

UTN Cable Communications Private Limited
Financial Statements
2019-20

Independent Auditor's Report

To the Members of UTN Cable Communications Private Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **UTN Cable Communications 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 "the 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total 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 Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the 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 on the standalone financial statements.

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.

Other Information

The Company's Board of Directors is responsible for the Other Information. The Other Information *inter alia* comprises of the Directors' Report and Management Discussion & Analysis (but does not include the financial statements and our Auditor's Report thereon), which we obtained prior to the date of this report, and the rest of the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the Other Information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the balance part of Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Those Charged With Governance and take appropriate actions in accordance with Standards on Auditing.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity, 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 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 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.

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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, 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on 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 4.01 to the financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - (iii) There has been no delay in transferring 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

Dhirendra Kumar Dhal

Partner

Membership No. 221691

UDIN: 20221691AAAABO9240

Bangalore

Dated: April 6, 2020

Annexure - A to the Auditors' Report

With reference to the Annexure A referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2020, we report that:

- i. In respect of its property, plant and equipment:
 - a) The Company has compiled information showing particulars including quantitative details and situation of property, plant and equipment except location wise particulars of some of the distribution equipment like cabling and other like equipment. As explained to us, nature of these assets is such that maintaining of location wise particulars is impractical.
 - b) According to the information and explanations given to us, the Property, plant and equipment are physically verified by the management, except distribution equipment like cabling and line equipment. In our opinion, frequency and procedure of verification of distribution equipment requires strengthening considering the size of the company and the nature of the assets. We are informed that no material discrepancies were noticed on physical verification of other property, plant and equipment by the management.
 - c) According to the information and explanations given to us, the company did not have any immovable properties during the year; therefore, sub-section clause (c) regarding the title deeds of immovable properties of clause 3(i) of the Order is 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. As informed to us, the Company has not granted any loans to any of the body corporate, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Consequently, sub-clause (a), (b) & (c) of clause 3(iii) of the order are not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted during the year any loans, investments, guarantees and security where the provisions of section 185 and 186 of the Companies Act, 2013 are applicable and therefore, clause 3(iv) of the Order does not apply on the company.
- v. As explained to us, the Company has not accepted any deposits from the public during the year and therefore, the compliance with the directives issued by the Reserve Bank of India and the provisions of the section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted are not applicable to the company. We have been informed that no order has been passed by Company Law Board or Company Law Tribunal or Reserve Bank of India or any other court or any other Tribunal.
- vi. The Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. In respect of statutory dues:
 - a) According to the information and explanations given to us and based on the records produced before us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including income tax, GST, entertainment tax, Service Tax and other material statutory dues applicable to the Company and there are no amounts in arrear as on March 31, 2020 for a period of more than six months from the date they became payable except the following:

Nature of Statute	Nature of Dues	Period to which the Amount Relates	Amount
The Karnataka Entertainment Tax Act 1958	Entertainment Tax	April 2010 to October 2015	23,82,338

- b) According to the information and explanations given to us, there are no dues payable by the Company on account of any dispute in respect of any applicable statutory dues except for income tax as mentioned below:

Nature of Statute	Nature of Dues	Period to which the Amount Relates	Forum where the Dispute is pending	Amount
The Income Tax Act 1961	Income Tax	AY 2013-14	CIT, Appeal, Bangalore	21,04,095

- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

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- ix. 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. Accordingly, paragraph 3 (ix) of the Order is not applicable.
 - x. 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 course of our audit.
 - xi. According to the information and explanations given to us and based on our examination of the records of the Company, 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 the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
 - xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
 - xiv. 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.
 - xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 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 G. M. Kapadia & Co.

Chartered Accountants

Firm Registration No. 104767W

Dhirendra Kumar Dhal

Partner

Membership No. 221691

UDIN: 20221691AAAABO9240

Bangalore

Dated: April 6, 2020

Annexure - B to the Independent Auditors' Report**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 UTN Cable Communications Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the 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 ('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 Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For G. M. Kapadia & Co.

