

**Jio Futuristic Digital Holdings  
Private Limited  
Financial Statements  
2019-20**

## Independent Auditor's Report

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TO THE MEMBERS OF  
JIO FUTURISTIC DIGITAL HOLDINGS PRIVATE LIMITED

### Report on the Financial Statements

#### Opinion

We have audited the accompanying Financial Statements of JIO FUTURISTIC DIGITAL HOLDINGS PRIVATE LIMITED (“the Company”), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and 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 Financial Statements 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, its loss including other comprehensive income, its cash flows and the statement of changes in equity for the year ended on that date.

#### Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (“the Act”). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report.

We are independent in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Board’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.

#### Management’s Responsibility for the Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and the statement of changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 is also responsible for overseeing the Company’s financial reporting process.

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### **Auditor's Responsibilities for the Audit of 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 Act, 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 Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - iii. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - iv. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - v. On the basis of written representations received from the directors as on March 31, 2020, and 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.

- vi. 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” to this report.
- vii. To the best of our knowledge and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Companies Act, as applicable.
- viii. With respect to the other matters to be included in the Auditor’s report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a) The Company does not have any pending litigations as at March 31, 2020;
  - b) The Company is not required to make any provision for material foreseeable losses on long-term contracts including derivate contracts;
  - c) The Company is not required to transfer any amount to the Investor Education and Protection Fund.

**For Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No. 101720W/W100355

**Sandesh Ladha**

Partner

Membership No.: 047841

UDIN : 20047841AAAGSW1773

Place : Mumbai

Date : 24<sup>th</sup> April, 2020

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**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT****(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)**

On the basis of such checks as we considered appropriate and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

*i. Fixed assets:*

The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable to the Company.

*ii. Inventories:*

The Company does not have any inventory at any time during the year. Accordingly, the provisions of clause 3 (ii) of the Order are not applicable to the Company.

*iii. Granting of loans to certain parties:*

According to the information and explanation given to us, the Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnership or other parties covered in register maintained under section 189 of the Act; and therefore clause 3(iii) of the Order is not applicable.

*iv. Loans And Investments:*

In our opinion and according to the information and explanations given to us, provisions of section 185 in respect of loans to directors and the provisions of section 186 of the Act in respect of investments made, wherever applicable, have been complied with by the Company.

*v. Acceptance of Deposits:*

In our opinion and according to the information and explanation given to us, the Company has accepted deposits from its member and has complied with the provisions of Sections 73 to 76 and any other relevant provisions of the Act and the rules framed thereunder complied to the extent applicable. Further, no Order has been passed by Company law Board (CLB) or National Company Law Tribunal (NCLT) or RBI or any court or any other Tribunal against the Company.

*vi. Maintenance of cost records:*

According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.

*vii. Deposit Of Statutory Dues:*

- a) According to the records of the Company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Income-tax, Tax deducted at sources, Tax Collected at Source, and other material statutory dues applicable to it, with the appropriate authorities.
- b) No undisputed amounts payable in respect of aforesaid statutory dues were outstanding at year end for a period of more than six months from the date they became payable.

*viii. Default in repayment of dues:*

The Company has not raised any loans from financial institutions or banks or government. There has been no default in repayment of dues to debenture holders.

*ix. Application of term loans/public issue/follow on offer:*

The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not avail any term loans outstanding during the period. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

*x. Fraud reporting:*

To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the period.

*xi. Managerial remuneration:*

To the best of our knowledge and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Companies Act, as applicable.

*xii. Nidhi Company:*

The Company is not Nidhi Company as per the Act. Accordingly, the provisions of clause 3(xii) of the Order is not applicable.

*xiii. Related party transactions:*

All transactions with the related parties are in compliance with Sections 177 and 188 of the Act, to the extent applicable and details have been disclosed in Financial Statements etc., as required by the applicable accounting standards.

*xiv. Preferential allotment/private placement:*

During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable.

