

Den Manoranjan Satellite Private Limited
Financial Statements
2019-20

Independent Auditor's Report

To the Members of DEN Manoranjan Satellite Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **DEN Manoranjan Satellite Private Limited** ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 if the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and loss, total comprehensive loss, changes in equity 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. 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.

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**", 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 (including Other Comprehensive income), the statement of changes in equity 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 Ind AS 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

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- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 23(a) to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For T R Chadha & Co LLP

Chartered Accountants

Firm’s Regn No. 006711N/N500028

Pramod Tilwani

Partner

Membership No.- 076650

UDIN: 20076650AAAAAR8085

Place: Mumbai

Date: 17th April 2020

ANNEXURE A**DEN Manoranjan Satellite Private Limited****Annexure to Independent Auditors' Report for the period ended March 2020**

(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) The fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size & nature of the company. No material discrepancies were noted on such verification.
- c) According to the information and explanations given to us, there are no immovable assets held by the company, hence clause C of paragraph 3 (i) of the order is not applicable to the Company.

(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, Goods and Service Tax and cess etc. except in some cases in deposition of TDS liability during the year. There are no undisputed dues payable, outstanding as on 31st March, 2020 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of Income tax, Sales tax, Goods and Service Tax etc. that have not been deposited on account of dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Maharashtra Value Added Tax Act, 2002	Maharashtra VAT	94,42,804	Financial Year 2012-13 and 2013-14	Maharashtra Sales Tax Tribunal

- (viii) 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.

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- (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) 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) As the company is a private limited company, therefore, paragraph 3 (xi) of the order with regards to payment of managerial remuneration is not applicable to the company.
 - (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 the company is a private limited company it is not required to constitute audit committee hence section 177 of The Companies Act, 2013 is not applicable to the Company. The Company has complied with the provision of section 188 of The Companies Act, 2013 and the details have been disclosed in the financial statement 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 T R Chadha & Co LLP

Chartered Accountants

Firm's Regn No. 006711N/N500028

Pramod Tilwani

Partner

Membership No.- 076650

UDIN: 20076650AAAAAR8085

Place: Mumbai

Date: 17th April 2020

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with reference to Financial Statements were operating effectively as at 31 March, 2020, 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 T R Chadha & Co LLP

Chartered Accountants

Firm's Regn No. 006711N/N500028

Pramod Tilwani

Partner

Membership No.- 076650

UDIN: 20076650AAAAAR8085

Place: Mumbai

Date: 17th April 2020

Balance Sheet as at 31st March, 2020

Particulars	Note No.	As at 31.03.2020 (Rs. '000)	As at 31.03.2019 (Rs. '000)
A. ASSETS			
1. Non-current assets			
Fixed Assets			
(a) Property, Plant and Equipment	3A	83,472.20	77,578.50
(b) Capital work in progress		1,020.00	-
(c) Other Intangible assets	3B	67.80	99.91
(d) Financial Assets			
(i) Others financial assets	4	1,446.74	318.48
(e) Deferred tax assets (Net)	22	31,847.91	61,346.98
(f) Other non-current assets	5	50,789.62	55,499.39
		<u>168,644.27</u>	<u>194,843.26</u>
2. Current assets			
(a) Financial Assets			
(i) Trade receivables	6	49,372.29	92,098.78
(ii) Cash and cash equivalents	7	9,665.91	16,884.56
(iii) Other financial assets	8	5,642.77	196.56
(b) Other current assets	9	8,870.38	15,578.80
		<u>73,551.35</u>	<u>124,758.70</u>
TOTAL Assets		<u>242,195.62</u>	<u>319,601.96</u>
B. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	10	700.00	700.00
(b) Other Equity		52,266.87	101,756.07
		<u>52,966.87</u>	<u>102,456.07</u>
Liabilities			
1. Non-current liabilities			
(a) Other non-current liabilities	12	45,620.85	60,736.26
Total non-current liabilities		<u>45,620.85</u>	<u>60,736.26</u>
2. Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	13		
i. total outstanding dues to micro enterprises and small enterprises		-	-
ii. total outstanding dues to creditors other than micro enterprises and small enterprises			
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		114,597.97	125,389.95
(ii) Other financial liabilities	14	-	8,617.78
(b) Other current liabilities	15	28,150.20	22,013.34
(c) Provisions	11	859.73	388.56
Total current liabilities		<u>143,607.90</u>	<u>156,409.63</u>
Total Liabilities		<u>189,228.75</u>	<u>217,145.89</u>
Total equity and liabilities		<u>242,195.62</u>	<u>319,601.96</u>

See accompanying notes forming part of the financial statements

As per our report of even date attached

For T R Chadha & Co LLP
Firm Regn No: 006711N/N500028
Chartered Accountants

Mr. Pramod Tilwani
Partner
Membership No. 076650

Place: Mumbai
Dated: April 17, 2020

**For and on behalf of the Board of Directors of
DEN MANORANJAN STATELLITE PVT LTD**

Mr. Shankar Devarajan
Director
DIN No:021112473

Place: Pune
Dated: April 17, 2020

Mr. Rajendra Kale
Director
DIN No:07288226

Place: Pune
Dated: April 17, 2020

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

Particulars	Note No.	For the year ended 31.03.2020 (Rs. '000)	For the year ended 31.03.2019 (Rs. '000)
1 REVENUE			
(a) Revenue from operations	16	223,506.04	273,825.29
(b) Other income	17	975.72	3,700.38
2 TOTAL INCOME		224,481.76	277,525.67
3 EXPENSES			
(a) Content cost		124,366.10	109,980.30
(b) Employee benefit expense	18	8,623.85	-
(c) Finance costs	19	-	-
(d) Depreciation and amortisation expense	3	24,483.51	-
(e) Other expenses	20	84,515.61	89,196.79
4 TOTAL EXPENSES		241,989.07	246,985.04
5 PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEM AND TAX EXPENSE (2-4)		(17,507.31)	30,540.63
6 EXCEPTIONAL ITEM		-	33,993.53
7 PROFIT/(LOSS) BEFORE TAX (5-6)		(17,507.31)	(3,452.90)
8 TAX EXPENSE			
(a) Current tax expenses		-	2,971.93
(b) Short provision for tax relating to prior years		2,177.78	-
(c) Deferred tax		29,583.93	(27,608.43)
NET TAX EXPENSE		31,761.71	(24,636.50)
9 PROFIT / (LOSS) AFTER TAX (7-8)		(49,269.02)	21,183.60
10 Other Comprehensive Income			
(i) Items that will not be reclassified to Profit/(Loss)			
- Remeasurements of the defined benefit obligation		(305.04)	53.06
- Deferred Tax on Remeasurements of the defined benefit obligation		84.86	(14.76)
Total other comprehensive income		(220.18)	38.31
11 Total Comprehensive Income for the period (9+10)		49,489.20	21,221.90
12 Earnings per equity share	27		
(Face value of Rs. 100 per share)			
Basic (Rs. per share)		(7,038.43)	3,026.23
Diluted (Rs. per share)		(7,038.43)	3,026.23

