

DEN CITI CHANNEL PRIVATE LIMITED
FINANCIAL STATEMENTS
2018-19

Independent Auditor's Report

To the Members of DEN Citi Channel Private Limited Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **DEN Citi Channel Private Limited** ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/Loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("The Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to Going Concern

We draw attention to Note in standalone financial statement that, All the business assets including primary points of cable Television Networking business pertaining to distribution/re-transmission of Cable Television signals are sold in the financial year. Due to material uncertainty related to the other business activities after the above event that may cast significant doubt upon the company's ability to continue as going concern.

Further there is no other business income earned by the company during the year and company has incurred cash loss during the year and previous years and Companies current liabilities exceeds its current assets as on the balance sheet date. These conditions indicate the existence of material uncertainty that may cause significant doubt about the company's ability to continue as going concern.

Responsibilities of Management's and Those Charged with Governance for standalone Financial Statements

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

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

A further description of our responsibilities for the audit of the financial statements is included in **Annexure A** of the auditor's report.

Other Matter

We have audited financial statements as per random sampling basis. The transactions below Rupees Ten Thousands are not included for our audit sampling.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure- B** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, **none of the directors is disqualified** as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure C**".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Mallesha Kumar & associates
Chartered Accountants
Firm's Reg. No:- 017260S

Place: Udupi
Date: 13-04-2019

Mallesha Kumar
Proprietor
Membership No-233356

Annexure -"A" to the Auditor's Report

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

1. 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 is 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 override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. U/s 143(3)(i) of Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial system in place and operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosure made by the management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
5. Evaluate 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 achieve fair presentation.
6. We also provide those charged with governance with statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable related safeguards.

For Mallesha Kumar & associates
Chartered Accountants
Firm's Reg. No:- 017260S

Place: Udupi
Date: 13-04-2019

Mallesha Kumar
Proprietor
Membership No-233356

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

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

(i) Fixed Assets

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- b) According to the information and explanations given to us the Company has a regular programme of physical verification to cover fixed assets other than distribution equipment comprising overhead and underground cables. Management is of the view that it is not possible to verify these assets due to their nature and location.
- c) The Company has disposed all its assets during the financial year.

(ii) Inventories

The Company is a service company, primarily rendering cable system network services and there is no inventory in hand at any point of time, hence paragraph 3 (ii) of the order is not applicable to the Company.

(iii) Loans given

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

(iv) Compliance of Sec. 185 & 186

The Company has not entered into any transaction in respect of loans, investments, guarantee and security which attracts compliance to provisions of section 185 & 186 of the Companies Act, 2013, therefore, paragraph 3 (iv) of the order is not applicable to the company.

(v) Public Deposit

During the year, the company has not accepted any deposits from the public, therefore, paragraph 3 (v) of the order is not applicable.

(vi) Cost Records

In our opinion and according to information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under Section 148(1) of the Companies Act, for the services provided by the company therefore, paragraph 3 (vi) of the order is not applicable to the company.

(vii) Statutory Dues

- a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has generally been regular in depositing its undisputed statutory dues including income-tax, Service tax and cess etc. There are no undisputed dues payable, outstanding as on 31st March, 2019 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no amounts in respect of income tax, service tax etc. that have not been deposited with the appropriate authorities on account of any dispute.

(viii) Repayment of Loan

According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken any loans or borrowings from any financial institutions & banks therefore, paragraph 3 (viii) of the order is not applicable to the company.

(ix) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not raised money by way of initial public offer or further public offer (including debt instrument) any term loans during the period under audit therefore, paragraph 3 (ix) of the order is not applicable to the company.

(x) Reporting of Fraud

Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.

- (xi) According to information & explanations given to us, **No managerial remuneration** has been paid or provided in during the year.
- (xii) As explained, the company **is not a Nidhi Company**. Therefore paragraph 3 (xii) of the order is not applicable to the company.
- (xiii) As per the information and explanations given by the management, all the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) As per the information and explanations given by the management, company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore paragraph 3 (xiv) of the order is not applicable to the company.
- (xv) As per the information and explanations given by the management, the company has not entered into any non-cash transaction with directors or persons connected with him. Therefore paragraph 3 (xv) of the order is not applicable to the company.
- (xvi) As per the information and explanations given by the management, company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore paragraph 3 (xvi) of the order is not applicable to the company.

