

Hathway Gwalior Cable & Datacom Private Limited
Financial Statements
2019-20

Independent Auditor's Report

To the Members of Hathway Gwalior Cable & Datacom Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Hathway Gwalior Cable & Datacom Private Limited** (the Company), which comprise the Balance Sheet as at March 31, 2020, 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 "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its loss (including other comprehensive income), 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 Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no other key audit matters to communicate in our report.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in annual report but does not include the standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information included in the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 (including other comprehensive income), changes in equity, cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read together with relevant rules issued there under and relevant provisions of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for

preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity 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 March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
 - g) Since the Company is a private limited company, the provisions of section 197 of the Act are not applicable. Accordingly, no reporting is required with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act; and
 - h) 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, as amended, 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 standalone financial statements – Refer Note 4.02 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For G.M. Kapadia & Co.

Chartered Accountants

Firm Registration No. 104767W

Abhishek Singh

Partner

Membership No. 407549

UDIN: 20407549AAAAAZ1013

Place: New Delhi

Date: 07.04.2020

Annexure A to the Independent Auditor's Report**Re: Hathway Gwalior Cable & Datacom Private Limited**

Referred to in paragraph 1 under "Report on Other Legal & Regulatory Requirements" of our report on even date to the members of the Company on standalone financial statements for the year ended March 31, 2020:

- (i) The company did not have property, plant and equipment, therefore sub-clause (a) regarding maintenance of proper records of property, plant and equipment, sub-clause (b) regarding physical verification of property, plant and equipment, and sub-clause (c) regarding title deeds of immovable properties, of clause 3(i) of the Order are not applicable to the Company;
- (ii) The Company did not have any inventories of finished goods, stores, spare parts and raw materials, therefore clause 3(ii) of the Order, regarding physical verification of inventory at reasonable intervals and regarding material discrepancies on physical verification are not applicable to the company;
- (iii) The Company has not granted any secured or unsecured loans to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequentially sub-clause (a), (b) & (c) of clause 3(iii) of the Order are not applicable to the Company;
- (iv) Based on the audit procedures applied by us, during the year under audit, the Company has not granted loans, guarantee and security or made investments which require compliance in terms of the provisions contained in the section 185 or section 186 of the Act. The Management has, based on legal opinion, represented that overdue book debts are not in the nature of loan and hence do not fall within the scope of section 185 of the Act. In such circumstances, para 3(iv) of the Order is not applicable;
- (v) In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public and therefore, the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable to the Company. We have been informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard;
- (vi) The Central Government has not specified the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for services rendered by the Company;
- (vii) (a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues such as provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other applicable statutory dues. According to information and explanations given to us, no undisputed statutory dues payable were in arrears as at March 31, 2020, for a period of more than six months from the date they became payable;
- (b) Based on our audit procedure and according to the information and explanations given to us there are no dues payable by the Company on account of any dispute in case of income tax, service tax, goods & services tax and other statutory dues as applicable as on March 31, 2020 except in case where the company has disputed and represented before respective tax authorities against ex-parte order for entertainment tax passed by O/o The Commercial Tax Deptt. of Madhya Pradesh as under, pending for adjudication as on March 31, 2020:

(Amount in Rupees)

| S. No | Name of Statute | Name of Dues | Amount | Period to which amount relates | Forum where dispute is pending |
|-------|---|-------------------|-------------|--------------------------------|--|
| 1. | Madhya Pradesh Vilasita, Manoranjan, Amodevam Vigyapan Kar Adhinyam | Entertainment Tax | 11,00,126/- | Apr 01, 2011 to Jun 30, 2011 | The Commercial Tax Officer, Professional Tax Circle, Gwalior |

- (viii) Based on our audit procedure and according to the information and explanations given to us, the Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year, therefore question of defaulting in repayment of dues of any financial institution or banks during the year does not arise;
- (ix) In our opinion and according to the information and explanations given to us and based on overall examination of records, the

Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year, therefore, clause 3(ix) of the Order is not applicable;

- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year;
- (xi) The Company has not paid or provided for any managerial remuneration during the year and therefore requisite approval mandated by the provisions of section 197 read with Schedule V to the Act does not arise;
- (xii) In our opinion and according to information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company;
- (xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with section 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards;
- (xiv) Based on our audit procedures performed and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company;
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements, the Company has not entered into any non-cash transactions with directors. We have been informed that no such transactions have been entered into with person connected with directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company; and
- (xvi) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For G.M. Kapadia & Co.

