Roptonal Limited
Financial Statements
2019-20

Independent Auditor's Report To the Members of Roptonal Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Roptonal Limited (the "Company"), which are presented in pages 5 to 23 and comprise the balance sheet as at 31 March 2020, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Roptonal Limited as at 31 March 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on

Independent Auditor's Report To the Members of Roptonal Limited

the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Olga Menelaou

Certified Public Accountant and Registered
Auditor for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Limassol, 6 April 2020

Statement of comprehensive income for the year ended 31 March 2020

	Note	**2020** **INR'000**	2019 INR'000
Administrative expenses	9	**(5.243)**	(4.762)
Other gains/(losses) - net		**8.361**	(1.101)
Profit/(loss) before income tax		**3.118**	(5.863)
Tax	10	**-**	-
Profit/(loss) and total comprehensive income/(loss) for the year		**3.118**	(5.863)

The notes on pages 8 to 18 are an integral part of these financial statements.

Balance sheet at 31 March 2020

	Note	**2020 INR'000**	2019 (as restated) INR'000
Assets			
Current Assets			
Financial assets at amortised cost	11	**2.982.386**	2.980.071
Tax refundable		**99.098**	99.098
Cash and cash equivalents	12	**134.753**	134.831
Total assets		**3.216.237**	3.214.000
Equity and liabilities			
Capital and reserves			
Share capital	13	**458**	458
Share premium	13	**5.460.432**	5.460.432
Accumulated losses		**(2.246.821)**	(2.249.939)
Total equity		**3.214.069**	3.210.951
Current liabilities			
Other payables	14	**2.168**	3.049
Total liabilities		**2.168**	3.049
Total equity and liabilities		**3.216.237**	3.214.000

On 6 April 2020 the Board of Directors of Roptonal Limited authorised these financial statements for issue.

CCY Management Limited, Director

Pimiento Limited, Director

The notes on pages 8 to 18 are an integral part of these financial statements.

Statement of changes in equity for the year ended 31 March 2020

	Note	Share capital INR'000	Share premium INR'000	Accumulated losses INR'000	Total INR'000
Balance at 1 April 2018		539	5.460.432	(2.244.157)	3.216.814
Restatement relating to share capital	13	(81)	-	81	-
Balance at 1 April 2018 – as restated		458	5.460.432	(2.244.076)	3.216.814
Comprehensive loss					
Loss and total comprehensive loss for the year		-	-	(5.863)	(5.863)
Balance at 31 March 2019/1 April 2019		458	5.460.432	(2.249.939)	3.210.951
Comprehensive income					
Profit and total comprehensive income for the year		-	-	3.118	3.118
Balance at 31 March 2020		458	5.460.432	(2.246.821)	3.214.069

The notes on pages 8 to 18 are an integral part of these financial statements.

Statement of cash flows for the year ended 31 March 2020

	Note	**2020 INR'000**	2019 INR'000
Cash flows from operating activities			
Profit/(loss) before income tax		**3.118**	(5.863)
Adjustments for:			
Write-off of other payables	8	**(1.454)**	-
		1.664	(5.683)
Changes in working capital:			
Financial assets		**2.315**	(1.523)
Other payables		**(4.057)**	(129)
Net cash used in operating activities		**(78)**	(7.515)
Net decrease in cash and cash equivalents		**(78)**	(7.515)
Cash and cash equivalents at beginning of year	12	**134.831**	142.346
Cash and cash equivalents at end of year	12	**134.753**	134.831

The notes on pages 8 to 18 are an integral part of these financial statements.

Notes to the financial statements

1 General information

Country of incorporation

The Company is incorporated and domiciled in Cyprus as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Alphamega Akropolis Building, 3rd Floor, Flat/Office 401, 10 Diomidous Street, CY-2024 Nicosia, Cyprus.

Principal activities

The principal activity of the Company in prior years was the holding of investments, including any interest earning activities. During the current and prior year, the Company did not hold any investments and remained dormant.

2 Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

As of the date of the authorization of the financial statements, all International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) that are effective as of 1 April 2019 and are relevant to the Company's operations have been adopted by the EU through the endorsement procedure established by the European Commission.

The principal accounting policies applied in the preparation of these financial statements are set out in Note 4. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 7.

3 Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning 1 January 2019. This adoption did not have a material effect on the accounting policies of the Company.

4 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Foreign currency translation

(i) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income within "other gains/(losses) – net".

Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country in which the Company operates and generates taxable income. Management periodically evaluates positions taken in

Notes to the financial statements

tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the Company where there is an intention to settle the balances on a net basis.