For Mallesha Kumar & associates

Chartered Accountants
Firm's Reg. No:- 017260S

Place: Udupi
Date: 13-04-2019

Mallesha Kumar
Proprietor
Membership No-233356

ANNEXURE C**THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF DEN CITI CHANNELPRIVATE LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **DEN Citi ChannelPrivate Limited** ("the Company") as of 31 March, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2019, based on, “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

For Mallesha Kumar & associates

Chartered Accountants
Firm's Reg. No:- 017260S

Place: Udupi
Date: 13-04-2019

Mallesha Kumar
Proprietor
Membership No-233356

Balance Sheet as at 31 March, 2019

Particulars Note No.	31.03.2019	As at	
		31.03.2018	As at
		(Rs. '000)	(Rs. '000)
A. ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipment	3	-	1,528
(b) Other Intangible assets	3A	-	-
(c) Financial Assets			
(i) Loans	4	-	573
(ii) Finance lease receivables			
(iii) Others financial assets	5	-	214
(d) Non Current Tax Assets			
(e) Deferred tax assets	24	2,904	4,792
(f) Other non-current assets	6	32	905
		<u>2,936</u>	<u>8,012</u>
2. Current assets			
(a) Financial Assets			
(i) Trade receivables	7	-	220
(ii) Loan	4	718	156
(iii) Cash and cash equivalents	8	3,463	31
(iv) Other financial assets	9	-	-
(b) Other current assets	10	65	411
		<u>4,246</u>	<u>818</u>
TOTAL Assets		<u>7,182</u>	<u>8,830</u>
B. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	11	646	646
(b) Other Equity		(8,576)	(11,958)
		<u>(7,931)</u>	<u>(11,312)</u>
Liabilities			
1. Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowing	12	-	-
(b) Provisions	13	-	109
(c) Deferred tax liabilities (net)	24	-	-
(d) Other non-current liabilities	14	-	632
Total non-current liabilities		<u>-</u>	<u>741</u>
2. Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	15	4,141	3,129
(ii) Other financial liabilities	16	4,406	7,241
(b) Other current liabilities	17	6,567	9,005
(c) Provision	13	-	26
(d) Current tax liabilities (Net)	18	-	-
Total current liabilities		<u>15,113</u>	<u>19,401</u>
Total Liabilities		<u>15,113</u>	<u>20,142</u>
Total equity and liabilities		<u>7,182</u>	<u>8,830</u>

See accompanying notes forming part of the financial statements

As per our report of even date attached

Mallesha Kumar & Associates

Firm Regn No: 017260S

Chartered Accountants

Mallesha Kumar

Proprietor

Member Ship No.: 233356

Place: Udupi

Dated: 13th April, 2019

**For and on behalf of the Board of Directors of
DEN CITI CHANNEL PRIVATE LIMITED**

Jaifer VK

Director

DIN No: 05340133

Place: New Delhi

Date: 13th April, 2019

Shankar Devarajan

Director

DIN No: 02112473

Place: New Delhi

Date: 13th April, 2019

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

Particulars	Note No.	For the year ended	For the year ended
		31.03.2019	31.03.2018
		(Rs. '000)	(Rs. '000)
1 REVENUE			
(a) Revenue from operations	19	1,054	3,646
(b) Other income	20	4,410	-
2 TOTAL INCOME		<u>5,464</u>	<u>3,646</u>
3 EXPENSES			
(a) Content cost	20	-	-
(b) Employee benefit expense	21	-	551
(c) Finance costs	22	499	775
(d) Depreciation and amortisation expense	3	-	700
(e) Other expenses	23	2,720	6,947
4 TOTAL EXPENSES		<u>3,219</u>	<u>8,973</u>
5 PROFIT/(LOSS) BEFORE EXCPETIONAL ITEM AND TAX EXPENSE (2-4)		2,246	(5,327)
6 TAX EXPENSE			
(a) Current tax expense	25	144	-
(b) Current tax expense			
(c) Less : MAT credit adjustment relating to previous year		-	-
(d) Excess provision for tax relating to prior years			-
(e) Reversal of excess MAT credit taken in prior years			
(f) Net current tax expense		144	-
(g) Deferred tax		1,888	(3,383)
NET TAX EXPENSE		<u>2,032</u>	<u>(3,383)</u>
7 PROFIT / (LOSS) AFTER TAX (5-6)		213	(1,944)
8 Other Comprehensive Income			
(i) Items that will not be reclassified to Profit/(Loss)			
- Remeasurements of the defined benefit obligation		-	-
- Deferred Tax on Remeasurements of the defined benefit obligation		-	-
Total other comprehensive income		<u>-</u>	<u>-</u>
9 Total Comprehensive Income for the period (7+8)		<u>213</u>	<u>(1,944)</u>
10 Earnings per equity share	25		
(Face value of Rs. 10 per share)			
Basic (Rs. per share)		3.30	(30.10)
Diluted (Rs. per share)		3.30	(30.10)

