212.37			212.37
Trade receivables	1,138.35			1,138.35
	12,803.06	-	-	12,803.06

Notes to the Financial Statements

Financial liabilities*	Amortised Cost	FVTOCI	FVTPL	Total carrying value
Long term borrowings			14,097.08	14,097.08
Trade payables	5,552.91			5,552.91
Other current financial liabilities	8,544.18	-		8,544.18
	14,097.09	-	14,097.08	28,194.17

As at 31 March, 2019 **(Rs. '000)**

Financial assets*	Amortised Cost	FVTOCI	FVTPL	Total carrying value
Other Non-current financial asset	61,772.95	-	-	61,772.95
Cash and cash equivalents	1,847.53	-	-	1,847.53
Other financial assets	6.49	-	-	6.49
Trade and other receivables	7,311.91	-	-	7,311.91
	70,938.88	-	-	70,938.88

Financial liabilities*	Amortised Cost	FVTOCI	FVTPL	Total carrying value
Long term borrowings	-	-	46,498.45	46,498.45
Trade payables	5,649.79	-	-	5,649.79
Other current financial liabilities	7,474.78	-	-	7,474.78
	13,124.57	-	46,498.45	59,623.02

(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.

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.

Notes to the Financial Statements

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, 2020

	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Non - Current					
Borrowings	-	-	-	14,097.08	14,097.08
Current	-	-	-	-	-
-Trade Payable	5,552.91	-	-	-	5,552.91
-Other Fianancial Liability	1,403.60	7,140.58	-	-	8,544.18
Total	**6,956.51**	**7,140.58**	**-**	**14,097.08**	**28,194.17**

As at March 31, 2019

	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
-Non - Current					
-Borrowings	-	-	-	46,498.45	46,498.45
Current					
Trade Payable	5,649.79	-	-	-	5,649.79
Other Fianancial Liability	7,474.78	-	-	-	7,474.78
Total	**13,124.57**	**-**	**-**	**46,498.45**	**59,623.02**

(iii) Interest Rate Risk

The exposure of the company's financial liabilities as at March 31, 2020 to interest rate risk is NIL.

The coupun rate of preference share is 13.5% non-cummulative.

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.

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

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.

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

These are management based accounts dated 18th April , 2020 for the year ended 31st March , 2020

Notes to the Financial Statements

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 exercised the option permitted under Section 115BAA of the income tax act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Company has recognized the impact of remeasurement of the Deferred Tax Assets (net) and the current tax during the year.

33 **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 with respect to the cable subscriber base upto the date of adoption of financial statement. The company was also able to get required services from its vendors, employees etc. as per normal course of business except for certain disruptions which are not material to the conduct of the operations. The company has analysed various factors related to impact of COVID 19 on its financial reporting as per guidance issued by ICAI and is of the view that COVID 19 is not adversely impacting the financial reporting/operation of the Company.

34 The chief operating desicion maker (CODM) monitors the operating result of the company. CODM has identified only one repotable segment as the company is providing cable television network and allied services only. The operations of the Company are located in India.

Revenue of Rs. 600 thousand (Previous Year Rs.600 thousand) from one customer (Previous Year one Customer) having more than 10% revenue of total revenue.

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

	Particulars	**As at 31.03.2020 (Rs. In '000)**	**As at 31.03.2019 (Rs. In '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.

36 The company has entered into cancellable operating lease for office premises. Lease payments amounting to Rs. NIL thousand (P.Y 1859 thousand) made under operating lease have been recognized as an expenses in the statement of profit and loss.

37 All amount in the financials in thousands unless otherwise stated.

38 Previous year figures have been re-grouped and re-classified wherever considered necesseary, to make them comparable with current year figures.

For and on behalf of the Board of Directors of
MEERUT CABLE NETWORK PRIVATE LIMITED

DHANESH VERMA
Director
DIN No:02448716

Dated: 18th April 2020

VIVEK NANDA
Director
DIN No:05319962

Dated: 18th April 2020