Chartered Accountants

Firm Registration No. 104767W

Abhishek Singh

Partner

Membership No. 407549

UDIN: 20407549AAAAAZ1013

Place: New Delhi

Date: 07.04.2020

Annexure B to the Independent Auditor's Report**The Annexure referred to in Paragraph 2(f) under "Other Legal and Regulatory Requirements" of our report of even date, on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the the Act**

We have audited the internal financial controls with reference to financial statements of the **Hathway Gwalior Cable & Datacom Private Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone 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 controls 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 ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's 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 and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 judgment, including the assessment of the risks of material misstatement of the standalone 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 controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls 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 standalone financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone 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 controls 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020 based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note.

For G.M. Kapadia & Co.

Chartered Accountants

Firm Registration No. 104767W

Abhishek Singh

Partner

Membership No. 407549

UDIN: 20407549AAAAAZ1013

Place: New Delhi

Date: 07.04.2020

Balance Sheet as at March 31, 2020

| Particulars | Note No. | As at | |
|--|----------|----------------|----------------|
| | | March 31, 2020 | March 31, 2019 |
| <i>(All Amounts are Rupees in Lakhs unless otherwise stated)</i> | | | |
| ASSETS | | | |
| Non-Current Assets | | | |
| (a) Other Non-Current Assets | 2.01 | - | - |
| Total Non-Current Assets | | <u>-</u> | <u>-</u> |
| Current Assets | | | |
| (a) Financial Assets | | | |
| Cash and Cash Equivalents | 2.02 | 0.02 | 0.02 |
| Bank balance other than above | 2.02 | 5.11 | 5.11 |
| Total Current Assets | | <u>5.13</u> | <u>5.13</u> |
| Total Assets | | <u>5.13</u> | <u>5.13</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share Capital | 2.03 | 1.00 | 1.00 |
| (b) Other Equity | 2.04 | (58.65) | (58.62) |
| Total Equity | | <u>(57.65)</u> | <u>(57.62)</u> |
| Non-Current Liabilities | | | |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| Borrowings | 2.05 | 50.91 | 50.91 |
| Trade Payables | 2.06 | | |
| Total outstanding dues of micro enterprises and small enterprises | | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 10.77 | 10.77 |
| Other Financial Liabilities | 2.07 | 1.10 | 1.07 |
| Total Current Liabilities | | <u>62.78</u> | <u>62.75</u> |
| Total Equity and liabilities | | <u>5.13</u> | <u>5.13</u> |
| Summary of Significant Accounting Policies | 1.00 | | |

Refer accompanying notes. These notes are integral part of the financial statements.

As per our report of even date

For G.M. Kapadia & Co.
Chartered Accountants
Firm's Registration No. 104767W

For and on behalf of the Board

Abhishek Singh
Partner
Membership No. 407549

Ajay Singh
Director
Din : 6899567

Sudhir Sarin
Director
Din : 06698053

Place : Delhi
Dated : 07.04.2020

Place : Mumbai
Dated : 07.04.2020

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

| Particulars | Note No. | (All Amounts are Rupees in Lakhs unless otherwise stated) | |
|---|----------|---|----------------|
| | | Year Ended | |
| | | March 31, 2020 | March 31, 2019 |
| | | Rupees | Rupees |
| INCOME | | | |
| Other Income | 3.01 | 0.11 | - |
| Total Income | | 0.11 | - |
| EXPENDITURE | | | |
| Other Expenses | 3.02 | 0.14 | 0.17 |
| Total Expense | | 0.14 | 0.17 |
| Net Profit / (Loss) before Tax | | (0.03) | (0.17) |
| Tax Expense: | | | |
| Current Tax | | - | - |
| Deferred Tax | | - | - |
| Net Profit / (Loss) for the Year | | (0.03) | (0.17) |
| Other Comprehensive Income | | - | - |
| Total Comprehensive Income / (Loss) for the Year, net of Tax | | (0.03) | (0.17) |
| Earnings /(Loss) per equity share (Face value Rs. 10/- each) | | | |
| Basic (in Rs.) | | (0.32) | (1.67) |
| Diluted (in Rs.) | | (0.32) | (1.67) |

Summary of Significant Accounting Policies

1.00

Refer accompanying notes. These notes are integral part of the financial statements.