Financial assets

Financial assets – Classification

The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the assets. Management determines the classification of financial assets at initial recognition.

The Company classifies its financial assets at amortised cost. Financial assets at amortised cost are held for collection of contractual cash flows and their cash flows represent solely payments of principal and interest. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non-current assets. The Company's financial assets measured at amortised cost comprise of financial assets at amortised cost and cash and cash equivalents on the balance sheet.

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other gains/(losses) - net" together with foreign exchange gains and losses.

Financial assets – Measurement

At initial recognition, the Company measures financial assets classified at amortised cost at their fair value plus incremental transaction costs that are directly attributable to the acquisition of the financial assets. Subsequently, these are measured at amortised cost.

Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets – impairment - credit loss allowance for ECL

The Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within "net impairment losses on financial assets".

Notes to the financial statements

Debt instruments measured at amortised cost are presented in the balance sheet net of the allowance for ECL.

For all financial asset at amortised cost that are subject to impairment under IFRS 9, the Company applies general approach – three-stage model for impairment. The Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in Note 6, Credit risk section.

Classification as cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash at bank that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at fair value through profit or loss.

Classification as trade receivables

Trade receivables are amounts due from customers in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Classification as financial assets at amortised cost

These amounts are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Offsetting financial instruments

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

Share capital and share premium

Ordinary shares are classified as equity.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares. Share premium account can only be resorted to for limited purposes, which do not include the distribution of dividends, and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Notes to the financial statements

Other payables

Other payables are obligations to pay for services that have been acquired in the ordinary course of business. Other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Comparatives

Comparative figures have been restated to correct an error in the retranslation of the share capital upon the change of the functional currency of the Company during the financial year ended 31 March 2015, as further detailed in Note 13.

5 New accounting pronouncements

At the date of approval of these financial statements a number of new standards, interpretations and amendments to existing standards are effective for annual periods beginning after 1 April 2019 and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company.

6 Financial risk management

(i) Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk), credit risk and liquidity risk.

The Company's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

- **Market risk**

Foreign exchange risk

Exposure

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Pound Sterling, US Dollar and the Euro. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Company's functional currency.

Sensitivity

At 31 March 2020, if the Indian Rupee had weakened/strengthened by 10% (2019: 10%) against the Pound Sterling with all other variables held constant, post-tax loss for the year would have been INR13.475 thousand (2019: INR13.395 thousand) lower/higher, mainly as a result of foreign exchange gains/losses on translation of Pound Sterling denominated cash and cash equivalents and foreign exchange losses/gains on translation of Pound Sterling denominated other payables.

At 31 March 2020, if the Indian Rupee had weakened/strengthened by 10% (2019: 10%) against the US Dollar with all other variables held constant, post-tax loss for the year would have been INR2.694 thousand (2019: INR2.463 thousand) lower/higher mainly as a result of foreign exchange gains/losses on translation of US Dollar denominated other receivables.

The Company does not have formal policies and procedures for managing and monitoring foreign exchange risk.

- **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents and financial assets at amortised cost.

(i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only parties whom management has internally assessed as financially healthy and stable are accepted. If there is no independent rating, the management assesses the credit quality of the counterparty, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board.

(ii) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:

Notes to the financial statements

- financial assets at amortised cost; and
- cash and cash equivalents.

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. For all financial assets that are subject to impairment under IFRS 9, the Company applies general approach – three stage model for impairment, as further described in the Company's accounting policies in Note 4.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk (SICR) the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal or external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparty;
- significant increases in credit risk on other financial instruments of the same counterparty;
- significant changes in the expected performance and behaviour of the counterparty, including changes in the payment status of counterparty in the group and changes in the operating results of the counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the counterparties to settle the receivables. No significant changes to estimation techniques or assumptions were made during the reporting period.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 180 days past due. Where loans or receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Company assesses its exposure to credit risk arising from financial assets at amortised cost. This assessment takes into account, amongst others, the period the receivable balance is past due (in days) and history of defaults in the past, adjusted for forward-looking information. The Company uses the following categories for financial assets at amortised cost which reflect their credit risk and how the loss provision is determined for each of those categories.