As per our report of even date attached

For T R Chadha & Co LLP
Firm Regn No: 006711N/N500028
Chartered Accountants

Mr. Pramod Tilwani
Partner
Membership No. 076650

Place: Mumbai
Dated: April 17, 2020

**For and on behalf of the Board of Directors of
DEN MANORANJAN SATELLITE PVT LTD**

Mr. Shankar Devarajan
Director
DIN No:021112473

Place: Pune
Dated: April 17, 2020

Mr. Rajendra Kale
Director
DIN No:07288226

Place: Pune
Dated: April 17, 2020

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

	For the Year Ended March 31, 2020 (Rs. '000)	For the Year Ended March 31, 2019 (Rs. '000)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	(17,507.31)	(3,452.91)
Adjustments for:		
Depreciation and amortisation expense	24,483.51	39,944.50
Finance costs	-	75.66
Liabilities/ excess provisions written back (net)	(975.72)	(3,700.38)
Other Comprehensive item	(305.04)	53.07
Provision for gratuity-Short term	471.17	125.76
Impairment of Fixed Assets	-	20,129.72
Provision for doubtful debts/doubtful debts written off	23,009.23	32,016.89
Operating profit before working capital changes	29,175.84	85,192.31
Changes in working capital:		
Adjustments for (increase)/ decrease in operating assets:		
Trade Receivables	19,717.26	(16,745.01)
Other current financial assets	(5,446.22)	143.43
Other current non- financial assets	6,708.42	(427.09)
Other non current Financial Assets	(1,128.26)	(29.50)
Loan	-	-
Other non current non-financial assets	7,257.78	5,635.12
Adjustments for increase / (decrease) in operating liabilities:		
Current financial Liabilities	(6,645.35)	6.59
Current non-financial Liabilities	6,136.86	1,810.47
Current tax liabilities (Net)	-	-
Trade Payable	(9,816.26)	(21,144.73)
Other non current non-financial Liabilities	(15,115.41)	(25,281.18)
Long Term Provisions	-	-
Short term provisions	-	-
Cash generated from operations	30,844.67	29,160.41
Taxes paid / (received)	(4,725.88)	(6,303.63)
Net Cash from Operating Activities	26,118.79	22,856.78
B CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets	(31,365.11)	(9,803.47)
Net Cash used in Investing Activities	(31,365.11)	(9,803.47)
C CASH FLOW FROM FINANCING ACTIVITIES		
Finance costs	(1,972.43)	(74.81)
Net Cash from Financing Activities	(1,972.43)	(74.81)
Net Increase/(Decrease) in Cash and Cash Equivalents	(7,218.65)	12,978.59
Cash and Cash Equivalents at the beginning of the period	16,884.56	3,905.97
Cash and Cash Equivalents at the end of the period	9,665.91	16,884.56
Cash and Cash Equivalents at the end of the period comprise of:		
Cash on Hand	-	672.50
Cheques on hand	-	-
Balances with Banks in Current Accounts	9,665.91	16,212.06
	<u>9,665.91</u>	<u>16,884.56</u>

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

As per our report of even date attached

For T R Chadha & Co LLP
Firm Regn No: 006711N/N500028
Chartered Accountants

Mr. Pramod Tilwani
Partner
Membership No. 076650

Place: Mumbai
Dated: April 17, 2020

**For and on behalf of the Board of Directors of
DEN MANORANJAN STATELLITE PVT LTD**

Mr. Shankar Devarajan
Director
DIN No:021112473

Place: Pune
Dated: April 17, 2020

Mr. Rajendra Kale
Director
DIN No:07288226

Place: Pune
Dated: April 17, 2020

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

A. Equity Share Capital

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

Balance as at 01st April, 2019	Changes in equity share capital during the year	Balance as at 31st March, 2020
700.00	700.00	700.00

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

Balance as at 01st April, 2018	Changes in equity share capital during the year	Balance as at 31st March, 2019
700.00	700.00	700.00

B. Other Equity

(Rs. '000)

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

Particulars	Reserves and Surplus		Other comprehensive income	Total
	Securities premium *	Retained earnings	Actuarial Gain / (Loss)	
Balance at the beginning of April 1, 2019	23,076.00	78,546.17	133.90	101,756.07
Total comprehensive income for the year	-	(49,269.02)	(220.18)	(49,489.20)
Balance at the end of March 31, 2020	23,076.00	29,277.15	(86.28)	52,266.87

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

(Rs. '000)

Particulars	Reserves and Surplus		Other comprehensive income	Total
	Securities premium *	Retained earnings	Actuarial Gain / (Loss)	
Balance at the beginning of April 1, 2018	23,076.00	57,362.57	95.60	80,534.17
Total comprehensive income for the year	-	21,183.60	38.30	21,221.90
Balance at the end of March 31, 2019	23,076.00	78,546.17	133.90	101,756.07

* Refer Note 10(f)

See accompanying notes forming part of the financial statements

As per our report of even date attached

For T R Chadha & Co LLP

Firm Regn No: 006711N/N500028

Chartered Accountants

Mr. Pramod Tilwani

Partner

Membership No. 076650

Place: Mumbai

Dated: April 17, 2020

For and on behalf of the Board of Directors of

DEN MANORANJAN SATELLITE PVT LTD

Mr. Shankar Devarajan

Director

DIN No:021112473

Place: Pune

Dated: April 17, 2020

Mr. Rajendra Kale

Director

DIN No:07288226

Place: Pune

Dated: April 17, 2020

Notes forming part of the financial statements for the period ended 31st March, 2020

1. Background

DEN Manoranjan Satellite Pvt Ltd is a Company incorporated in India on Feb 08, 2000. 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 1st March, 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 have been prepared in accordance with Indian Accounting Standards (Ind ASs) notified under the Companies (Indian Accounting Standards) Rules, 2015.