Chartered Accountants

Firm Registration No. 104767W

Dhirendra Kumar Dhal

Partner

Membership No. 221691

UDIN: 20221691AAAABO9240

Bangalore

Dated: April 6, 2020

Balance Sheet as at March 31, 2020

CIN: U92132MH1998PTC294956

Particulars	Notes	As at	
		March 31, 2020	March 31, 2019
<i>(All Amounts are Rupees in Lakhs unless otherwise stated)</i>			
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2.01	19.17	24.18
(b) Intangible Assets	2.02	0.04	0.09
(c) Financial Assets			
Loans	2.03	3.29	2.98
(d) Other Non-Current Assets	2.05	60.74	160.09
Total Non-Current Assets		83.24	187.34
Current Assets			
(a) Financial Assets			
Trade Receivables	2.06	-	178.48
Cash and Cash Equivalents	2.07	116.60	61.01
Bank balance other than cash and cash equivalents	2.08	-	10.32
Loans			-
Other Financial assets	2.04	6.33	21.79
(b) Current Tax Assets (Net)	2.09	38.01	34.96
(c) Other Current Assets	2.05	301.23	139.67
Total Current Assets		462.17	446.23
Total Assets		545.41	633.57
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	2.10	75.60	75.60
(b) Other Equity	2.11	(2,402.72)	(2,284.73)
Total Equity		(2,327.12)	(2,209.13)
Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	2.12	-	-
(b) Other Non-Current Liabilities	2.13	1.09	1.09
Total Non-Current Liabilities		1.09	1.09
Current Liabilities			
(a) Financial Liabilities			
Borrowings	2.14	1,640.49	1,511.11
Trade Payables	2.15		
Total outstanding dues of micro enterprises and small enterprises			
Total outstanding dues of creditors other than micro enterprises and small enterprises			
Other Financial Liabilities	2.16	96.28	19.20
(b) Other Current Liabilities	2.13	76.91	49.49
Total Current Liabilities		2,871.44	2,841.61
Total Equity and Liabilities		545.41	633.57
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 Registration Number: 104767W

Dhirendra Kumar Dhal

Partner

Membership No: 221691

ICAI UDIN: 20221691AAAABO9240

Place: Bengaluru

Dated:06-April-2020

For and on behalf of the Board of Directors**UTN Cable Communication Private Limited****Sangeet Kumar Nigam**

Director

DIN: 07687835

Place: Mumbai

Dated:06-April-2020

Narendra Kumar P

Director

DIN: 08021260

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

CIN: U92132MH1998PTC294956

(All Amounts are Rupees in Lakhs unless otherwise stated)

Particulars	Notes	Year ended	
		March 31, 2020	March 31, 2019
INCOME			
Revenue from Operations	3.01	1,142.59	775.97
Other Income	3.02	1.78	0.66
Total Income		1,144.37	776.63
EXPENDITURE			
Other Operational Expenses	3.03	939.97	1,178.42
Employee Benefits Expense	3.04	1.27	1.25
Finance Cost	3.05	102.59	100.17
Depreciation and Amortization	3.06	6.15	7.02
Other Expenses	3.07	212.38	45.21
Total Expense		1,262.36	1,332.07
Profit / (Loss) before Exceptional items and Tax		(117.99)	(555.44)
Exceptional Items		-	136.61
Loss before Tax		(117.99)	(692.05)
Tax Expense:			
Deferred Tax		-	-
Loss for the Year		(117.99)	(692.05)
Other Comprehensive Income		-	-
Total Comprehensive Loss for the year, net of Tax		(117.99)	(692.05)
Weighted / Adjusted No. of ordinary shares (No.'s)		7,56,000	7,56,000
Earnings per equity share			
Basic (in Rs.)		(15.61)	(91.54)
Diluted (in Rs.)		(15.61)	(91.54)
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 Registration Number: 104767W

Dhirendra Kumar Dhal

Partner

Membership No: 221691

ICAI UDIN: 20221691AAAAABO9240

Place: Bengaluru

Dated:06-April-2020

For and on behalf of the Board of Directors

UTN Cable Communication Private Limited

Sangeet Kumar Nigam

Director

DIN: 07687835

Place: Mumbai

Dated:06-April-2020

Narendra Kumar P

Director

DIN: 08021260

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

CIN: U92132MH1998PTC294956

(All Amounts are Rupees in Lakhs unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	Amount
Balance at April 1, 2018	75.60
Changes in Equity Share Capital during the year	-
Balance at March 31, 2019	75.60
Changes in Equity Share Capital during the year	-
Balance at March 31, 2020	75.60

B. OTHER EQUITY

Particulars	Security Premium	Retained earnings	Total Amount
Balance as at April 1, 2018	747.84	(2,340.52)	(1,592.68)
Net Loss for the Period	-	(692.05)	(692.05)
Balance as at March 31, 2019	747.84	(3,032.57)	(2,284.73)
Net Loss for the Period	-	(117.99)	(117.99)
Balance at March 31, 2020	747.84	(3,150.56)	(2,402.72)

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 Registration Number: 104767W