A summary of the assumptions underpinning the Company's expected credit loss model is as follows:

Category	Company definition of category	Basis for recognition of expected credit loss provision	Basis for calculation of interest revenue
Performing	Counterparties have a low risk of default and a strong capacity to meet contractual cash flows	Stage 1: 12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.	Gross carrying amount
Underperforming	Counterparties for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due (see above in more detail)	Stage 2: Lifetime expected losses	Gross carrying amount

Notes to the financial statements

Category	Company definition of category	Basis for recognition of expected credit loss provision	Basis for calculation of interest revenue
Non-performing	Interest and/or principal repayments are 90 days past due	Stage 3: Lifetime expected losses	Amortised cost carrying amount (net of credit allowance)

Financial assets at amortised cost

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 March 2020 and 31 March 2019:

Trade receivables

Company internal credit rating	**2020 INR'000**	2019 INR'000
Non-performing	**176.302**	170.449
Total trade receivables	**176.302**	170.449

As at 31 March 2020, trade receivables in the amount of INR176.302 thousand (2019: INR170.449 thousand) were categorised as non-performing (Stage 3) and were fully provided for under the expected credit loss model (Note 11).

Other receivables from related parties

Company internal credit rating	**2020 INR'000**	2019 INR'000
Performing	**2.983.698**	2.981.383
Total other receivables from related parties	**2.983.698**	2.981.383

As at 31 March 2020, other receivables from related parties with gross carrying amount of INR2.983.698 thousand (2019: INR2.981.383 thousand) were categorised as performing (Stage 1) and an expected credit loss provision of INR1.312 thousand (2019: INR1.312 thousand) was recognised with respect to these assets (Note 11).

Cash and cash equivalents

The Company assesses its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions and internal ratings, if external are not available.

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 March 2020 and 31 March 2019:

	Rating(1)	**2020 INR'000**	2019 INR'000
Performing	AAA - A	**134.753**	134.831
Total cash and cash equivalents		**134.753**	134.831

(1) Moody's credit ratings

Based on the assessment performed by management as at 31 March 2020 and 31 March 2019, the identified expected credit loss on cash and cash equivalents was not significant to be recognised.

- **Liquidity risk**

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Notes to the financial statements

	Less than 1year INR'000
At 31 March 2019	
Other payables	3.049
At 31 March 2020	
Other payables	2.168

The Company does not have formal policies and procedures for managing and monitoring liquidity risk.

(ii) Capital risk management

Capital as defined by management at 31 March 2020 and 31 March 2019 consists of equity as shown on the face of the balance sheet.

The Company does not have formal policies and procedures for capital risk management.

(iii) Fair value estimation

The carrying value less impairment provisions of financial assets and liabilities are assumed to approximate their fair values. The fair values of financial liabilities for disclosure purpose are estimated to equal their carrying amounts, as the impact of discounting is not significant.

(iv) Offsetting financial assets and liabilities

The Company does not have any financial assets or financial liabilities that are subject to offsetting, enforceable master netting arrangements or any similar agreements.

7 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Impairment of financial assets**

The determination of loss allowances for financial assets is based on assumptions about risk of default and expected loss rates. Management uses judgement in making these assumptions and selecting the inputs to the loss allowance calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the Note 6, Credit risk section.

8 Other gains/(losses) - net

	2020 INR'000	2019 INR'000
Net foreign exchange transaction gains/(losses) on operating activities	**6.908**	(1.001)
Write-off of other payables	**1.453**	-
	8.361	(1.001)

Notes to the financial statements

9 Expenses by nature

	2020 INR'000	2019 INR'000
Auditors' remuneration	**2.163**	2.467
Other expenses	**231**	212
Legal and professional fees	**933**	101
Accountancy fees	**747**	852
Directors' fees (Note 15(i))	**327**	281
Management fees	**842**	849
Total administrative expenses	**5.243**	4.762

10 Income tax expense

	2020 INR'000	2019 INR'000
Current tax:		
Corporation tax	**-**	-
Income tax expense	**-**	-

The tax on the Company's profit/(loss) before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2020 INR'000	2019 INR'000
Profit/(loss) before tax	**3.118**	(5.863)
Tax calculated at the applicable corporation tax rate of 12,5%	**390**	(733)
Tax effect of allowances and income not subject to tax	**(863)**	-
Tax effect of tax losses for which no deferred tax asset was recognised	**473**	733
Tax charge	**-**	-

10 Income tax expense (continued)

The Company is subject to income tax on taxable profits at the rate of 12,5%.

Brought forward losses of only five years may be utilised.

As at 31 March 2020 and 31 March 2019, the Company had tax losses carried forward for which no deferred tax asset has been recognised as it is not probable that future taxable profits will be available against which the tax losses can be utilised.