(ii) Basis of preparation and measurement

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

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

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the assets or liability.

Company's Financial Statements are presented in Indian Rupees (Rs.), which is also its functional currency and all values are rounded to the nearest thousands (Rs. '000), except when otherwise indicated.

2.02 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.

2.03 Cash flow statement

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

The above Cash Flow Statement has been prepared under the indirect method set out in IND AS - 07 "Statement of Cash Flow" issued by the Central Government under Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (Companies Indian Accounting Standard Rules, 2015) and as per amendment notified in March 2017 by the Ministry of Corporate Affairs issued in the Companies (Indian Accounting Standards) (Amendments) Rules, 2017

Notes forming part of the financial statements for the period ended 31st March, 2020

Amendment to Ind AS 7:

Effective from April 1, 2017, the company adopted the amendment to Ind AS 7, which requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any impact on the financial statements.

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

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

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

a. Headend and distribution equipment	6 -15 years
b. Set top boxes (STBs)	8 years
c. Office equipment	6 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. Computers	3 years

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

2.05 Intangible assets

Intangible assets acquired separately

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

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

Notes forming part of the financial statements for the period ended 31st March, 2020

Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Useful lives of intangible assets

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

- a. Software 5 years

2.06 Impairment of tangible and intangible assets other than goodwill

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

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

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

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

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

2.07 Revenue recognition

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

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

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

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

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

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

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

2.08 Other income

Interest income

Notes forming part of the financial statements for the period ended 31st March, 2020

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

2.09 Foreign exchange gains and losses

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

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

Treatment of exchange differences

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

2.10 Financial instruments

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

Financial assets

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

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

Classification of financial assets

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

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus,

Notes forming part of the financial statements for the period ended 31st March, 2020

the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

Effective interest method

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

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

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

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

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

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

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

Impairment of financial assets

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

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

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

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial

Notes forming part of the financial statements for the period ended 31st March, 2020

recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

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

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

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

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

Derecognition of financial assets

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

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

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer.

The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Foreign exchange gains and losses

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

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

Notes forming part of the financial statements for the period ended 31st March, 2020

2.11 Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

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

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

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

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

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss.

The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately

Notes forming part of the financial statements for the period ended 31st March, 2020

in retained earnings and are not subsequently reclassified to profit or loss. Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

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

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

Financial guarantee contracts

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

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

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

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

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

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

Foreign exchange gains and losses

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

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

Derecognition of financial liabilities

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

2.12 Employee benefits

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

Notes forming part of the financial statements for the period ended 31st March, 2020

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- b. net interest expense or income; and
- c. remeasurement

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

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

Short-term and other long-term employee benefits

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

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

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

2.13 Leases

On April 1, 2019, the Company adopted IND AS 116, Leases. Accordingly, the policy for Leases as presented in the Company's Annual Report is amended as under:

The Company as a lessee

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

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

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term

Notes forming part of the financial statements for the period ended 31st March, 2020

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

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

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

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

The Company as a lessor

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

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

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

2.14 Borrowing costs

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

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

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

2.15 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.

2.16 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and

Notes forming part of the financial statements for the period ended 31st March, 2020

items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

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

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.17 Provisions and contingencies

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

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

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

2.18 Share issue expenses

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

2.19 Insurance claims

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

Notes forming part of the financial statements for the period ended 31st March, 2020

2.20 GST input credit

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

2.21 Critical accounting judgements and key sources of estimation uncertainty

Critical accounting judgements

The following are the critical judgements, apart from those involving estimations that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Contingent liabilities

Assessment of whether outflow embodying economic benefits is probable, possible or remote.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. There is no such change in the useful life of the assets.

In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Defined benefit obligations

Key assumptions related to life expectancies, salary increases and withdrawal rates.

Recoverability of Trade Receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

Revenue Recognition

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

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

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

Notes forming part of the financial statements for the period ended 31st March, 2020

2.21 a Operating Cycle

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

2.22 Current and 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 realised or intended to be sold or consumed in normal operating cycle
- 2 Held primarily for the purpose of trading
- 3 Expected to be realised within twelve months after the reporting period, or
- 4 Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non - current.

ii A liability is current when:

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

All other liabilities are treated as non - current.

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

2.23 Exceptional Item

Exceptional items of Rs. 33,993.53/- thousand recognised in previous year ending March 31, 2019 comprise:

- a) Doubtful receivables from customers/parties provided for amounting to Rs. 18,732.38 thousand. Pursuant to implementation of new regulatory framework by Telecom Regulatory Authority of India (TRAI) dated 3 March, 2017 ('Tariff order') w.e.f. 20 December, 2018, the Group had to revamp their mode of operations which includes changes in the information technology systems to migrate to the new regulatory framework. Such adjustments also required finalisation of revenue sharing mechanism with the Local Cable Operators (LCOs). Based on the re-assessment of the value of assets appearing in the books of account in the light of the new regulatory framework and the increase in competition on account of rates parity in the market, the Company has recognised an impairment of doubtful advances/trade receivables of Rs. 18,732.38 thousand.
- b) Impairment of Plant and equipment amounting to Rs. 20,129.72 thousand. During the period, the Group has carried out a detailed assessment of Plant and equipment in terms of recoverability and usability of these assets and therefore have recognised a one-time impairment in the value of Plant and equipment and of Rs. 20,129.72 thousand. "
- c) Similarly, the Deferred Cost and related Revenue with regards to non active STB have also assessed and a sum of Rs. 4,868.57 thousand has been adjusted.