Dhirendra Kumar Dhal

Partner

Membership No: 221691

ICAI UDIN: 20221691AAAABO9240

Place: Bengaluru

Dated:06-April-2020

For and on behalf of the Board of Directors

UTN Cable Communication Private Limited

Sangeet Kumar Nigam

Director

DIN: 07687835

Place: Mumbai

Dated:06-April-2020

Narendra Kumar P

Director

DIN: 08021260

Cash Flow Statement for the year ended March 31, 2020

CIN: U92132MH1998PTC294956

(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 Loss before tax	(117.99)	(555.44)
A) Non-cash Adjustment to Loss Before Tax:	-	-
Depreciation & Amortisation	6.15	7.02
Exceptional Items	-	136.61
Impairment loss allowance on trade receivables	180.27	13.83
B) Item Considered Separately	-	-
Finance Charges	102.59	100.17
Operating Loss Before Working Capital Changes	171.02	(434.42)
Movements in working capital:		
C) Change in operating assets and liabilities :		
Decrease/(increase) in Trade Receivables	(1.79)	56.41
Decrease/(increase) in Bank balance other than cash and cash equivalents	10.32	(10.32)
Decrease/(increase) in Other Assets	(62.20)	(65.78)
Decrease/(increase) in Other Financial Assets	15.46	(21.79)
Decrease/(increase) in Loans	(0.31)	0.30
Increase/(decrease) in Trade Payables	(204.05)	630.50
Increase/(decrease) in Other Liabilities	27.41	(39.16)
Increase/(decrease) in Other Financial Liabilities	77.08	(2.91)
Cash generated used in operations	32.94	112.83
Direct taxes paid (net of refunds)	(3.05)	(0.04)
Net cash flow used in operating activities (A)	29.89	112.79
2. Cash flow from investing activities		
Purchase of Property, Plant and Equipment	(1.09)	(0.64)
Net cash flow used in investing activities (B)	(1.09)	(0.64)
3. Cash flow from financing activities		
Proceeds from issue of Share Capital	-	-
Proceeds from Borrowing	129.38	-
Finance Charges	(102.59)	(100.17)
Net cash flow from/(used in) in financing activities (C)	26.79	(100.17)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	55.59	11.98
Cash and cash equivalents at the beginning of the year	61.01	49.03
Cash and cash equivalents at the end of the year	116.60	61.01
Reconciliation of cash and cash equivalents as per Cash Flow Statement		
Cash and Cash Equivalent as per above comprising of the following:		
Cash & Cash Equivalents	0.37	0.29
Bank Balance	116.23	60.72
Balance as per statement of Cash flow	116.60	61.01

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 Registration Number: 104767W

Dhirendra Kumar Dhal

Partner

Membership No: 221691

ICAI UDIN: 20221691AAAABO9240

Place: Bengaluru

Dated:06-April-2020

For and on behalf of the Board of Directors

UTN Cable Communication Private Limited

Sangeet Kumar Nigam

Director

DIN: 07687835

Place: Mumbai

Dated:06-April-2020

Narendra Kumar P

Director

DIN: 08021260

Significant accounting policies and notes on accounts

CIN: U92132MH1998PTC294956

Background

UTN Cable Communications Private Limited (the Company) is a Private Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's registered office is at 805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai City Maharashtra 400098, India. The Company is engaged in receiving and distributing channel signals and acting as cable operators.

Authorization of standalone financial statements

The financial statements were authorized for issue in accordance with a resolution of the directors on April 6, 2020.

1.00 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the presentation of these standalone 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 standalone financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) is 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 as current when it is:

- a) Expected to be realised or intended to sold or consumed in normal operating cycle
- b) Held primarily for the purpose of trading
- 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 current when:

- a) It is expected to be settled in normal operating cycle
- b) It is held primarily for the purpose of trading
- 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.

1.03 Use of Judgements, Estimates & Assumptions

While preparing standalone financial statements in conformity with Ind AS, the management makes 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, income and expenses, disclosure of contingent liabilities 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 forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. The management 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 standalone financial statements are as below:

Significant accounting policies and notes on accounts

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Key sources of estimation uncertainty

- a) Financial instruments (Refer No. 4.08);
- b) Useful lives of property, plant and equipment and intangible assets (Refer No. 2.01);
- c) Evaluation of recoverability of deferred tax assets. (Refer No.4.06);
- d) Contingencies

1.04 Leases

As a lessee:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.05 Property, Plant And Equipment

Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation on Property, plant and equipment

Depreciation on Property, Plant & Equipment is provided on straight line method. In accordance with requirements prescribed under Schedule II of Companies Act, 2013, the Company has assessed the estimated useful lives of its Property, Plant & Equipment and has adopted the useful lives and residual value as prescribed in Schedule II.

In case of additions or deletions during the year, depreciation is computed from the month in which such assets are put to use and up to previous month of sale, disposal or held for sale as the case may be. In case of impairment, depreciation is provided on the revised carrying amount over its remaining useful life.

All assets costing up to Rs. 5,000/- are fully depreciated in the year of capitalisation.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

1.06 Intangible Assets

Intangible Assets acquired separately.