11 Financial assets

(a) *Trade receivables*

	2020 INR'000	2019 INR'000
Current assets		
Stage 3:		
Trade receivables	**176.302**	170.449
Less: Provision for impairment of trade receivables	**(176.302)**	(170.449)
	-	-

Notes to the financial statements

(b) Financial assets at amortised cost

	2020	2019
	INR'000	INR'000
Current assets		
Stage 1:		
Other receivables from parent entity (Note 15(ii))	**784.564**	784.565
Other receivables from entities under common control (Note 15(ii))	**2.199.134**	2.196.818
Less: Provision for impairment of receivables (Note 15(ii))	**(1.312)**	(1.312)
	2.982.386	2.980.071

Financial assets at amortised cost represent funds provided to parent entity and to entities under common control, which are unsecured, bear no interest and are repayable on demand.

Note 6 sets out information about the impairment of financial assets at amortised cost and the Company's exposure to credit risk.

The carrying amounts of the Company's financial assets at amortised cost are denominated in the following currencies:

	2020	2019
	INR'000	INR'000
Indian Rupee – functional and presentation currency	**2.955.343**	2.955.344
US Dollars	**26.937**	24.627
Euro	**106**	100
	2.982.386	2.980.071

12 Cash and cash equivalents

	2020	2019
	INR'000	INR'000
Cash and bank balances	**134.753**	134.831

Cash and cash equivalents include the following for the purposes of the cash flow statement:

	2020	2019
	INR'000	INR'000
Cash and bank balances	**134.753**	134.831

Cash and cash equivalents are denominated in the following currencies:

	2020	2019
	INR'000	INR'000
Pound Sterling	**134.753**	134.831

Non-cash transactions

There were no non-cash transactions during the current year and prior year.

13 Share capital and share premium

	Number of shares INR'000	Share capital INR'000	Share premium INR'000	Total
At 1 April 2018	5.768	539	5.460.432	5.460.971
Restatement relating to share capital	-	(81)	-	(81)
Restated amount at 1 April 2018/ 31 March 2019/ 31 March 2020	5.768	458	5.460.432	5.460.890

Notes to the financial statements

The share capital was restated to correct an error in the retranslation of the share capital upon the change of the functional currency of the Company during the financial year ended 31 March 2015.

At 31 March 2020 and 31 March 2019 the total authorised number of ordinary shares is 9 000 shares with a par value of £0,85 per share. All issued shares are fully paid.

During the year ended 31 March 2020, the Company proceeded with the reduction of its share capital and share premium accounts by the total amount of approximately INR902.796 thousand. A court approval was not obtained for the said transaction by the year end, and therefore the transaction was not recognised in the financial statements.

14 Other payables

	2020 INR'000	2019 INR'000
Other payables	**683**	1.941
Accrued expenses	**1.485**	1.108
	2.168	3.049

The fair value of other payables which are due within one year approximates their carrying amount at the balance sheet date.

The carrying amounts of the Company's other payables are denominated in the following currencies:

	2020 INR'000	2019 INR'000
Indian Rupee – functional and presentation currency	**-**	569
Euro	**2.168**	1.600
Pound sterling	**-**	880
	2.168	3.049

15 Related party transactions

The Company is controlled by Viacom 18 Media Private Limited, incorporated in India, which owns 100% of the Company's outstanding shares. Viacom 18 Media Private Limited is controlled by Network18 Group, India (represented through TV 18 Broadcast Limited, India) which owns 51% of Viacom 18 Media Private Limited outstanding shares. The remaining 49% of Viacom 18 Media Private Limited outstanding shares are owned by Viacom Group, USA (represented through MTV Asia Ventures (India) Pte. Ltd, Mauritius and Nickelodeon Asia Holdings Pte. Ltd, Singapore).

(i) Directors' remuneration

The total remuneration of the Directors was as follows:

	2020 INR'000	2019 INR'000
Directors' fees (Note 9)	**327**	281

(ii) Year-end balances

	2020 INR'000	2019 INR'000
Other receivables from related parties (Note 11):		
Parent entity	**784.564**	784.565
Entities under common control	**2.199.134**	2.196.818
Less: Provision for impairment of receivables	**(1.312)**	(1.312)
	2.982.386	2.980.071

The above balances are unsecured, bear no interest and are repayable on demand.

Notes to the financial statements

16 Events after the balance sheet date

During late 2019, news first emerged from China about the COVID-19 (Coronavirus). As at year end, the virus had spread globally and its negative impact has gained momentum.

While this is still an evolving situation at the time of issue of these financial statements, to date there has been no discernible impact on the Company's operations, however the future effects cannot be predicted. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

There were no other material events after the balance sheet date, which have a bearing on the understanding of the financial statements.

Independent auditor's report on pages 2 to 3.