As per our report of even date

For G.M. Kapadia & Co.
Chartered Accountants
Firm's Registration No. 104767W

For and on behalf of the Board

Abhishek Singh
Partner
Membership No. 407549

Ajay Singh
Director
Din : 6899567

Sudhir Sarin
Director
Din : 06698053

Place : Delhi
Dated : 07.04.2020

Place : Mumbai
Dated : 07.04.2020

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

(All Amounts are Rupees in Lakhs unless otherwise stated)

A: EQUITY SHARE CAPITAL

| Particulars | Note No. | Amount |
|---|----------|--------|
| As at April 01, 2018 | 2.03 | 1.00 |
| Changes in Equity Share Capital during the period | - | |
| Balance at March 31, 2019 | 2.03 | 1.00 |
| Changes in Equity Share Capital during the period | - | |
| Balance at March 31, 2020 | 2.03 | 1.00 |

B: OTHER EQUITY

| Particulars | Retained earnings | Total Amount |
|-------------------------------------|-------------------|----------------|
| Balance as on April 01, 2018 | (58.45) | (58.45) |
| Net Income / (Loss) for the Period | (0.17) | (0.17) |
| Balance as on March 31, 2019 | (58.62) | (58.62) |
| Net Income / (Loss) for the Period | (0.03) | (0.03) |
| Balance as on March 31, 2020 | (58.65) | (58.65) |

Summary of Significant Accounting Policies (Ref. Note No. 1.00)

Refer accompanying notes. These notes are integral part of the financial statements.

As per our report of even date

For G.M. Kapadia & Co.
Chartered Accountants
Firm's Registration No. 104767W

Abhishek Singh
Partner
Membership No. 407549

Place : Delhi
Dated : 07.04.2020

For and on behalf of the Board

Ajay Singh
Director
Din : 6899567

Place : Mumbai
Dated : 07.04.2020

Sudhir Sarin
Director
Din : 06698053

Cash Flow Statement for the year ended March 31, 2020

(All Amounts are Rupees in Lakhs unless otherwise stated)

| Particulars | Year ended | |
|---|--------------------|--------------------|
| | March 31, 2020 | March 31, 2019 |
| 1 CASH FLOW FROM OPERATING ACTIVITIES: | | |
| NET PROFIT / (LOSS) BEFORE TAX | (0.03) | (0.17) |
| A Non-cash Adjustment to Profit/ (Loss) Before Tax: | | |
| Sundry Balance Written off | (0.11) | - |
| B Items Considered Separately: | | |
| Operating Profit before Working Capital | <u>(0.11)</u> | <u>-</u> |
| C Change in operating assets and liabilities : | | |
| (Increase) / Decrease in Trade Receivables | - | 1.61 |
| (Increase) / Decrease in Other Non-Current Assets | - | - |
| Increase / (Decrease) in Trade Payables | - | (1.61) |
| Increase / (Decrease) in Other Financial Liabilities | <u>0.14</u> | <u>0.17</u> |
| | <u>0.14</u> | <u>0.17</u> |
| Cash Generated from Operations | - | - |
| Taxes paid (Net) | - | - |
| Net cash flow from/(used in) operating activities (A) | - | - |
| 2 CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Payment for Property, Plant and Equipment | <u>-</u> | <u>-</u> |
| Net cash flow from/(used in) investing activities (B) | - | - |
| 3 CASH FLOW FROM FINANCING ACTIVITIES | | |
| Net cash flow from/(used in) in financing activities (C) | - | - |
| Net increase/(decrease) in cash and cash equivalents (A+B+ C) | - | - |
| Cash and Cash Equivalents at beginning of year | 5.13 | 5.13 |
| Cash and Cash Equivalents at end of year | <u>5.13</u> | <u>5.13</u> |
| Reconciliation of cash and cash equivalents as per Cash Flow Statement | | |
| Cash and Cash equivalents as per above comprising of the following- | | |
| Cash in hand | 0.02 | 0.02 |
| Bank Balance (Refer Note 2.02) | <u>5.11</u> | <u>5.11</u> |
| Balance as per statement of Cash flow | <u>5.13</u> | <u>5.13</u> |