*xv. Non-cash transactions:*

According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provision of clause 3(xv) of the Order is not applicable.

*xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.*

**For Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No. 101720W/W100355

**Sandesh Ladha**

Partner

Membership No.: 047841

UDIN : 20047841AAAGSW1773

Place : Mumbai

Date : 24<sup>th</sup> April, 2020

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**“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF JIO FUTURISTIC DIGITAL HOLDINGS PRIVATE LIMITED**

**(Referred to in paragraph 2(vi) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of JIO FUTURISTIC DIGITAL HOLDINGS PRIVATE LIMITED (“the Company”) as of March 31, 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors’ Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 issued by the Institute of Chartered Accountant of India.

**For Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No. 101720W/W100355

**Sandesh Ladha**

Partner

Membership No.: 047841

UDIN : 20047841AAAGSW1773

Place : Mumbai

Date : 24<sup>th</sup> April, 2020



## BALANCE SHEET AS AT 31ST MARCH, 2020

	Notes	As at 31st March, 2020	(₹ in Lakhs) As at 31st March, 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Financial Assets			
Investments	1	146,798.09	146,434.53
<b>Total Non- Current Assets</b>		<b>146,798.09</b>	146,434.53
<b>Current Assets</b>			
Financial Assets			
Cash and Cash Equivalents	2	1.42	10.06
Other Current Assets	3	-	469.59
<b>Total Current Assets</b>		<b>1.42</b>	479.65
<b>Total Assets</b>		<b>146,799.51</b>	146,914.18
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	4	4,425.00	4,425.00
Other Equity	5	142,373.70	142,488.98
<b>Total Equity</b>		<b>146,798.70</b>	146,913.98
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Financial Liabilities			
Trade Payables Due to:	6		
Micro and Small Enterprise		-	-
Other than Micro and Small Enterprise		0.45	0.20
Other Current Liabilities	7	0.36	-
<b>Total Current Liabilities</b>		<b>0.81</b>	0.20
<b>Total Equity and Liabilities</b>		<b>146,799.51</b>	146,914.18
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1 to 18		

As per our Report of even date  
**For Chaturvedi & Shah LLP**  
Chartered Accountants  
(Registration No. 101720W/W100355)

**Sandesh Ladha**  
Partner  
Membership No. 047841

Place :Mumbai  
Dated : April 24, 2020

For and on behalf of the Board

K.R. Raja  
Director

V. Ramachandran  
Director

Om Prakash Maloo  
Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Lakhs)

	Notes	2019-20	2018-19
<b>INCOME</b>			
<b>Revenue from Operations</b>		-	-
<b>Total Income</b>		-	-
<b>EXPENSES</b>			
Other Expenses	8	4.28	68.02
<b>Total Expenses</b>		<b>4.28</b>	68.02
Profit / (Loss) Before Tax		(4.28)	(68.02)
<b>Tax Expenses</b>			
Current Tax		-	-
<b>Profit / (Loss) for the year</b>		<b>(4.28)</b>	(68.02)
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income for the year</b>		<b>(4.28)</b>	(68.02)
<b>Earnings per equity share of face value of ₹ 10 each</b>			
Basic (in ₹)	9	(0.09)	(1.02)
Diluted (in ₹)	9	(0.09)	(1.02)
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1 to 18		

As per our Report of even date  
**For Chaturvedi & Shah LLP**  
Chartered Accountants  
(Registration No. 101720W/W100355)

**Sandesh Ladha**  
Partner  
Membership No. 047841

Place : Mumbai  
Dated : April 24, 2020

For and on behalf of the Board

K.R. Raja  
Director

V. Ramachandran  
Director

Om Prakash Maloo  
Company Secretary

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

### A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Balance As at 15 <sup>th</sup> October, 2018	Change during the period 15 <sup>th</sup> October, 2018 to 31 <sup>st</sup> March, 2019	Balance As at 31 <sup>st</sup> March, 2019	Change during the year 2019-20	Balance As at 31 <sup>st</sup> March, 2020
-	4,425.00	4,425.00	-	4,425.00