See accompanying notes forming part of the financial statements

As per our report of even date attached

Mallesha Kumar & Associates
Firm Regn No: 017260S
Chartered Accountants

**For and on behalf of the Board of Directors of
DEN CITI CHANNEL PRIVATE LIMITED**

Mallesha Kumar
Proprietor
Member Ship No.: 233356

Jaifer VK
Director
DIN No: 05340133

Shankar Devarajan
Director
DIN No: 02112473

Place: Udupi
Dated: 13th April, 2019

Place: New Delhi
Date: 13th April, 2019

Place: New Delhi
Date: 13th April, 2019

Statement of Change in Equity for the Year ended March 31, 2019

A. Equity Share Capital

For the Year Ended 31st March, 2019

(Rs. '000)

Particulars	Reserves and Surplus				Retained earnings	Other Comprehensive income Actuarial Gain / (Loss)	Total
	Securities premium (refer note 11)	General reserve	Equity-settled employee benefits reserve	Capital Redemption Reserve (refer note 11)			
Balance at the beginning of April 1, 2018	9,454	-	-	2,101	(23,483)	(31)	(11,958)
Premium on shares issued during the year	-	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-	-
ESOP compensation expense	-	-	-	-	-	-	-
Equity instruments of other entity	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	213	-	213
Transfer to retained earnings	-	-	-	-	3,168	-	3,168
Redemption of Preference shares-CRR	-	-	-	2,101	-	-	2,101
Balance at the end of March 31, 2019	9,454	-	-	2,101	(20,101)	(31)	(8,576)

Statement of Change in Equity for the Year ended March 31, 2018

(Rs. '000)

Particulars	Reserves and Surplus				Retained earnings	Other Comprehensive income Actuarial Gain / (Loss)	Total
	Securities premium (refer note 11)	General reserve	Equity-settled employee benefits reserve	Capital Redemption Reserve			
Balance at the beginning of April 1, 2017	9,454	-	-	2,101	(21,539)	(31)	(10,014)
Premium on shares issued during the year	-	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-	-
ESOP compensation expense	-	-	-	-	-	-	-
Equity instruments of other entity	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(1,944)	-	(1,944)
Transfer to retained earnings	-	-	-	-	-	-	-
Redemption of Preference shares-CRR	-	-	-	2,101	-	-	2,101
Balance at the end of March 31, 2018	9,454	-	-	2,101	(23,483)	(31)	(11,958)