Note :

Above statement has been prepared by using Indirect method as per Ind AS - 7 on Statement of Cash Flows

As per our report of even date

For G.M. Kapadia & Co.
Chartered Accountants

Firm's Registration No. 104767W

Abhishek Singh
Partner
Membership No. 407549

Place : Delhi
Dated : 07.04.2020

For and on behalf of the Board

Ajay Singh
Director
Din : 6899567

Place : Mumbai
Dated : 07.04.2020

Sudhir Sarin
Director
Din : 06698053

Notes to the Financial Statements

Significant accounting policies and notes to accounts

Background

Hathway Gwalior Cable & Datacom Private Limited is a company limited by shares domiciled in India and incorporated under the provisions of the Companies Act, 1956 having registered office at 805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz, (East), Mumbai, Maharashtra - 400098, changed from 'Rahejas', 4th Floor, Corner of Main Avenue and V.P Road, Santacruz (West) Mumbai, Maharashtra - 400054 during the year. In earlier years and upto 30th September 2011 it was engaged into the business of transmission of Cable TV signals to local cable operators and was acting as a MSO. Since 1st October 2011 no business is being transacted in the Company.

Authorization of financial statements

The financial statements were authorized for issue in accordance with a resolution of the directors on 07.04.2020

1.00 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the presentation of these financial statements.

1.01 Basis of Preparation

(i) Compliance with Ind AS

The standalone financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act"), and relevant rules issued thereunder. In accordance with proviso to the Rule 4A of the Companies (Accounts) Rules, 2014, the terms used in these financial statements are in accordance with the definitions and other requirements specified in the applicable Accounting standards..

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except, for the following,

- a) certain financial assets and liabilities are measured at fair value;

1.02 Current Versus Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle, or
b) Held primarily for the purpose of trading, or
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent 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. A liability is classified as current when:

- a) It is expected to be settled in normal operating cycle, or
b) It is held primarily for the purpose of trading, or
c) It is due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of operations, the Company has ascertained its operating cycle as 12 months for the purpose of current - non-current classification of assets and liabilities.

Notes to the Financial Statements

1.03 Use of Judgements, Estimates & Assumptions

While preparing financial statements in conformity with Ind AS, we make certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, disclosure of contingent asset and liabilities as at the Statement of Financial Position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on our estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. We continually evaluate these estimates and assumptions based on the most recently available information.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

- a) Evaluation of recoverability of deferred tax assets.

1.04 Cash and Cash Equivalents

Cash and cash equivalents for the purposes of Cash Flow Statement comprise cash at bank and cash in hand.

1.05 Financial Instruments

A. Financial Assets

(i) Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through statement of profit and loss), and
- those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit and loss or other comprehensive income.

(ii) Measurement

Trade receivables are recognised initially at transactional price less provision for impairment.

(iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when the rights to receive cash flows from the asset have expired.

(iv) Impairment of financial assets

For trade receivables, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

B. Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, financial guarantee contracts or as derivative financial instruments, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

Notes to the Financial Statements

(ii) Subsequent measurement

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

1.06 Provisions, Contingent Liabilities and Contingent Assets

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a current pre-tax rate. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed in the case of:

- a present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from the past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent Assets is disclosed when inflow of economic benefits is probable.

1.07 Revenue Recognition

During the year, company had no operations and therefore did not have any policy for revenue recognition.

1.08 Taxes On Income

Current Tax:

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities.

Notes to the Financial Statements

1.09 Earnings Per Share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.10 Rounding Of Amounts

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest lakhs, except where otherwise indicated.