### B. OTHER EQUITY

(₹ in Lakhs)

	Instruments classified as Equity	Reserves and Surplus		Total
		Securities Premium	Retained Earnings	
<b>Year ended 31st March, 2019</b>				
Balance as at 15th October, 2018	-	-	-	-
6% Cumulative Optionally Convertible Preference Shares of ₹ 10/- each issued at a Premium of ₹ 1990/- per Share	588.53	117,116.48	-	117,705.00
Class 'B' Equity Shares (Face Value ₹ 10/- each issued at a Premium of ₹ 90/- per Share)	-	3,015.00	-	3,015.00
Zero Coupon Unsecured Optionally Fully Convertible Debentures of ₹ 10/- each	21,837.00	-	-	21,837.00
Total Comprehensive Income for the year	-	-	(68.02)	(68.02)
Balance at the end of the reporting year	22,425.53	120,131.48	(68.02)	142,488.98
<b>Year ended 31st March, 2020</b>				
Balance at beginning of reporting year	22,425.53	120,131.48	(68.02)	142,488.98
6% Cumulative Optionally Convertible Preference Shares of ₹ 10/- each issued at a Premium of ₹ 1990/- per Share	-	-	-	-
Class 'B' Equity Shares (Face Value ₹ 10/- each issued at a Premium of ₹ 90/- per Share)	-	-	-	-
Zero Coupon Unsecured Optionally Fully Convertible Debentures of ₹ 10/- each	(111.00)	-	-	(111.00)
Total Comprehensive Income for the year	-	-	(4.28)	(4.28)
Balance at the end of the reporting year	<b>22,314.53</b>	<b>120,131.48</b>	<b>(72.30)</b>	<b>142,373.70</b>

As per our Report of even date  
**For Chaturvedi & Shah LLP**  
Chartered Accountants  
(Registration No. 101720W/W100355)

**Sandesh Ladha**  
Partner  
Membership No. 047841

Place : Mumbai  
Dated : April 24, 2020

For and on behalf of the Board

K.R. Raja  
Director

V. Ramachandran  
Director

Om Prakash Maloo  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

	2019-20	2018-19
		(₹ in Lakhs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss) Before Tax as per Statement of Profit and Loss	(4.28)	(68.02)
Operating Loss before Working Capital Changes	<b>(4.28)</b>	(68.02)
Adjusted for :		
Trade and Other Receivables	106.04	(469.59)
Trade and Other Payables	<u>0.61</u>	<u>0.20</u>
<b>Cash Generated from(used in) Operations</b>	<b><u>102.36</u></b>	<b><u>(537.41)</u></b>
<b>Net Cash Flow from (used in) Operating Activities</b>	<b><u>102.36</u></b>	<b><u>(537.41)</u></b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for investment in quoted equity	<u>0.00</u>	<u>(146,434.53)</u>
<b>Net Cash Flow used in Investing Activities</b>	<b><u>0.00</u></b>	<b><u>(146,434.53)</u></b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Class -'A' Equity Shares	-	4,090.00
Proceeds from Class -'B' Equity Shares	-	3,350.00
Proceeds from Cumulative Optionally Convertible Preference Shares	-	117,705.00
Proceeds from Zero Coupon Unsecured Optionally Fully Convertible Debentures	<u>(111.00)</u>	<u>21,837.00</u>
<b>Net Cash Flow from (used in) Financing Activities</b>	<b><u>(111.00)</u></b>	<b><u>146,982.00</u></b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(8.64)</b>	10.06
<b>Opening Balance of Cash and Cash Equivalents</b>	<b><u>10.06</u></b>	<u>-</u>
<b>Closing Balance of Cash and Cash Equivalents (Refer Note 2)</b>	<b><u>1.42</u></b>	<u>10.06</u>