Notes forming part of the financial statements for the period ended 31st March, 2020

3A Property, plant and equipment	(Rs. '000)	
	As at 31 March, 2020	As at 31 March, 2019
Carrying amounts of :		
Headend and distribution equipment	42,593.50	18,532.63
Set top boxes*	40,788.28	58,906.81
Computers	65.46	102.61
Office and other equipment	24.97	36.45
	83,472.20	77,578.50
Capital work in progress	1,020.00	-
	84,492.20	77,578.50

	Plant and equipment				Furniture and Fixtures	Total
	Headend and distribution equipment	Set top boxes*	Computers	Office and other equipment		
Gross Block						
Balance at 1 April, 2018	54,041.78	259,736.15	1,185.56	40.72	-	315,004.22
Additions	3,593.01	6,005.94	98.01	16.50	-	9,713.46
Disposals	-	120,279.79	-	-	-	120,279.79
Balance at 31 March, 2019	57,634.79	145,462.31	1,283.57	57.22	-	204,437.89
Additions	29,459.13	867.31	18.69	-	-	30,345.13
Impairment of Assets	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance at 31 March, 2020	87,093.92	146,329.62	1,302.26	57.22	-	234,783.02
Accumulated depreciation						
Balance at 1 April, 2018	35,058.64	150,859.31	1,154.47	11.97	-	187,084.39
Depreciation expenses	4,043.51	35,846.26	26.49	8.80	-	39,925.07
Elimination on disposals of assets	-	100,150.07	-	-	-	100,150.07
Balance at 31 March, 2019	39,102.16	86,555.50	1,180.96	20.77	-	126,859.39
Depreciation expenses	5,398.27	18,985.84	55.84	11.48	-	24,451.41
Eliminated on impairment of assets	-	-	-	-	-	-
Eliminated on disposals of assets	-	-	-	-	-	-
Balance at 31 March, 2020	44,500.42	105,541.35	1,236.80	32.25	-	151,310.80
Carrying amount						
Balance at 1 April, 2018	18,983.14	108,876.84	31.09	28.75	-	127,919.83
Additions	3,593.01	6,005.94	98.01	16.50	-	9,713.46
Disposals	-	20,129.72	-	-	-	20,129.72
Depreciation expenses **	4,043.51	35,846.26	26.49	8.80	-	39,925.07
Balance at 31 March, 2019	18,532.63	58,906.81	102.61	36.45	-	77,578.50
Additions	29,459.13	867.31	18.69	-	-	30,345.13
Impairment of Assets	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Depreciation expense	5,398.27	18,985.84	55.84	11.48	-	24,451.42
Balance at 31 March, 2020	42,593.50	40,788.28	65.46	24.97	-	83,472.20

Note:

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

** Depreciation includes additional accelerated amounting to Rs. Nil (Previous Year Rs. 42.46/- thousand) on the deleted set top boxes.

Notes forming part of the financial statements for the period ended 31st March, 2020

3B Other intangible assets		(Rs. '000)
	As at	As at
	31 March, 2020	31 March, 2019
Carrying amounts of :		
Software	67.80	99.91
	<u>67.80</u>	<u>99.91</u>

	Software	Licence fee for internet service	Non compete fees	Total
Gross Block				
Balance at 1 April, 2018	134.96	-	-	134.96
Additions	90.00	-	-	90.00
Disposals	-	-	-	-
Balance at 31 March, 2019	224.96	-	-	224.96
Additions	-	-	-	-
Disposals	-	-	-	-
Balance at 31 March, 2020	224.96	-	-	224.96
Accumulated depreciation				
Balance at 1 April, 2018	105.66	-	-	105.66
Depreciation expenses	19.41	-	-	19.41
Elimination on disposals of assets	-	-	-	-
Balance at 31 March, 2019	125.07	-	-	125.07
Depreciation expenses	32.09	-	-	32.09
Eliminated on disposals of assets	-	-	-	-
Balance at 31 March, 2020	157.16	-	-	157.16
Carrying amount				
Balance at 1 April, 2018	29.30	-	-	29.30
Additions	90.00	-	-	90.00
Disposals	-	-	-	-
Depreciation expenses	19.41	-	-	19.41
Balance at 31 March, 2019	99.89	-	-	99.89
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	32.09	-	-	32.09
Balance at 31 March, 2020	67.80	-	-	67.80

Notes forming part of the financial statements for the period ended 31st March, 2020

Particulars	As at 31.03.2020 (Rs. '000)	As at 31.03.2019 (Rs. '000)
4. Other financial assets		
Considered good		
a. Security deposits	1,446.74	318.48
	1,446.74	318.48
5. Non current tax assets		
Considered good		
a. Prepaid expenses	34,309.14	41,566.92
b. Advance Tax (net)	15,431.28	12,883.27
c. Deposits against cases with sales tax authority (Refer note 23(a))	1,049.20	1,049.20
	50,789.62	55,499.39
6. Trade receivables		
Trade receivables		
(a) secured, considered good	-	-
(b) Unsecured, considered good *	49,372.29	92,098.78
(c) Which have significant increase in credit risk	41,059.93	74,618.70
(d) Allowance for credit impaired (Expected credit loss allowance)	(41,059.93)	(74,618.70)
	49,372.29	92,098.78
<u>Movements in the allowance for doubtful debts</u>		
Opening balance of provision bad and doubtful debts	74,618.70	53,371.92
Less: Bad debts Written Off	(56,568.00)	(29,502.49)
Add: Provision for bad and doubtful debts made during the year	23,009.23	50,749.27
Less: Excess provision written back during the year	-	-
Closing balance of provision for bad and doubtful debts	41,059.93	74,618.70
* Includes dues from Holding Company	30,284.36	17,398.56
7. Cash and cash equivalents		
a. Cash on hand	-	672.50
b. Balance with scheduled banks in current accounts	9,665.91	16,212.06
Cash and cash equivalent as per cash flows	9,665.91	16,884.56
8. Other financial assets		
Considered good		
a. Loans to employees	-	196.56
b. Balances with government authorities		
i. GST credit receivable	5,642.77	-
	5,642.77	196.56
9. Other current assets		
Considered Good		
a. Prepaid expenses	5,336.60	8,820.02
b. Unbilled Revenue	260.59	6,660.50
c. Others		
i. Supplier advances	3,273.19	98.28
	8,870.38	15,578.80

Notes forming part of the financial statements for the period ended 31st March, 2020