See accompanying notes forming part of the financial statements

As per our report of even date attached

Mallesha Kumar & Associates
Firm Regn No: 017260S
Chartered Accountants

Mallesha Kumar
Proprietor
Member Ship No.: 233356

Place: Udipi
Dated: 13th April, 2019

**For and on behalf of the Board of Directors of
DEN CITI CHANNEL PRIVATE LIMITED**

Jaifer VK
Director
DIN No: 05340133

Place: New Delhi
Date: 13th April, 2019

Shankar Devarajan
Director
DIN No: 02112473

Place: New Delhi
Date: 13th April, 2019

Statement Cash Flow for the year ended March 31, 2019

	For the Year Ended 31-Mar-2019	For the Year Ended 31-Mar-2018
	(Rs. '000)	(Rs. '000)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	2,246	(5,327)
Adjustments for:		
Depreciation and amortisation expense	-	700
Finance costs	499	775
Liabilities/ excess provisions written back (net)	(868)	-
Provision for doubtful debts	1,547	456
Interest income on income tax refund	-	-
Interest income on Fixed Deposit	-	-
Operating profit before working capital changes	3,423	(3,396)
Changes in working capital:		
<u>Adjustments for (increase)/ decrease in operating assets:</u>		
Trade Receivables	(1,327)	4,566
Other Current financial assets	-	-
Other Current Non- financial assets	346	(116)
Other Non-Current Financial Assets	214	(5)
Loan	11	(461)
Other Non Current Non-financial assets	872	81
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Current financial Liabilities	333	6,926
Current non-financial Liabilities	(2,438)	(1,099)
Current tax liabilities (Net)	-	-
Trade Payable	1,880	155
Other non current non-financial Liabilities	(632)	(120)
Long Term Provisions	(109)	-
Short term provisions	(26)	-
Cash generated from operations	2,547	6,531
Taxes paid / (received)	(144)	-
Net Cash from Operating Activities	2,403	6,531
B CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets,	1,528	0
Advance for Investment	-	-
Net Cash used in Investing Activities	1,528	0
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/ (Repayment) from long term borrowings	-	(6,300)
Repayment of long term borrowings	-	-
Finance costs	(499)	(775)
Payment of Equity dividend including Tax	-	-
Repayment of long term borrowings	-	-
Net Cash from Financing Activities	(499)	(7,075)
Net Increase/(Decrease) in Cash and Cash Equivalents	3,432	(544)
Cash and Cash Equivalents at the beginning of the period	31	575
Cash and Cash Equivalents at the end of the period	3,463	31
Cash and Cash Equivalents at the end of the period comprise of:		
Cash on Hand	-	15
Cheques on hand	-	-
Balances with Banks in Current Accounts	3,463	16
	3,463	31

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

As per our report of even date attached

Mallesha Kumar & Associates
Firm Regn No: 017260S
Chartered Accountants

**For and on behalf of the Board of Directors of
DEN CITI CHANNEL PRIVATE LIMITED**

Mallesha Kumar
Proprietor
Member Ship No.: 233356

Jaifer VK
Director
DIN No: 05340133

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Director
DIN No: 02112473

Place: Udipi
Dated: 13th April, 2019

Place: New Delhi
Date: 13th April, 2019

Place: New Delhi
Date: 13th April, 2019

Notes forming part of the Financial Statements

1. Background

DEN Citi Channel pvt Ltd was incorporated in India on 2nd July 2008. 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 16 th November 2008 which is listed on BSE & NSE.

2. Significant accounting policies

2.01 Basis of preparation

(i) Statement of Compliance and basis of preparation

The financial statements of the company Comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (Companies Indian Accounting Standard Rules, 2015) and other relevant provisions of the Act. These financial statements are the company's first Ind AS financial statements and as covered by IND As 101 (first time adoption of Indian Accounting standards).

For all periods upto and including the year ended d March 31, 2016, the Company prepared its financial statements in accordance with the Accounting Standards as notified under section 133 of the companies act 2013, read together with the companies (accounts) rules 2014 (herein after referred to as Indian GAAP financial statements). These financial statements for the year ended 31st march 2017 are the first the company has prepared in accordance with Ind AS (refer note no. for information on how the company has adopted IndAS).

(ii) Basis of measurement

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

2.02 Use of estimates

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

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

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

2.04 Cash flow statement

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

2.05 Property, plant and equipment

All the items of property, plant and equipment are stated at historical cost net off cenvat credit less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

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

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Notes forming part of the Financial Statements

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

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

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

Depreciation methods, useful life's and residual values are reviewed at each reporting date and adjusted, if appropriate. Intangible assets are amortized over their estimated useful life on straight line method as follows:

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

2.06 Revenue recognition

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

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

i. Income from operations

1. Service revenue comprises subscription income from digital and analog subscribers, placement of channels, advertisement revenue, fees for rendering management, technical and consultancy services and other related services. Income from services is recognized based on percentage completion method as per terms of the contract with the customer. Period based services are accrued and recognized pro-rata over the contractual period.
2. Activation fees on Set top boxes (STBs) is recognized on activation of boxes over the life of the STBs. Activation fees received in advance and deferred over the period of life of the STB has been considered as deferred revenue in current and non-current liabilities at respective places.
3. Amounts billed for services in accordance with contractual terms but where revenue is not recognized, have been classified as advance billing and disclosed under current liabilities.

ii. Sale of equipment

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

2.07 Other income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic

Notes forming part of the Financial Statements

benefits will flow to the Company and the amount of income can be measured reliably).

2.08 Foreign exchange gains and losses

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

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

Treatment of exchange differences

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

2.09 Financial instruments

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

2.09.1 Initial recognition

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

2.09.2 Subsequent measurement

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising at the time of subsequent measurement are recognising in the statement of profit or loss.