As per our Report of even date  
**For Chaturvedi & Shah LLP**  
Chartered Accountants  
(Registration No. 101720W/W100355)

**Sandesh Ladha**  
Partner  
Membership No. 047841

Place : Mumbai  
Dated : April 24, 2020

For and on behalf of the Board

K.R. Raja  
Director

V. Ramachandran  
Director

Om Prakash Maloo  
Company Secretary

## NOTES TO THE FINANCIAL STATEMENTS

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### A. CORPORATE INFORMATION

Jio Futuristic Digital Holdings Private Limited [‘the Company’] is a private limited company incorporated in India. The registered office of the Company is located at 9th Floor, Maker Chambers IV, 222 Nariman Point, Mumbai 400021. The Company is mainly engaged in the business of investment in ventures relating to the business of broadcasting, telecasting, next generation digital content distribution.

### B. SIGNIFICANT ACCOUNTING POLICIES

#### B.1 Basis of Preparation and Presentation

The financial statements have been prepared on the historical cost basis.

The financial statements of the Company have been prepared to comply with the Indian Accounting standards (‘Ind AS’), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

With effect from 1st April 2019, Ind AS 116 – “Leases” (Ind AS 116) supersedes Ind AS 17 – “Leases”. The Company has adopted Ind AS 116 using the prospective approach. The application of Ind AS 116 has resulted into recognition of ‘Right-of-Use’ asset with a corresponding Lease Liability in the Balance Sheet.

The Company’s financial statements are presented in Indian Rupees (₹), which is its functional currency and all values are rounded to the nearest lakhs(₹ 00,000), except when otherwise indicated

#### B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (a) Current and Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.

An asset is treated as Current when it is –

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- 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 current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- 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.

##### (b) Finance Cost

All borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

##### (c) Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase and other costs net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of Inventories are determined on weighted average basis.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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### (d) Provisions

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### (e) Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income and equity.

#### Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted at the Balance sheet date.

#### 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 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 carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

### (f) Foreign currencies transactions and translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

### (g) Revenue recognition

Revenue from sale of goods/Investments is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

#### Interest income

Interest income from a financial asset is recognised using effective interest rate method.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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### Dividends

Revenue is recognised when the Company's right to receive the payment has been established.

### (h) Financial instruments

#### i) Financial Assets

##### A. Initial recognition and measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

##### B. Subsequent measurement

###### a) Financial assets measured at amortized cost (AC)

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

###### b) Financial assets at fair value through other comprehensive income (FVTOCI)

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

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

A financial asset which is not classified in any of the above categories is measured at FVTPL.

##### C. Investment in Fellow Subsidiaries & Associates

The Company has accounted for its investments in fellow subsidiaries & associates at cost.

##### D. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment assessment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. Further the company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analyzed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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### ii) Financial liabilities

#### A. Initial recognition and measurement

All financial liabilities are recognised at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in Statement of Profit or Loss as finance cost.

#### B. Subsequent measurement

Financial liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### iii) Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

### C. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

#### (a) Recoverability of trade receivable:

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 credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

#### (b) Provisions

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

#### (c) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	₹ in lakhs			
	As at 31st March, 2020		As at 31st March, 2019	
	Units (Nos)	Amount	Units (Nos)	Amount
<b>1. INVESTMENTS - NON-CURRENT</b>				
<b>Investments measured at Cost</b>				
<b>In Equity Shares of Associate Company</b>				
<b>Quoted, fully paid up</b>				
Den Networks Limited of ₹ 10 each	201,533,901	146,798.09	201,533,901	146,434.53
<b>Total of Investments measured at Cost</b>		<u>146,798.09</u>		<u>146,434.53</u>
<b>Total Investments - Non-Current</b>		<u>146,798.09</u>		<u>146,434.53</u>
Aggregate amount of Quoted Investments		146,798.09		146,434.53
Market Value of Quoted Investments		61,064.77		144,499.81
Aggregate amount of Unquoted Investments		-		-