Particulars	As at	As at
	31.03.2020	31.03.2019
	(Rs. '000)	(Rs. '000)
10. SHARE CAPITAL		
AUTHORISED		
7,000 (PY 7,000) Equity Shares of Rs. 100/- each	700	700
ISSUED, SUBSCRIBED AND FULLY PAID UP		
7,000 (PY 7,000) Equity Shares of Rs. 100/- each, fully paid up	700	700
	700	700

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

Particulars	March 31, 2020		March 31, 2019	
	No of shares	Amount Rs.	No of shares	Amount Rs.
Numbers of shares at the Beginning	7,000	700	7,000	700
Add: Shares issued during the year	-	-	-	-
Numbers of shares at the End	7,000	700	7,000	700

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

Particulars	March 31, 2020		March 31, 2019	
	No of shares	Amount Rs.	No of shares	Amount Rs.
Den Networks Limited (Holding Company)	3570	357	3570	357

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

Particulars	March 31, 2020		March 31, 2019	
	No of shares	% Holding	No of shares	% Holding
Den Networks Limited (Holding Company)	3,570	51.00	3,570	51.00
Mr. Lalit Raghunath Shinde	1,718	24.54	1,718	24.54
Mrs. Aruna Uday Shinde	1,712	24.46	1,712	24.46

- d) The company has only one class of equity shares having a par value of Rs. 100 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 Reservs:**

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

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

Notes forming part of the financial statements for the period ended 31st March, 2020

Particulars	As at 31.03.2020 (Rs. '000)	As at 31.03.2019 (Rs. '000)
11. Provisions		
<u>Non Current Liabilities</u>		
Provision for employee benefits		
Provision for gratuity (Refer Note 25)	-	-
	-	-
<u>Current Liabilities</u>		
Provision for employee benefits		
Provision for gratuity (Refer Note 25)	859.73	388.56
	<u>859.73</u>	<u>388.56</u>
12. Others non-current Liabilities:		
a. Deferred revenue	45,620.85	60,736.26
	<u>45,620.85</u>	<u>60,736.26</u>
13. 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	114,597.97	125,389.95
	<u>114,597.97</u>	<u>125,389.95</u>

* 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.

	As at 31.03.2020 (Rs. '000)	As at 31.03.2019 (Rs. '000)
** MSME Disclosure		
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	-	-
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.	-	-
f. Explanation.- The terms 'appointed day', 'buyer', 'enterprise', 'micro enterprise', 'small enterprise' and 'supplier', shall have the same meaning as assigned to them under clauses (b), (d), (e), (h), (m) and (n) respectively of section 2 of the Micro, Small and Medium Enterprises Development Act, 2006."	-	-

Notes forming part of the financial statements for the period ended 31st March, 2020

Particulars	As at	As at
	31.03.2020	31.03.2019
	(Rs. '000)	(Rs. '000)
14. Other financial liabilities		
a. Current maturities of finance lease obligations (Refer Note 36)	-	6,645.35
b. Interest accrued and due on borrowings	-	1,972.43
	<u>-</u>	<u>8,617.78</u>
15. Other current liabilities		
a. Deferred revenue	19,374.06	12,877.53
b. Statutory Liabilities	951.27	9,013.20
c. Other payables		
- Advance Billing	5,697.46	-
- Advances from customers	2,127.41	122.61
	<u>28,150.20</u>	<u>22,013.34</u>
16. REVENUE FROM OPERATIONS		
a. Operating revenue	223,506.04	273,825.29
	<u>223,506.04</u>	<u>273,825.29</u>
17. OTHER INCOME		
a. Provision no longer required written back	975.72	3,700.38
	<u>975.72</u>	<u>3,700.38</u>
18. EMPLOYEE BENEFIT EXPENSE		
a. Salaries and allowances*	7,287.83	6,513.53
b. Contribution to provident and other funds	667.27	568.42
c. Staff welfare expenses	668.75	705.84
	<u>8,623.85</u>	<u>7,787.79</u>
* Salary for the previous year have been effected on account of actuarial gain/(loss) taken on OCI	(305.04)	53.06
19. FINANCE COSTS		
a. Interest expense on		
(i) Interest on finance lease obligations	-	8.22
b. Other Interest Costs	-	67.44
Other borrowing costs	-	75.66
	<u>-</u>	<u>151.32</u>
20. OTHER EXPENSES		
a. Distributor commission/ incentive	429.46	2,368.20
b. Rent and hire charges (Refer note 34)	3,526.44	3,391.66
c. Repairs and maintenance		
i. Plant and machinery	2,682.81	4,654.40
ii. Others	1,431.04	1,351.86
d. Power and fuel	5,873.63	5,928.22
e. Consultancy, professional and legal charges*	8,714.40	8,527.59
f. Brokerage/ commission	6,764.05	5,404.42
g. Communication expenses	2,463.84	5,552.35

Notes forming part of the financial statements for the period ended 31st March, 2020

Particulars	Year ended	Year ended		
	31.03.2020	31.03.2019		
	(Rs. '000)	(Rs. '000)		
h. Leaseline/bandwidth expenses	17,078.12	13,403.13		
i. Rates and taxes	292.61	-		
j. STB Activation charges	10,451.65	4,616.07		
k. Provision for doubtful trade receivables and advances	23,009.23	32,016.89		
l. Bad Debts written Off	56,568.00			
Less : Provision for ECL W/Back	<u>(56,568.00)</u>	-		
m. Miscellaneous expenses	1,798.33	1,982.00		
	84,515.61	89,196.79		
* Consultancy, professional and legal charges includes Auditor's remuneration as under :				
a. To statutory auditors				
For Statutory Audit	104.50	104.50		
For Tax Audit	22.05	22.05		
For Limited Review	37.50	37.50		
For ICFR	12.00	12.00		
	176.05	176.05		
21. EXCEPTIONAL ITEM (Refer Note 35)				
a. Impairment of Doubtful Receivables	-	18,732.38		
b. Impairment value of fixed assets	-	20,129.72		
c. Impairment of deffered Activation (Revenue)/Cost	-	(4,868.57)		
	-	33,993.53		
22 Current Tax and Deferred Tax				
(a) Income Tax Expense				
Current Tax:				
Current Income Tax Charge	-	2,971.93		
Short provision for tax relating to prior years	2,177.78	-		
Deferred Tax				
In respect of current year origination and reversal of temporary differences	29,583.93	(27,608.43)		
Total Tax Expense recognised in profit and loss account	31,761.71	(24,636.50)		
(b) Movement of Deferred Tax				
(i) Movement of Deferred Tax for 31.03.2020		(Rs. '000)		
	Year ended 31.03.2020			
Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing balance
Tax effect of items constituting deferred tax assets				
Property, Plant and Equipment	16,023.61	1,219.18	-	14,804.43
Employee Benefits	122.96	2.27	84.86	205.55
Doubtful debts/advances/impairment	20,758.92	10,424.96	-	10,333.96
Deferred Revenue	24,441.49	17,937.52	-	6,503.97
	61,346.98	29,583.93	84.86	31,847.91
Net Tax Asset/ (Liabilities)	61,346.98	29,583.93	84.86	31,847.91