Notes to the Financial Statements

(All Amounts are Rupees in Lakhs unless otherwise stated)

| 2.01 OTHER ASSETS | Non Current | |
|---|-----------------------|-----------------------|
| | As at | |
| | March 31, 2020 | March 31, 2019 |
| OTHER ADVANCES | | |
| Doubtful | | |
| Advance to Suppliers | 2.82 | 2.82 |
| GST Claimable | 0.72 | 0.72 |
| Less: | | |
| Provision for doubtful loans and advances to others | 3.54 | 3.54 |
| | - | - |

Note:- Total Other Assets Rs 200/- in F.Y.2018-19 and F.Y.2019-20

| 2.02 CASH AND CASH EQUIVALENTS AND OTHER BALANCES | Current | |
|---|-----------------------|-----------------------|
| | As at | |
| | March 31, 2020 | March 31, 2019 |
| Cash & Cash Equivalents | | |
| Cash in hand | 0.02 | 0.02 |
| | 0.02 | 0.02 |
| Other Bank Balance | | |
| In Current Accounts** | 5.11 | 5.11 |
| | 5.13 | 5.13 |

** Company's bank account with Axis Bank-Gwalior is lying attached by the Commercial Tax Department-Gwalior pending disposal of appeal filed by the Company against demand of interest & penalty on Entertainment Tax payable for the period April '11 to June '11

| 2.03 EQUITY SHARE CAPITAL | As at | |
|---|-----------------------|-----------------------|
| | March 31, 2020 | March 31, 2019 |
| Authorised Capital | | |
| 6,00,000 (March 31, 2019; 6,00,000) equity shares of face value Rs 10 each | 60.00 | 60.00 |
| | 60.00 | 60.00 |
| Issued, Subscribed and Paid up Capital | | |
| 10,000 (March 31, 2019; 10,000) equity shares of face value Rs 10 each | 1.00 | 1.00 |
| | 1.00 | 1.00 |

Notes to the Financial Statements

(All Amounts are Rupees in Lakhs unless otherwise stated)

a) Reconciliation of the number of shares outstanding as at the beginning and end of the reporting period:

| Particulars | As at | | As at | |
|---|----------------|-------------|----------------|-------------|
| | March 31, 2020 | | March 31, 2019 | |
| | Number | Amount | Number | Amount |
| Equity Shares of Rs.10 each | | | | |
| Shares Outstanding at the beginning of the year | 10,000 | 1.00 | 10,000 | 1.00 |
| Shares Issued during the Year | - | - | - | - |
| Shares Outstanding at the end of the Year | 10,000 | 1.00 | 10,000 | 1.00 |

b) The details of shareholders holding more than 5% shares in the Company:

| Particulars | As at | | As at | |
|---|--------------------|--------------|--------------------|--------------|
| | March 31, 2020 | | March 31, 2019 | |
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Equity Shares of Rs. 10 each | | | | |
| Hathway Cable and Datacom Limited - Holding Company | 10,000 | 100% | 10,000 | 100% |

(Includes Shares held by the nominee shareholders, on behalf of Holding Company)

c) Shares in respect of each class in the Company held by its holding Company or its ultimate holding company including shares held by subsidiaries or associates of holding company or the ultimately holding company in aggregate :

| Particulars | As at | | As at | |
|---|--------------------|--------|--------------------|--------|
| | March 31, 2020 | | March 31, 2019 | |
| | No. of Shares held | Amount | No. of Shares held | Amount |
| Equity Shares of Rs. 10 each | | | | |
| Hathway Cable and Datacom Limited - Holding Company | 10,000 | 1.00 | 10,000 | 1.00 |

(Includes Shares held by the nominee shareholders, on behalf of Holding Company)

d) Rights, Preference and restrictions attached to Shares;

Terms/ Rights attached to Equity Shares:

The Company has only one class of equity shares having face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per fully paid share. 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, in proportion to the number of equity shares held by the shareholders.