	₹ in lakhs	
	As at 31st March, 2020	As at 31st March, 2019
<b>2. CASH AND CASH EQUIVALENTS</b>		
Balances with bank	<u>1.42</u>	<u>10.06</u>
<b>Cash and Cash Equivalents as per Balance Sheet</b>	<u>1.42</u>	<u>10.06</u>
<b>Cash and Cash Equivalents as per Cash Flow Statement</b>	<u>1.42</u>	<u>10.06</u>

	₹ in lakhs	
	As at 31st March, 2020	As at 31st March, 2019
<b>3. OTHER CURRENT ASSETS (Unsecured and Considered Good)</b>		
Others^	<u>-</u>	<u>469.59</u>
<b>Total</b>	<u>-</u>	<u>469.59</u>

^ Includes advance towards transaction costs on acquisition of investments.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

₹ in lakhs

	As at 31st March, 2020		As at 31st March, 2019	
	Units	Amount	Units	Amount
<b>4. SHARE CAPITAL</b>				
<b>Authorised Share Capital</b>				
Class 'A' Equity Shares of ₹ 10 each	50,000,000	5,000.00	50,000,000	5,000.00
Class 'B' Equity Shares of ₹ 10 each	10,000,000	1,000.00	10,000,000	1,000.00
Preference Shares of ₹ 10 each	10,000,000	1,000.00	10,000,000	1,000.00
		<u>7,000.00</u>		<u>7,000.00</u>
<b>Issued, Subscribed and Paid up Equity Share Capital</b>				
Class 'A' Equity Shares of ₹ 10 each fully paid up	40,900,000	4,090.00	40,900,000	4,090.00
Class 'B' Equity Shares of ₹ 10 each fully paid up	3,350,000	335.00	3,350,000	335.00
<b>Total</b>		<u>4,425.00</u>		<u>4,425.00</u>

### 4.1 The details of shareholder holding more than 5% shares :

Name of the Shareholder	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	% held	No. of shares	% held
<b>Class 'A' Equity Shares</b>				
Reliance Media Transmission Private Limited (Trustee of Digital Media Distribution Trust)	40,900,000	100.00	40,900,000	100.00
<b>Class 'B' Equity Shares</b>				
Reliance Media Transmission Private Limited (Trustee of Digital Media Distribution Trust)	3,350,000	100.00	3,350,000	100.00

### 4.2 The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Class 'A' Equity Shares (Nos.)	Class 'B' Equity Shares (Nos.)	Class 'A' Equity Shares (Nos.)	Class 'B' Equity Shares (Nos.)
Shares at the beginning of the year	40,900,000	3,350,000	-	-
Add : Shares issued during the year	-	-	40,900,000	3,350,000
<b>Shares at the end of the year</b>	<b>40,900,000</b>	<b>3,350,000</b>	<b>40,900,000</b>	<b>3,350,000</b>