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

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

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

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

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for financial liabilities recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

(v) Derecognition of financial assets/liabilities

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

Notes forming part of the Financial Statements

(vi) Impairment of financial assets

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

(vii) Offsetting of financial instruments

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

2.10 Employee benefits

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

a. Defined contribution plans

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

2.11 Borrowing costs

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

2.12 Leases

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

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

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

2.13 Earnings per share

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

2.14 Taxes on income

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

Notes forming part of the Financial Statements

2.14.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Current income tax relating to items recognized directly in the equity is recognised in equity and not in statement of profit and loss." The Company current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.14.2 Deferred tax

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

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

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

2.15 Impairment of assets

2.15.1 Financial Assets

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

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

2.15.2 Non financial assets

Intangible assets and property, plant and equipment Property plant

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

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

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

Notes forming part of the Financial Statements

amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

2.16 Provisions and contingencies

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

2.17 Fair value measurement

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

2.18 Service tax input credit

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

2.19 Operating Cycle

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

2.20 Current Versus Non Current Classification :

- i. The assets and liabilities in the Balance Sheet are based on current/ non - current classification. An asset as current when it is:
 - 1 Expected to be realized or intended to be sold or consumed in normal operating cycle
 - 2 Held primarily for the purpose of trading
 - 3 Expected to be realized within twelve months after the reporting period, or
 - 4 Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting periodAll 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 periodAll other liabilities are treated as non - current.
- Deferred tax assets and liabilities are classified as non - current assets and liabilities.

Notes forming part of the Financial Statements

	As at 31 March, 2019 (Rs. '000)	As at 31 March, 2018 (Rs. '000)
3. PROPERTY, PLANT AND EQUIPMENT		
Carrying amounts of :		
Leasehold Improvements	-	-
Plant and equipment		
Headend and distribution equipment	0	943
Set top boxes*	-	-
Modems and routers	-	-
Building	-	-
Computers	-	-
Office and other equipment	-	-
Furniture and Fixtures	-	-
Vehicles	(0)	585
	<u>-</u>	<u>1,528</u>
Capital work in progress	-	-
	<u>-</u>	<u>1,528</u>
		(Rs. '000)

	Leasehold Improvements	Plant and equipment					Furniture and Fixtures		Vehicles
		Headend and distribution equipment	Set top boxes*	Building	Modems and routers	Office and other equipment	Fixtures		
Deemed cost									
Balance at 1 April, 2017	-	1,479	-	-	-	-	6	709	
Additions	-	-	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	-	-	
Balance at 31 March, 2018	-	1,479	-	-	-	-	6	709	
Additions	-	-	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	-	-	
Balance at 31 March, 2019	-	1,479	-	-	-	-	6	709	
Accumulated depreciation									
Balance at 1 April, 2017	-	-	-	-	-	-	-	-	
Depreciation expenses	-	(536)	-	-	-	-	(6)	(124)	
Elimination on disposals of assets	-	-	-	-	-	-	-	-	
Balance at 31 March, 2018	-	(536)	-	-	-	-	(6)	(124)	
Depreciation expenses	-	-	-	-	-	-	-	-	
Eliminated on disposals of assets	-	(943)	-	-	-	-	-	(585)	
Balance at 31 March, 2019	-	407	-	-	-	-	(6)	461	
Carrying amount									
Balance at 1 April, 2017	-	1,479	-	-	-	-	6	709	
Additions	-	-	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	-	-	
Depreciation expenses	-	(536)	-	-	-	-	(6)	(124)	
Balance at 31 March, 2018	-	943	-	-	-	-	-	585	
Additions	-	-	-	-	-	-	-	-	
Disposals	-	(943)	-	-	-	-	-	(585)	
Depreciation expense	-	-	-	-	-	-	-	-	
Balance at 31 March, 2019	-	0	-	-	-	-	-	(0)	

Note:

Notes Forming Part of the Financial Statements

Particulars	As at 31.03.2019 (Rs. '000)	As at 31.03.2018 (Rs. '000)
4. LOANS		
<u>Non - Current</u>		
Other Loans and Advances considered Good	-	573
Other Loans and Advances considered Doubtful	-	-
Provision for doubtful	-	-
	-	573
<u>Current</u>		
Loans to employees	-	-
Other Loans and Advances considered Good	718	156
	718	156
	718	156
5. OTHER FINANCIAL ASSETS		
<u>Considered good</u>		
a. Security deposits	-	214
	-	214
	-	214
	-	214
6. OTHER NON-CURRENT ASSETS		
<u>Other non-financial assets</u>		
<u>i. Considered good</u>		
a. Prepaid expenses	-	761
b. Advance Tax	-	144
Advance Tax - Wealth Tax	-	-
c. Balances with government authorities	-	-
i. GST credit receivable	32	-
ii. VAT credit receivable	-	-
	32	905
	32	905
7. TRADE RECEIVABLES (UNSECURED)		
<u>Current</u>		
Trade receivables		
(a) secured, considered good		
(b) unsecured, considered good	-	220
(c) Doubtful	11,169	14,610
Allowance for doubtful debts (Expected credit loss allowance)	(11,169)	(14,610)
	-	220
	-	220

Notes on Accounts for the year ended 31 March, 2019

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

Particulars	March 31, 2019		March 31, 2018	
	No of shares	Amount	No of shares	Amount
	(Rs. '000)			
Equity Shares				
Numbers of shares at the Beginning	64,590	646	64,590	646
Add: Shares issued during the year	-	-	-	-
Numbers of shares at the End	64,590	646	64,590	646

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

Particulars	March 31, 2019		March 31, 2018	
	No of shares	Amount	No of shares	Amount
	(Rs. '000)			
Den Networks Limited.				
The Holding Company (Equity Shares)	32,941	329	32,941	329

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

Particulars	March 31, 2019		March 31, 2018	
	No of shares	% Holding	No of shares	% Holding
	(Rs. '000)			
Den Networks Limited (Holding Company)	32,941	51%	32,941	51%
Den Futustric Cable networks Pvt Ltd	31,649	49%	31,649	49%

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

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

- f) Nature and purpose of Reserves:

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

capital redemption reserve : this account is created due to present value preference share issued at par. The same would be transferred to retained earning at the time of maturity.

Particulars	As at	As at
	31.03.2019	31.03.2018
	(Rs. '000)	(Rs. '000)
12. LONG-TERM BORROWINGS		
a. Unsecured at FVTPL	-	-

Notes Forming Part of the Financial Statements

Particulars	As at 31.03.2019 (RS. '000)	As at 31.03.2018 (RS. '000)
13. PROVISIONS		
<u>Long-term provisions</u>		
Provision for employee benefits		
i. Provision for compensated absences	-	-
Provision for gratuity {Refer No. 28}[See note 34 (B) (i)]	-	109
	-	109
	-	109
<u>Short-term provisions</u>		
Provision for employee benefits		
Provision for gratuity {Refer Note - 28}	-	26
	-	26
	-	26
14. OTHER NON-CURRENT LIABILITIES		
<u>Other non-financial liabilities</u>		
Others Liabilities:		
a. Deferred revenue	-	632
b. Others	-	-
	-	632
	-	632
15. TRADE PAYABLES		
Trade payables - Other than acceptances*		
a. total outstanding dues of micro enterprises and small enterprises	-	-
b. total outstanding dues of creditors other than micro enterprises and small enterprises		
- Payable for goods and services	4,141	3,129
	4,141	3,129
	4,141	3,129

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

Notes Forming Part of the Financial Statements

	As at 31.03.2019	As at 31.03.2018
	(Rs. '000)	(Rs. '000)
<u>MSME Disclosure in notes to accounts</u>		
The following details relating to micro, small and medium enterprises shall be disclosed in the notes:-		
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and 3	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Explanation.- The terms 'appointed day', 'buyer', 'enterprise', 'micro enterprise', 'small enterprise' and 'supplier', shall have the same meaning as assigned to them under clauses (b), (d), (e), (h), (m) and (n) respectively of section 2 of the Micro, Small and Medium Enterprises Development Act, 2006."		