2.04 OTHER EQUITY

| | As at | |
|---------------------------------------|----------------|----------------|
| | March 31, 2020 | March 31, 2019 |
| Retained earnings | | |
| Balance at the beginning of the year | (58.62) | (58.45) |
| Add : Net Profit/ (Loss) for the year | (0.03) | (0.17) |
| Balance at the end of the Year | (58.65) | (58.62) |
| Balance at the end of the Year | (58.65) | (58.62) |

Notes to the Financial Statements

(All Amounts are Rupees in Lakhs unless otherwise stated)

| 2.05 BORROWINGS | Current | |
|--|---------------------------------------|----------------|
| | As at | |
| | March 31, 2020 | March 31, 2019 |
| Unsecured | | |
| Loan from Hathway Cable and Datacom Limited | 50.91 | 50.91 |
| | <u>50.91</u> | <u>50.91</u> |
| | | |
| 2.06 TRADE PAYABLES | Current | |
| | As at | |
| | March 31, 2020 | March 31, 2019 |
| Trade Payables | | |
| Micro and Small Enterprises (Refer to Note no. 4.06) | - | - |
| Others | 10.77 | 10.77 |
| | <u>10.77</u> | <u>10.77</u> |
| | | |
| 2.07 OTHER FINANCIAL LIABILITIES | Current | |
| | As at | |
| | March 31, 2020 | March 31, 2019 |
| Other Liabilities | 1.10 | 1.07 |
| | <u>1.10</u> | <u>1.07</u> |
| | | |
| 3.01 OTHER INCOME | Year ended | |
| | March 31, 2020 | March 31, 2019 |
| | Amount No Longer Payable Written Back | 0.11 |
| | <u>0.11</u> | <u>-</u> |
| | | |
| 3.02 OTHER EXPENSES | Year ended | |
| | March 31, 2020 | March 31, 2019 |
| | Rates & taxes | - |
| Auditor's Remuneration | | |
| Statutory Audit Fees | 0.14 | 0.14 |
| | <u>0.14</u> | <u>0.17</u> |

4.01 DISCONTINUED OPERATIONS & GOING CONCERN ASSUMPTION:

The Company in earlier years and upto 30th Sept.,2011 was engaged in business of transmission of Cable TV signals to local cable operators. However in order to effectively handle the competition faced from other local Multi System Operator (MSO) and DTH Companies in the Company's business area in Gwalior and to maximize economic returns to the Company and its stake holders , using vast experience & goodwill of its holding company , the Company in terms of Business Transfer Agreement dated 01st October '11 transferred its MSO business along with all its identified assets including all the rights, title and interest in the goodwill of the company and intangible assets to Hathway Cable & Datacom Limited (HCDL), its holding Company for consideration. Moreover consequential to transfer of its sole business activity, the Company also wrote off the amount of residual fixed assets appearing in its books of account.

Notes to the Financial Statements

(All Amounts are Rupees in Lakhs unless otherwise stated)

4.02 CONTINGENT LIABILITIES & CLAIMS AGAINST THE COMPANY NOT ACKNOWLEDGED AS DEBTS

The Commercial Tax Dept. of Madhya Pradesh (M.P.) had passed ex-parte assessment order for the quarter ending June'11, creating demand on the Company of principal amount of entertainment tax and penalty thereon totalling to Rs.27.00 Lakh. The Company challenged the ex-parte proceedings in appeal filed before the Commissioner - Appeals and received order in its favour, by remanding back of the case for re-determination of turnover and tax payable thereon. Consequentially, the assessing authority issued fresh notice to the Company to re-assess the case, but since did not allow sufficient opportunity of hearing, reconfirmed the above said demand on ex-parte basis. Aggrieved by this fresh order, the Company applied for relief U/s 34 of the MP VAT Act, to set aside the impugned order and to get the case taken up for re-assessment. The Company's plea was accepted by the appellate authority and opportunity of re-hearing was given to the Company. On re-assessment of tax liability for the said period, a demand for payment of Entertainment Tax of Rs. 5.50 Lakh was determined against the Company, along with penalty payable @ two times of the tax amount, in all totalling to Rs. 16.50 Lakh. The Company has deposited the Tax amount of Rs. 5.50 Lakh and has challenged the penalty amount of Rs. 11.00 Lakh in appeal filed before the Dy. Commissioner of Commercial Tax (Appeals) on 17th July'2015. Pending final decision by the tax authorities in the above said appeal proceedings, the Company is contingently liable to pay demand of Interest and Penalty of Rs.11.00 Lakh

| Matter with | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| Entertainment Tax Department (Refer Note 4.02) | 11.00 | 11.00 |
| Total | 11.00 | 11.00 |

4.03 SEGMENTAL REPORTING

As the Company does not have any business activity during the period, therefore segment reporting in terms of Ind AS 108 on "Operating Segment" is not applicable.