### 4.3 Rights, preferences and restrictions attached to shares:

- Class 'A' Equity Shareholder is eligible for one vote per Class 'A' Equity Share held. The dividend, if declared, will be paid after payment of dividend on the Preference Shares, if any. In the event of dissolution or winding up of the Company, the Class 'A' Equity Shareholders are eligible to receive to the extent of paid-up capital after repayment of paid-up Preference Share Capital, if any. Participation in Surplus Assets of the Company will be in the proportion the total investment in Class 'A' Equity Shares (face value + premium) bears to the aggregate investment in Class 'A' Equity Shares, Class 'B' Equity Shares and Preference Shares (aggregate face value + aggregate premium).
- Class 'B' Equity Shareholder is eligible for ten votes per Class 'B' Equity Share held. The dividend, if declared, will be paid after payment of dividend on the Preference Shares, if any. In the event of dissolution or winding up of the Company, the Class 'B' Equity Shareholder is eligible to receive to the extent of paid-up capital after repayment of paid-up Preference Share Capital, if any. Participation in Surplus Assets of the Company will be in the proportion the total investment in Class 'B' Equity Shares (face value + premium) bears to the aggregate investment in Class 'A' Equity Shares, Class 'B' Equity Shares and Preference Shares (aggregate face value + aggregate premium).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	₹ in lakhs			
	As at 31st March, 2020		As at 31st March, 2019	
<b>5. OTHER EQUITY</b>				
<b><u>Instruments classified as Equity</u></b>				
<b>6% Cumulative Optionally Convertible Preference Shares</b>				
As per last Balance Sheet	588.53		-	
Add: Issued during the year	-	588.53	588.53	588.53
<b>Zero Coupon Unsecured Optionally Fully Convertible Debentures</b>				
As per last Balance Sheet	21,837.00		-	
Add: Issued (Refund) during the year (Net)	(111.00)	21,726.00	21,837.00	21,837.00
<b><u>Reserves and Surplus</u></b>				
<b>Securities Premium</b>				
As per last Balance Sheet	120,131.48		-	
Add: Issued during the year	-	120,131.48	120,131.48	120,131.48
<b>Retained Earnings</b>				
As per last Balance Sheet	(68.02)		-	
Profit/(Loss) for the year	(4.28)		(68.02)	
		(72.30)		(68.02)
<b>Total</b>		142,373.70		142,488.98

- 5.1** 6% Cumulative Optionally Convertible Preference Shares (OCPS) of ₹ 10/- each (held by Reliance Media Transmission Private Limited, trustee of Digital Media Distribution Trust) shall be either redeemed at ₹ 2000/- or converted into 200 Class 'A' Equity Shares of ₹ 10/- each at any time at the option of the Company, but not later than 20 years from the date of allotment of the OCPS.
- 5.2** The Zero Coupon Unsecured Optionally Fully Convertible Debentures (OFCDs) of ₹ 10/- each (held by Reliance Media Transmission Private Limited, trustee of Digital Media Distribution Trust) shall be either redeemed at ₹ 10/- or converted into 1 (one) Class 'A' Equity Share of ₹ 10/- each at any time at the option of the Company, but not later than 3 years from the date of allotment of the OFCDs.
- 5.3** In view of the loss for the period, the Company has not created the Debenture Redemption Reserve in terms of section 71(4) of the Companies Act, 2013 and Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014. The Company shall create the Debenture Redemption Reserve out of profits, if any, in the future years.
- 5.4 The details of holder holding more than 5% shares / debentures :**

Name of the Shareholder/Debentures Holder	As at 31st March, 2020		As at 31st March, 2019	
	Nos.	% held	Nos.	% held
<b>6% Cumulative Optionally Convertible Preference Shares</b>				
Reliance Media Transmission Private Limited (Trustee of Digital Media Distribution Trust)	5,885,250	100.00	5,885,250	100.00
<b>Zero Coupon Unsecured Optionally Fully Convertible Debentures</b>				
Reliance Media Transmission Private Limited (Trustee of Digital Media Distribution Trust)	217,260,000	100.00	218,370,000	100.00

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 5.5 The reconciliation of the number outstanding is set out below :

Particulars	As at		As at	
	31st March, 2020		31st March, 2019	
	OCPS	OFCDs	OCPS	OFCDs
Shares/Debentures at the beginning of the year	5,885,250	218,370,000	-	-
Add : Shares/Debentures issued during the year	-	580,000	5,885,250	218,370,000
Less : Shares/Debentures redeemed during the year	-	1,690,000	-	-
<b>Shares/Debentures at the end of the year</b>	<b>5,885,250</b>	<b>217,260,000</b>	<b>5,885,250</b>	<b>218,370,000</b>

### 5.6 Rights, preferences and restrictions attached to OCPS

OCPS shall carry a preferential right over the Class 'A' Equity Shares and Class 'B' Equity Shares of the Company as regards payment of dividend and repayment of capital. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting except for interim dividend. The OCPS shall carry a cumulative dividend of 6% p.a. (on the face value). Participation in Surplus Assets of the Company will be in the proportion the total investment in OCPS (face value + premium) bears to the aggregate investment in Class 'A' Equity Shares, Class 'B' Equity Shares and OCPS (aggregate face value+ aggregate premium).