Notes forming part of the financial statements for the period ended 31st March, 2020

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

Particulars	Year ended 31.03.2019			Closing balance
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	
<u>Tax effect of items constituting deferred tax assets</u>				
Property, Plant and Equipment	5,822.54	(10,201.07)	-	16,023.61
Employee Benefits	72.41	(65.31)	(14.76)	122.96
Doubtful debts/advances/impairment	14,705.56	(6,053.36)	-	20,758.92
Deferred Revenue	13,152.80	(11,288.69)	-	24,441.49
	33,753.31	(27,608.43)	(14.76)	61,346.98
Net Tax Asset/ (Liabilities)	33,753.31	(27,608.43)	(14.76)	61,346.98

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Amount	Tax Rate	Amount	Tax Rate
Profit Before tax from Continuing Operations	(17,507.31)	25.17%	(3,452.91)	27.82%
Income Tax using the Company's domestic Tax rate	-		-	
Tax Effect of :				
- Non deductible Expenses	6,215.47		(14.92)	
- Tax rate change from 27.82% to 25.17%	463.94		(9.22)	
- Tax impact of timing difference of earlier years	22,904.52		(24,612.36)	
- Short provision for tax relating to prior years	2,177.78		-	
Income Tax recognised In P&L from Continuing Operations (Effective Tax Rate)	31,761.71		(24,636.50)	

(Rs'000)

23 Capital commitments and contingent liabilities

	As at 31.03.2020	As at 31.03.2019
a. Contingent liabilities	16,995	16,995

VAT Liability that may arise in respect of matters in Appeal (refer note 1 below)

Note 1: For the period 2012-13 and 2013-14 Dy. Commissioner Appeals has raised a demand against the Company. The Company has filed an appeal with the Sales Tax Tribunal against the same.

Notes forming part of the financial statements for the period ended 31st March, 2020

24 Related Party Disclosures

I. List of related parties

a Holding Company

- DEN Networks Limited

b Associate entities

- Shinde & Shinde Associates - Mr. Lalit Raghunath Shinde, proprietor of this firm
- Futuristic Media And Entertainment Private Limited

d Key managerial personnel

- Mr. Lalit Raghunath Shinde Shareholder
- Mrs. Aruna Uday Shinde Shareholder
- Mr. Kunal Uday Shinde Director
- Mr. Uday Murarrao Shinde Director

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

(Figures in bracket relates to previous year)
(Rs. '000)

Particulars	Holding Company	Associates entities	Subsidiary of Holding company	Key managerial Personnel		Companies Under Common Control	Grand total
				Futuristic Media And Entertainment Private Limited	Lalit Shinde		
A. Transactions during the year							
i. Operating revenue							
For the Year ended 31 March 2020	40,635.10	-	-	-	-	348.00	40,983.10
For the Year ended 31 March 2019	(23,412.18)	-	-	-	-	-	(23,412.18)
	40,635.10	-	-	-	-	348.00	40,983.10
ii. Content Cost							
For the Year ended 31 March 2020	124,018.10	-	-	-	-	-	124,018.10
For the Year ended 31 March 2019	(67,283.84)	-	-	-	-	-	(67,283.84)
iii. Other expenses							
For the Year ended 31 March 2020	11,557.00	816.00	-	3,860.29	3,860.29	-	20,093.58
For the Year ended 31 March 2019	(13,217.29)	(816.00)	-	(3,860.29)	(3,860.29)	-	(21,753.88)
Total	135,575.10	816.00	-	3,860.29	3,860.29	-	144,111.68
iv. Capital Expenditure	23,600.00	-	-	-	-	-	23,600.00
	-	-	-	-	-	-	-

Notes forming part of the financial statements for the period ended 31st March, 2020

Particulars	Holding Company	Associates entities	Subsidiary of Holding company	Key managerial Personnel		Companies Under Common Control	Grand total
				Futuristic Media And Entertainment Private Limited	Lalit Shinde		
B. Outstanding balances at year end							
i. Trade payables							
As on 31 March 2020	62,057.48	-	-	-	-	-	62,057.48
As on 31 March 2019	(48,440.36)	-	-	-	-	-	(48,440.36)
ii. Unbilled Revenue							
As on 31 March 2020	-	-	-	-	-	-	-
As on 31 March 2019	(3.46)	-	-	-	-	-	(3.46)
iii. Creditors for Fixed Assets							
As on 31 March 2020	-	-	-	-	-	-	-
As on 31 March 2019	(1,972.43)	-	-	-	-	-	(1,972.43)
iv. Other Current Liabilities							
As on 31 March 2020	31,914.63	-	-	362.00	392.25	(52.02)	32,616.86
As on 31 March 2019	(38,020.65)	-	-	(9,733.12)	(19,763.37)	-	(67,517.14)
v. Trade receivables							
As on 31 March 2020	30,284.36	-	-	-	-	-	30,284.36
As on 31 March 2019	(17,398.56)	-	-	-	-	-	(17,398.56)

25 Disclosure pursuant to IND AS 19 on 'Employee Benefits'

Employee benefit plans

Defined benefit plans

Gratuity plan

Gratuity liability arises on retirement, withdrawal, resignation, and death of an employee. The aforesaid liability is calculated on the basis of 15 days salary (i.e. last drawn salary plus dearness allowance) for each completed year of service or part thereof in excess of 6 months, subject to a maximum of Rs. 20,00,000. Vesting occurs upon completion of 5 years of service.