4.04 RELATED PARTY DISCLOSURES

Names of related parties and related party relationship where control exist

Holding Company

Hathway Cable and Datacom Ltd.

Fellow Subsidiary

Hathway Digital Pvt. Ltd. (FKA : Hathway Central Datacom Pvt. Ltd, FKA: Hathway Bhaskar Multinet Pvt. Ltd.)

Related Party Transactions

The transactions with related parties and the closing balances due to/from parties are as follows.

| Particulars | As at | |
|--|----------------|----------------|
| | March 31, 2020 | March 31, 2019 |
| Closing Balances | | |
| Short Term Borrowings | | |
| Hathway Cable and Datacom Ltd. | 50.91 | 50.91 |
| Trade Payables | | |
| Hathway Digital Pvt. Ltd. (FKA : Hathway Central Datacom Pvt. Ltd) | 10.77 | 10.77 |

Notes to the Financial Statements

(All Amounts are Rupees in Lakhs unless otherwise stated)

4.05 EARNINGS \ (LOSS) PER SHARE

| Particulars | Year ended | |
|--|----------------|----------------|
| | March 31, 2020 | March 31, 2019 |
| Profit \ (Loss) after tax | (0.03) | (0.17) |
| Weighted / Adjusted No. of ordinary shares (No.'s) used as denominator for calculating Basic/Diluted EPS | 10,000 | 10,000 |
| Nominal value of ordinary shares (Rs.) (Face Value restated) | 10 | 10 |
| EPS - Basic & Diluted (Rupees) | (0.32) | (1.67) |

4.06 DISCLOSURE UNDER MSME DEVELOPMENT ACT 2006:

The disclosure under the MSME Act 2006 is as under:

| Disclosure under Micro, Small and Medium Enterprises Development Act, 2006: | Year ended | |
|---|----------------|----------------|
| | March 31, 2020 | March 31, 2019 |
| (a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting year; | Nil | Nil |
| (b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year; | Nil | Nil |
| (c) the amount of interest due and payable for the period of delay in making payment (which have 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; | Nil | Nil |
| (d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and | Nil | Nil |
| (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. | Nil | Nil |

4.07 In view of insertion of a new section – Section 115BAA in The Income Tax Act, 1961, as introduced by the Government of India, vide Taxation Laws (Amendment) Ordinance, 2019 dated 20th of September 2019, the domestic Companies have been given option to pay tax at reduced rate of 22%, effective from FY 2019-20 (AY 2020-21) & onwards, subject to their adhering to certain conditions not to avail any exemptions/ incentives. The management of the Company has decided not to opt for the new tax regime and therefore no impact given in these financial statements.

4.08 In the absence of virtual certainty of availability of future taxable profits against which the deferred tax assets can be adjusted, the Company has recognised deferred tax assets to the extent of deferred tax liability available.

Notes to the Financial Statements

(All Amounts are Rupees in Lakhs unless otherwise stated)

Expiry schedule of deferred tax assets not recognised is as under :

| Particulars | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | Beyond 5 years | Indefinite | Total |
|-------------------------|-------------|----------|----------|----------|----------|-------------------|-------------|-------------|
| Tax Losses : | | | | | | | | |
| Business losses | 0.54 | - | - | - | - | 0.05 | - | 0.59 |
| Unabsorbed depreciation | - | - | - | - | - | - | 3.46 | 3.46 |
| Total | 0.54 | - | - | - | - | 0.05 | 3.46 | 4.05 |

4.09 CAPITAL MANAGEMENT

The Holding Company has undertaken to provide financial support that may be required in Company's obligation towards third parties. Further in view of losses incurred by the Company there is material uncertainties regarding the Company's ability to continue as going concern and repay loans provided by holding Company. In such circumstances, Going Concern Basis of Accounting has not been adopted by the management for the preparation of financial statements. The above financial statements show shortfall of Rs. 57.65 Lacs when asset of the Company are compared with its liabilities on realisation basis