Particulars	As at 31.03.2019	As at 31.03.2018
	(Rs. '000)	(Rs. '000)
16. OTHER FINANCIAL LIABILITIES		
a. 707500 (Previous Year 707500) 13.5% non Cumulative 7 Years redeemable Preference preference shares to be redeemed on 24th March 18	4,406	7,075
b. Salary Payable	-	166
	<u>4,406</u>	<u>7,241</u>

Particulars	As at 31.03.2019	As at 31.03.2018
	(Rs. '000)	(Rs. '000)
17. OTHER CURRENT LIABILITIES		
<u>Other non financial liabilities</u>		
a. Deferred revenue	-	156
b. Statutory Liabilities	-	576
c. Other payables		
Share Application Money [in excess of authorized share capital]	-	-
Advances from customers	6,526	7,627
ii Others	41	646
	<u>6,567</u>	<u>9,005</u>

Particulars	As at 31.03.2019	As at 31.03.2018
	(Rs. '000)	(Rs. '000)
18. CURRENT TAX LIABILITIES		
Provision for tax [net of advance tax of Rs. Nil thousand (Previous year Rs.Nil thousand)]	-	-
	<u>-</u>	<u>-</u>

Notes on Accounts for the year ended 31 March, 2019

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
	(Rs. '000)	(Rs. '000)
19. REVENUE FROM OPERATIONS		
a. Operating revenue	1,054	3,646
	<u>1,054</u>	<u>3,646</u>

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
	(Rs. '000)	(Rs. '000)
20. OTHER INCOME		
a. Interest income		
ii. Miscellaneous income	4,410	-
	<u>4,410</u>	<u>-</u>

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
	(Rs. '000)	(Rs. '000)
21. EMPLOYEE BENEFIT EXPENSE		
a. Salaries and allowances	-	503
b. Gratuity expense*	-	-
c. Staff welfare expenses	-	48
	<u>-</u>	<u>551</u>

* Salary for the previous year have been effected on account of actuarial gain/(loss) taken on OCI

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
	(Rs. '000)	(Rs. '000)
22. FINANCE COSTS		
a. Other borrowing costs	499	775
	<u>499</u>	<u>775</u>

Notes on Accounts for the year ended 31 March, 2019

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
	(Rs. '000)	(Rs. '000)
23. OTHER EXPENSES		
a. Cost of traded items	-	-
b. Rent and hire charges	-	412
i. Plant and machinery	-	1,586
ii. Others	15	545
c. Power and fuel	-	711
d. Director's sitting fees	-	-
e. Consultancy, professional and legal charges*	90	100
f. Subscription share/ charges	-	1,004
g. Contract service charges	3	13
h. Printing and stationery	-	22
i. Travelling and conveyance	2	395
j. Advertisement, publicity and business promotion	-	26
k. Communication expenses	-	35
l. Rates and taxes	74	1,517
m. STB Activation charges	940	77
n. Provision for doubtful trade receivables and advances	(3,358)	456
o. Bad trade receivables and advances written off	4,905	-
p. Miscellaneous expenses	13	39
Prior period expense (net)	35	8
	2,720	6,947
* Consultancy, professional and legal charges includes Auditor's remuneration as under :		
a. To statutory auditors		
For audit	20	50
For other services	-	49
For Limited review	-	-
	20	99
Particulars	Year ended 31.03.2019	Year ended 31.03.2018
	(Rs. '000)	(Rs. '000)
24. CURRENT TAX AND DEFERRED TAX		
(a) Income Tax Expense		
Current Tax:		
Current Income Tax Charge	144	-
Deferred Tax		
In respect of current year origination and reversal of temporary differences	1,888	(3,383)
	2,032	(3,383)
Total Tax Expense recognised in profit and loss account	2,032	(3,383)

Notes Forming Part of the Financial Statements

(b) Movement of Deferred Tax

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

Particulars	Year ended 31.03.2019			
	Opening Balance	Recognised in profit and Loss	Regonised in OCI	Closing balance
<u>Tax effect of items constituting deferred tax liabilities</u>				
Property, Plant and Equipment	1,090	(1,090)	-	-
Other financial asset	300	(300)	-	-
	1,390	(1,390)	-	-
<u>Tax effect of items constituting deferred tax assets</u>				
Employee Benefits	35	(35)	-	-
Share issue expenses	-	-	-	-
Doubtful debts/advances/impairment	3,762	(858)	-	2,904
Deferred Revenue	-	-	-	-
Other financial asset	(394)	394	-	-
Other Items	-	-	-	-
	3,402	(499)	-	2,904
Net Tax Asset (Liabilities)	4,792	(1,888)	-	2,904