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

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

1.1 (a): Changes in Present Value of Obligations:

(Rs. '000)

Period	Year ended 31 March 2020	Year ended 31 March 2019
Present value of the obligation at the beginning of the period	1,490.86	1,278.17
Interest cost	118.97	100.08
Current service cost	176.19	166.95
Benefits paid (if any)	-	-
Actuarial (gain)/loss	256.52	(54.34)
Present value of the obligation at the end of the period	2,042.54	1,490.86

Notes forming part of the financial statements for the period ended 31st March, 2020

1.1 (b): Change in Present value of plan asset

Period	Year ended 31 March 2020	Year ended 31 March 2019
Fair Value of Plan Assets at the beginning of the Period	1,102.31	1,015.37
Interest Income	87.96	79.50
Contribution by the Employer	41.06	8.71
Return of Plan Assets, Excluding Interest Income	(48.52)	(1.27)
Fair Value of Plan Assets at the End of the Period	1,182.81	1,102.31

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

Period	From: 01/04/2019 To: 31/03/2020	From: 01/04/2018 To: 31/03/2019
Actuarial gain / losses from changes in Demographics assumptions (mortality)	Not Applicable	Not Applicable
Actuarial (gain)/ losses from changes in financial assumptions	256.52	(54.34)
Experience Adjustment (gain)/ loss for Plan liabilities	(48.52)	(1.27)
Total amount recognized in other comprehensive Income	305.04	(53.07)

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

Period	As on: 31/03/2020	As on: 31/03/2019
Present value of the obligation at the end of the period	2,042.54	(1,490.86)
Fair value of plan assets at end of period	(1,182.81)	1,102.31
Net liability/(asset) recognized in Balance Sheet and related analysis	859.73	388.56
Funded Status	(859.73)	(388.56)

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

Period	From: 01/04/2019 To: 31/03/2020	From: 01/04/2018 To: 31/03/2019
Interest cost	31.01	20.58
Current service cost	176.19	166.95
Expected return on plan asset	-	-
Expenses to be recognized in the statement of profit and loss account	207.19	187.53

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

Period	From: 01/04/2019 To: 31/03/2020	From: 01/04/2018 To: 31/03/2019
Actuarial (gain)/loss - obligation	256.52	(54.34)
Actuarial (gain)/loss - plan assets	48.52	1.27
Total Actuarial (gain)/loss	305.04	(53.07)

1.4: Experience adjustment:

Period	From: 01/04/2019 To: 31/03/2020	From: 01/04/2018 To: 31/03/2019
Experience Adjustment (Gain) / loss for Plan liabilities	-	(53)
Experience Adjustment Gain / (loss) for Plan assets	305	-

Notes forming part of the financial statements for the period ended 31st March, 2020

2.1: The assumptions employed for the calculations are tabulated:

Period	From: 01/04/2019 To: 31/03/2020	From: 01/04/2018 To: 31/03/2019
Discount rate	6.84 % per annum	7.98 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of return	6.84 % per annum	7.98 % per annum
Withdrawal rate (Per Annum)	2.00% p.a.(18 to 30 Years)	2.00% p.a.(18 to 30 Years)
Withdrawal rate (Per Annum)	2.00% p.a. (30 to 44 Years)	2.00% p.a. (30 to 44 Years)
Withdrawal rate (Per Annum)	2.00% p.a. (44 to 58 Years)	2.00% p.a. (44 to 58 Years)

2.2: Current liability:

Period	As on: 31/03/2020	As on: 31/03/2019
Current Liability (Short Term)*	859.73	388.56
Non Current Liability (Long Term)	-	-
Total Liability	859.73	388.56

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

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

2.3 (a): Funding arrangements and funding policy

The Scheme is funded with Life Insurance Corporation of India.

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

01 Apr 2020 to 31 Mar 2021	51.81
01 Apr 2021 to 31 Mar 2022	59.44
01 Apr 2022 to 31 Mar 2023	62.50
01 Apr 2023 to 31 Mar 2024	65.02
01 Apr 2024 to 31 Mar 2025	236.52
01 Apr 2025 Onwards	4,327.60

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

Period	Liability	% Change
Defined Benefit Obligation (Base)	-2042.54	-
Liability with +.5% increase in Discount Rate	(100.68)	5%
Liability with -.5% decrease in Discount Rate	108.91	-5%
Liability with +.5% increase in Salary Growth Rate	110.35	-5%
Liability with -.5% decrease in Salary Growth Rate	(102.84)	5%
Liability with +.5% increase in Withdrawal Rate	16.23	-1%
Liability with -.5% decrease in Withdrawal Rate	(17.37)	1%

Notes:

- The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Notes forming part of the financial statements for the period ended 31st March, 2020

26 At the year end, unhedged foreign currency exposures are Rs. Nil (PY Rs. Nil)

27 Earnings per equity share (EPS)*

Particulars		Year ended 31.03.2020	Year ended 31.03.2019
a.	Profit/(Loss) for the year attributable to Owners of the Company	(49,269.02)	21,183.60
b.	Weighted average number of equity shares outstanding used in computation of basic EPS	7,000	7,000
c.	Basic earning per share from continuing operations (in Rs.)	(7,038.43)	3,026.23
d.	Weighted average number of equity shares and equity equivalent shares outstanding used in computing diluted EPS	7,000	7,000
e.	Diluted earning per share from continuing operations (in Rs.)	(7,038.43)	3,026.23

* There are no potential equity shares as at 31 March, 2020

**There is no discontinued operation of the company

28 Financial Instruments

(a) Financial risk management objective and policies

This section gives an overview of the significance of financial instruments for the company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument.