The details of outstanding capital and payables to holding company on account of loan is as under:

| Particulars | March 31, 2020 | March 31, 2019 |
|--------------|----------------|----------------|
| Equity | 1.00 | 1.00 |
| Loans taken | 50.91 | 50.91 |
| Total | 51.91 | 51.91 |

The Company is not subject to externally imposed capital requirements

4.10 FINANCIAL INSTRUMENTS : ACCOUNTING CLASSIFICATIONS, FAIR VALUE MEASUREMENTS, FINANCIAL RISK MANAGEMENT

(i) Methods and assumptions used to estimate the fair values

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

The carrying amounts of trade receivables, cash and cash equivalents, trade payables, short term loans are considered to be the same as their fair values, due to their short-term nature.

(ii) Categories of financial instruments and fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted price included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Notes to the Financial Statements

(All Amounts are Rupees in Lakhs unless otherwise stated)

Level 3: unobservable inputs from assets and liability

| Particulars | March 31, 2020 | | March 31, 2019 | | Fair value hierarchy |
|------------------------------|-----------------|------------|-----------------|------------|----------------------|
| | Carrying values | Fair value | Carrying values | Fair value | |
| Financial assets | | | | | |
| Measured at amortised cost | | | | | |
| Trade receivables | - | - | - | - | Level 3 |
| Cash and cash equivalents | 0.02 | 0.02 | 0.02 | 0.02 | Level 3 |
| Other Bank Balances | 5.11 | 5.11 | 5.11 | 5.11 | Level 3 |
| Financial liabilities | | | | | |
| Measured at amortised cost | | | | | |
| Borrowings | 50.91 | 50.91 | 50.91 | 50.91 | Level 3 |
| Trade payables | 10.77 | 10.77 | 10.77 | 10.77 | Level 3 |
| Other financial liabilities | 1.10 | 1.10 | 1.07 | 1.07 | Level 3 |

(iii) Financial Risk Management

The Company's activities expose it to liquidity risk and credit risk.

| Risk | Exposure arising from | Measurement | Management |
|-------------------|---|-----------------------------|---|
| 1) Credit risk | Cash and cash equivalents, tradereceivables, financial assets measured at amortised cost. | Aging analysis | Diversification of bank deposits and credit limits |
| 2) Liquidity Risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowings facilities. |

The Company's risk management is carried out under policies approved by the board of directors.

Credit Risk Mangement

Credit risk arises from the possibility that counter party will cause financial loss to the company by failing to discharge its obligation as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

Liquidity risk

Liquidity risk is defined as the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

Financing arrangements

The Holding Company has committed to provide necessary financial support.

Notes to the Financial Statements

(All Amounts are Rupees in Lakhs unless otherwise stated)

Maturities of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

| As at March 31, 2020 | less than 1 year | 1 to 5 year | Total |
|-----------------------------|------------------|-------------|--------------|
| Non-Derivatives | | | |
| Trade payables | 10.77 | - | 10.77 |
| Short term borrowings | 50.91 | - | 50.91 |
| Other financial liabilities | 1.10 | - | 1.10 |
| | 62.78 | - | 62.78 |

| As at March 31, 2019 | less than 1 year | 1 to 5 year | Total |
|-----------------------------|------------------|-------------|--------------|
| Non-Derivatives | | | |
| Trade payables | 10.77 | - | 10.77 |
| Short term borrowings | 50.91 | - | 50.91 |
| Other financial liabilities | 1.07 | - | 1.07 |
| | 62.75 | - | 62.75 |

As per our report of even date

For G.M. Kapadia & Co.
Chartered Accountants
Firm's Registration No. 104767W

Abhishek Singh
Partner
Membership No. 407549

Place : Delhi
Dated : 07.04.2020

For and on behalf of the Board

Ajay Singh
Director
Din : 6899567

Place : Mumbai
Dated : 07.04.2020

Sudhir Sarin
Director
Din : 06698053