	₹ in lakhs	
	As at 31st March, 2020	As at 31st March, 2019
<b>6. TRADE PAYABLES DUE TO</b>		
Micro and Small Enterprise	-	-
Other than Micro and Small Enterprise	0.45	0.20
<b>Total</b>	<b>0.45</b>	<b>0.20</b>

6.1 There are no overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2020 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

	₹ in lakhs	
	As at 31st March, 2020	As at 31st March, 2019
<b>7. OTHER CURRENT LIABILITIES</b>		
Statutory Payables	0.36	-
<b>Total</b>	<b>0.36</b>	<b>-</b>

	₹ in lakhs	
	2019-20	2018-19
<b>8. OTHER EXPENSES</b>		
Professional Fees	3.63	-
General Expenses	0.04	0.01
Rates & Taxes	0.11	67.78
Demat / Custodian charges	0.01	0.03
Payment to Auditors	0.50	0.20
<b>Total</b>	<b>4.28</b>	<b>68.02</b>

	₹ in lakhs	
	2019-20	2018-19
<b>8.1 Payment to Auditors as :</b>		
Statutory Audit Fees^	0.50	0.20
<b>Total</b>	<b>0.50</b>	<b>0.20</b>

^ Excluding taxes

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	₹ in lakhs	
	2019-20	2018-19
<b>9. EARNINGS PER SHARE (EPS)</b>		
<b>Face Value per Equity Share (₹)</b>	10	10
<b>Basic Earnings per share (₹)</b>	( 0.09)	( 1.02)
Net Profit/ (Loss) after Tax as per Statement of Profit and Loss	(4.28)	(68.02)
6% Cumulative Preference Dividend for the year	35.31	4.43
Net Profit/ (Loss) after Tax available to Equity Shareholders (₹ in Lakhs)	(39.60)	(72.44)
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	4 42 50 000	71 00 164
<b>Diluted Earnings per share (₹)*</b>	( 0.09)	( 1.02)
Net Profit/ (Loss) after Tax as per Statement of Profit and Loss	(4.28)	(68.02)
6% Cumulative Preference Dividend for the year	35.31	4.43
Net Profit/ (Loss) after Tax available to Equity Shareholders (₹ in Lakhs)	(39.60)	(72.44)
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	143 97 24 164	15 87 90 932
<b>Reconciliation of weighted average number of shares outstanding</b>		
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	4 42 50 000	71 00 164
Total Weighted Average Potential Equity Shares	139 54 74 164	15 16 90 767
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	143 97 24 164	15 87 90 932
* Diluted earnings per share is same as basic earnings per share, being anti-dilutive.		

### 10 RELATED PARTIES DISCLOSURES

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

#### i) List of Related Parties where control exists and also Related Parties with whom transactions have taken place and relationships:

S r. No.	Name of the Related Party	Relationship
1	Digital Media Distribution Trust*	Entities exercising control
2	Reliance Industrial Investments and Holdings Limited (Protector of Digital Media Distribution Trust), wholly-owned subsidiary of Reliance Industries Limited	
3	Reliance Industries Limited	
4	Den Networks Limited	Associate
5	Mr. Om Prakash Maloo (w.e.f. 27.04.2019)	Key Managerial Personnel

\*Sole beneficiary of Digital Media Distribution Trust is Reliance Content Distribution Limited, wholly-owned subsidiary of Reliance Industries Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### ii) Disclosure in Respect of Major Related Party Transactions during the year: (₹ in Lakhs)