Financial assets and liabilities:

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

As at 31 March, 2020

(Rs. '000)

Financial assets	FVTPL	FVTOCI	Amortized Cost	Total carrying value
Cash and cash equivalents	-	-	9,665.91	9,665.91
Trade receivables	-	-	49,372.29	49,372.29
Security deposits	-	-	1446.74	1446.74
Other current financial asset	-	-	5,642.77	5,642.77
	-	-	66,127.71	66,127.71
Financial liabilities	FVTPL	FVTOCI	Amortized Cost	Total carrying value
Trade payables	-	-	114,597.97	114,597.97
Other current financial liabilities	-	-	-	-
	-	-	114,597.97	114,597.97

As at 31 March, 2019

(Rs. '000)

Financial assets	FVTPL	FVTOCI	Amortized Cost	Total carrying value
Cash and cash equivalents	-	-	16,884.56	16,884.56
Trade and other receivables	-	-	92,098.78	92,098.78
Security deposits	-	-	318.48	318.48
Other current financial asset	-	-	196.56	196.56
	-	-	109,498.38	109,498.38
Financial liabilities	FVTPL	FVTOCI	Amortized Cost	Total carrying value
Trade payables	-	-	125,389.95	125,389.95
Other current financial liabilities	-	-	8,617.78	8,617.78
	-	-	134,007.73	134,007.73

Notes forming part of the financial statements for the period ended 31st March, 2020

(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.

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. The status of financial liabilities which are expected to be settled is detailed below:

As at March 31, 2020					
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Current					
- Trade Payable	114,597.97	-	-	-	114,597.97
- Other Fianancial Liability	-	-	-	-	-
Total	114,597.97	-	-	-	114,597.97
As at March 31, 2019					
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Current					
Trade Payable	1,25,389.95	-	-	-	1,25,389.95
Other Fianancial Liability	8,617.78	-	-	-	8,617.78
Total	134,007.73	-	-	-	134,007.73

Notes forming part of the financial statements for the period ended 31st March, 2020

29 Capital Management

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

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

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

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

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

The following table summarizes the capital of the Company:

	As at 31 March, 2020	As at 31 March, 2019
	(Rs. '000)	(Rs. '000)
Short-term borrowings	-	6,645.35
Cash and cash equivalents (Note 7 & 8)	(15,308.68)	(17,081.12)
Net debt (a)	(15,308.68)	(3,790.42)
Total Equity (b)	52,966.87	102,456.07
Net debt to equity ratio (c = a/b)	(0.29)	(0.04)

30 POST REPORTING EVENTS

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

31 AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors on April 17, 2020. The management and authorities have the power to amend the Financial Statements in accordance with Section 130 and 131 of The Companies Act, 2013.

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

33 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. 40,635.10 (Previous Year Rs. 23,412.18 thousand) from one customer (Previous Year one Customer) having more than 10% revenue of total revenue.

34 The company has entered into cancellable operating lease for office premises. Lease payments amounting to Rs. 3,526.44 /- thousand (P.Y 3,391.66/- thousand) made under operating lease have been recognized as an expenses in the statement of profit and loss.

35 **Exceptional items of Rs. Nil (PY Rs. 33,993.53/-) thousand comprise of :** a) Doubtful receivables from customers/parties provided for amounting to Rs. Nil (PY Rs. 18,732.38/-) thousand. Pursuant to implementation of new regulatory framework by Telecom Regulatory Authority of India (TRAI) dated 3 March,2017 ('Tariff order') w.e.f. 20 December,2018, the Group had to revamp their mode of operations which includes changes in the information technology systems to migrate to the new regulatory framework. Such adjustments also required finalisation of revenue sharing mechanism with the Local Cable Operators (LCOs). Based on the re-assessment of the value of assets appearing in the books of account in the light of the new regulatory framework and the increase in competition on account of rates parity in the market, the Company has recognised an impairment of doubtful advances/trade receivables of Rs. Nil (PY Rs.18,732.38/-) thousand.b) Impairment of Plant and equipment amounting to

Notes forming part of the financial statements for the period ended 31st March, 2020

Rs. Nil (PY Rs. 20,129.72) thousand. During the period, the Group has carried out a detailed assessment of Plant and equipment in terms of recoverability and usability of these assets and therefore have recognised a one-time impairment in the value of Plant and equipment and of Rs. Nil (PY Rs. 20,129.72/-) thousand. Similarly, the Deferred Cost and related Revenue with regards to non active STB have also assessed and a sum of Rs. Nil (Rs. -4,868.57/-) thousand has been adjusted.

36 Finance lease as lessee

The Company had entered into finance lease arrangements for certain equipment which provide the Company an option to purchase the assets at the end of the lease period. Future minimum lease payments and reconciliation of gross investment in the lease and present value of minimum lease payments was as below.

These above mentioned Lease arrangements have expired in previous year and currently company has no Lease arrangements and hence the IND AS 116 is not applicable to the Company.

(Rs. In 000)

Particulars	As at 31.03.2020	As at 31.03.2019
Future minimum lease payments:		
• Not later than one year	-	8,610.34
• Later than one year and not later than five years	-	-
• Later than five years	-	-
	-	8,610.34
Less : Unmatured finance charges	-	-
	-	8,610.34
Present value of minimum lease payments payable:		
• Not later than one year	-	6,645.35
• Later than one year and not later than five years	-	-
• Later than five years	-	-
	-	6,645.35
Included in the financial statements as:		
- Current	-	6,645.35
- Non Current	-	-

37 Certain Debit / Credit balances included in Trade Receivables, Trade Payables, Short/Long Term Loans and Advances, Other Current Assets and Current Liabilities are pending for confirmation and Consequential reconciliation

38 Impact of Pandemic COVID 19

The company being service provider of one of the “Essential Services – Television Broadcasting & Distribution” was able to operate under normal course of business during the period of Nationwide Lockdown with minimal impact on operations and the scale of operation was usual with respect to the cable subscriber base upto the date of adoption of financial statement. The company was also able to get required services from its vendors, employees etc. as per normal course of business except for certain disruptions which are not material to the conduct of the operations. The company has analysed various factors related to impact of COVID 19 on its financial reporting as per guidance issued by ICAI and is of the view that COVID 19 is not adversely impacting the financial reporting/operation of the Company.

39 Previous year figures have been regrouped wherever required to make them comparable with current year figures.

For T R Chadha & Co LLP
Firm Regn No: 006711N/N500028
Chartered Accountants

Mr. Pramod Tilwani
Partner
Membership No. 076650

Place: Mumbai
Dated: April 17, 2020

**For and on behalf of the Board of Directors of
DEN MANORANJAN SATELLITE PVT LTD**

Mr. Shankar Devarajan
Director
DIN No:021112473

Place: Pune
Dated: April 17, 2020

Mr. Rajendra Kale
Director
DIN No:07288226

Place: Pune
Dated: April 17, 2020