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

Particulars	Year ended 31.03.2018			
	Opening Balance	Recognised in profit and Loss	Regonised in OCI	Closing balance
<u>Tax effect of items constituting deferred tax liabilities</u>				
Property, Plant and Equipment	1,187	(97)	-	1,090
Other financial asset	273	27	-	300
	1,460	(71)	-	1,390
<u>Tax effect of items constituting deferred tax assets</u>				
Employee Benefits	35	-	-	35
Share issue expenses	-	-	-	-
Doubtful debts/advances/impairment	-	3,762	-	3,762
Deferred Revenue	-	-	-	-
Financial Assets	(86)	(308)	-	(394)
Other Items	-	-	-	-
	(51)	3,454	-	3,402
Net Tax Asset (Liabilities)	1,409	3,383	-	4,792

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

In assessing the realizability of deferred income tax assets, management considers that the ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Notes Forming Part of the Financial Statements

Particulars	Year ended	Year ended
	31.03.2019	31.03.2018
	(Rs. '000)	(Rs. '000)
25. Earnings per equity share (EPS)*		
a. Profit/(Loss) for the year attributable to Owners of the Company	213	(1,944)
b. Weighted average number of equity shares outstanding used in computation of basic EPS	64,590	64,590
c. Basic earning per share from continuing operations	3	(30)
d. Weighted average number of equity shares and equity equivalent shares outstanding used in computing diluted EPS	64,590	64,590
e. Diluted earning per share from continuing operations	3	(30)

* There are no potential equity shares as at 31 March, 2019

26. Capital commitments and contingent liabilities

a Contingent liabilities

According to information and explanations given to us there is disputed Service Tax Liabilities of Rs 35 lacs for the period from 2012-2016

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

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, 2019

(Rs. '000)

Financial assets*	Amortised Cost	FVTOCI	FVTPL	Total carrying value
Cash and cash equivalents	3,463			3,463
Trade receivables	-			-
Security deposits	-			-
Loan	718			
Other current financial asset	-			-
	4,181		-	3,463

Financial liabilities*	Amortised Cost	FVTOCI	FVTPL	Total carrying value
Non current borrowings	-			-
Trade payables	4,141			4,141
	4,141	-	-	4,141

As at 31 March, 2018

(Rs. '000)

Financial assets*	Amortised Cost	FVTOCI	FVTPL	Total carrying value
Cash and cash equivalents	31			31
Trade and other receivables	220			220
Loans	729			729
Security deposits	214			214
Other current financial asset	214			214
	1,408	-	-	1,408

Notes Forming Part of the Financial Statements

Financial liabilities*	Amortised Cost	FVTOCI	FVTPL	Total carrying value
Long term borrowings	-			-
Trade payables	3,129			3,129
	3,129	-	-	3,129
As at 31 March, 2017				(Rs. '000)
Financial assets*	Amortised Cost	FVTOCI	FVTPL	Total carrying value
Cash and cash equivalents	575			575
Trade and other receivables	5,243			5,243
Loans	268			268
Security deposits	209			209
Other current financial asset	209		-	209
	6,504	-	-	6,504
Financial liabilities*	Amortised Cost	FVTOCI	FVTPL	Total carrying value
Long term borrowings	6,300			6,300
Trade payables	2,974			2,974
	9,274	-	-	9,274

(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 Forming Part of 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.

28. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity and internal accruals.

29. POST REPORTING EVENTS

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

30. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended March 31, 2017 were approved by the Board of Directors on 15th May 2017. The management and authorities have the power to amend the Financial Statements in accordance with Section 130 and 131 of The Companies Act, 2013.

31. In the opinion of the Management, Current Assets, Loans and Advances are of the value stated, if realized in the ordinary course of business.
32. The board of directors of the company is identified as chief operating decision maker (CODM) monitors the operating result of the company. CODM has identified only one reportable 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 2,609 thousand (Previous Year Rs 3,317 thousand) from Faizal A (Faizal A) having more than 10% revenue of total revenue.
33. The company has entered into cancellable operating lease for office premises. Lease payments amounting to Rs. 624/- thousand (P.Y 588/- thousand) made under operating lease have been recognized as an expenses in the statement of profit and loss. Lease rent paid to related party.

As per our report of even date attached

Mallesha Kumar & Associates
Firm Regn No: 017260S
Chartered Accountants

Mallesha Kumar
Proprietor
Member Ship No.: 233356

Place: Udupi
Dated: 13th April, 2019

**For and on behalf of the Board of Directors of
DEN CITI CHANNEL PRIVATE LIMITED**

Jaifer VK
Director
DIN No: 05340133

Place: New Delhi
Date: 13th April, 2019

Shankar Devarajan
Director
DIN No: 02112473

Place: New Delhi
Date: 13th April, 2019