Sr. No.	Particulars	Relationship	2019-20	2018-19
1	Equity Share Capital- Class-'A' Digital Media Distribution Trust		-	4,090.00
2	Equity Share Capital- Class 'B' * Digital Media Distribution Trust		-	3,350.00
3	Preference Share Capital- OCPS * Digital Media Distribution Trust	Entity exercising control	-	117,705.00
4	Zero Coupon Unsecured Optionally Fully Convertible Debentures Digital Media Distribution Trust		(111.00)	21,837.00
5	Investment Den Networks Limited	Associate	-	146,434.53
6	Payment to Key Managerial Personnel	Key Managerial Personnel	2.95	-

**Balance as at 31st March, 2020** (₹ in Lakhs)

Sr. No	Relationship	31st March, 2020	31st March, 2019
1	Equity Share Capital- Class 'A'	4,090.00	4,090.00
2	Equity Share Capital- Class 'B' *	3,350.00	3,350.00
3	Preference Share Capital- OCPS * Entity exercising control	117,705.00	117,705.00
4	Zero Coupon Unsecured Optionally Fully Convertible Debentures	21,726.00	21,837.00
5	Investment Associate	146,798.09	146,434.53

\*Including securities premium

### 11 CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will continue as going concern while maximizing the return to stakeholders. The Company manages its capital structure and makes adjustment in light of changes in business condition.

### 12. FINANCIAL INSTRUMENTS

#### Valuation

All financial instruments are measured at amortised cost as described below:

#### Fair value measurement Hierarchy:

₹ in lakhs

Particulars	Carrying amount	As at 31st March, 2020 Level of Input used in			Carrying amount	As at 31st March, 2019 Level of Input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial Assets</b>								
<b>At Amortised Cost</b>								
Cash and Cash Equivalents	1.42	-	-	-	10.06	-	-	-
<b>Financial Liabilities</b>								
<b>At Amortised Cost</b>								
Trade Payable	0.45	-	-	-	0.20	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities;

**Level 2:** Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

**Level 3:** Inputs based on unobservable market data.

### Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the company. It arises from its investment activities, derivative instruments and other financial assets.

### Liquidity Risk

Liquidity risk is the risk that arises from the Company's inability to meet its cash flow commitments. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities.

Management monitors rolling forecasts of the company's cash flow position and ensures that the Company is able to meet its financial obligations at all times including contingencies.

### 13. Details of loans given, investments made and guarantees given and securities provided covered u/s 186 (4) of the Companies Act, 2013.

Investments made is given under the said head.

No Loans and Guarantees or securities are given by the Company as at 31st March, 2020 (Previous year NIL)

14. The Company is mainly engaged in the business of 'Investments in ventures relating to the business of broadcasting, telecasting, next generation digital content distribution'. Accordingly, the Company has single reportable segment under Ind AS 108 - "Operating Segment".
15. The Company has been incorporated on October 15, 2018 thereby previous year represent the period from October 15, 2018 to March 31, 2019 hence previous year figures are not comparable.

### 16. Contingent Liabilities And Commitments

The company has dividend outstanding on 6% cumulative preference shares amounting to Rs. 4,42,509 for FY 2018-19 and Rs. 35,31,550 for FY 2019-20.

### 17. Corporate Social Responsibility (CSR)

- a. CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the company during the year is NIL
- b. Expenditure related to CSR is NIL

### 18. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 24th April, 2020

As per our Report of even date  
**For Chaturvedi & Shah LLP**  
Chartered Accountants  
(Registration No. 101720W/W100355)

**Sandesh Ladha**  
Partner  
Membership No. 047841

Place : Mumbai  
Dated : April 24, 2020

For and on behalf of the Board

K.R. Raja  
Director

V. Ramachandran  
Director

Om Prakash Maloo  
Company Secretary