Intangible assets comprises of Cable Television Franchise.

Cable Television Franchise that are acquired separately are carried at cost less accumulated impairment losses.

1.07 Impairment of Property, Plant and Equipment and Intangible Assets

Carrying amount of Property, Plant and Equipment and intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Company's assets.

1.08 Cash and Cash Equivalents

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

Significant accounting policies and notes on accounts

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1.09 Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Initial Recognition and Measurement – Financial Assets and Financial Liabilities

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (“FVTOCI”) or fair value through profit or loss (“FVTPL”) on the basis of following:

- the entity’s business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Amortised Cost:

A financial asset is classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets 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.

FVTOCI:

A financial asset is classified and measured at FVTOCI if both of the following conditions are met:

- the financial asset 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.

FVTPL:

A financial asset is classified and measured at FVTPL unless it is measured at amortised cost

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

Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, 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.

Classification and Subsequent measurement: Financial Liabilities

The Company’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or losses on financial liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Significant accounting policies and notes on accounts

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

Derecognition of Financial Assets and Financial Liabilities:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting Financial Instruments:

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

1.10 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.

1.11 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably, regardless of when the payment is being made. Revenue 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.

Income from Rendering of Services

Subscription income includes subscription from Cable Operators relating to cable TV and from broadcasters relating to the placement of channels. Revenue from Operations is recognized on accrual basis based on underlying subscription plan or agreements with the concerned LCOs/ parties.

Subscription Income from Cable TV Operators, is accrued monthly based on number of connections declared by the said operators to the Company. In cases where revision of number of connections and / or rate is under negotiations at the time of recognition of revenue, the Company recognizes revenue as per invoice raised. Adjustments for the year, if any, arising on settlement is adjusted against the Revenue. Other cases are reviewed by the management periodically.

The Company collects GST on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Significant accounting policies and notes on accounts

CIN: U92132MH1998PTC294956

1.12 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.

1.13 Earnings Per Share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders 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.

1.14 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 PROPERTY, PLANT AND EQUIPMENT	Own Assets							
	Plant and Machinery	Air Conditioners	Furniture & Fixtures	Mobile, Pagers & Telephones	Computers	Office Equipments	Motor Vehicles	Total
Balance as at April 1, 2019	43.92	0.22	3.38	0.04	2.10	1.00	4.83	55.49
Additions	0.75	-	-	-	0.34	-	-	1.09
Balance as at March 31, 2020	44.67	0.22	3.38	0.04	2.44	1.00	4.83	56.58
Accumulated depreciation								
Balance as at April 1, 2019	24.58	0.19	1.45	-	1.99	0.63	2.47	31.31
Charge during the period	5.02	-	0.30	-	0.18	0.14	0.46	6.10
Balance as at March 31, 2020	29.60	0.19	1.75	-	2.17	0.77	2.93	37.41
Net Block								
Balance as at March 31, 2020	15.07	0.03	1.63	0.04	0.27	0.23	1.90	19.17
Balance as at Mar 31, 2019	19.34	0.03	1.93	0.04	0.12	0.38	2.36	24.18

2.02 INTANGIBLE ASSETS	Cable Television Franchisee	Total
Deemed Cost		
Balance as at April 1, 2019	0.28	0.28
Balance as at March 31, 2020	0.28	0.28
Accumulated amortization		
Balance as at April 1, 2019	0.19	0.19
Charge for th period	0.05	0.05
Balance as at March 31, 2020	0.24	0.24
Net Block		
Balance as at March 31, 2020	0.04	0.04
As at March 31, 2019	0.09	0.09

Amortisation of Intangible Assets	0 to 5 Years	6 to 10 years	11 to 15 years	Total WDV
Cable TV Franchisee	0.04	-	-	0.04

2.03 LOANS	Non Current As at		Current As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Security Deposits*	3.29	2.98	-	-
	3.29	2.98	-	-

* Security Deposits stated above include Rs. NIL debts due by Director either severally or jointly, officers and entities in which the directors are interested.

Notes to the Financial Statements

2.04 OTHER FINANCIAL ASSETS	Non Current As at		Current As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Unsecured, Considered Good			
Unbilled Revenue	-	-	6.33	21.79
	<u>-</u>	<u>-</u>	<u>6.33</u>	<u>21.79</u>

2.05 OTHER ASSETS	Non Current As at		Current As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Unsecured, Considered Good unless stated otherwise			
Advance paid to suppliers	-	-	95.56	-
Prepaid Rent	(0.00)	0.29	-	-
GST Input Credit Available	58.81	157.75	205.67	139.67
Deposits with government (Non Financials)*	1.93	2.05	-	-
	<u>60.74</u>	<u>160.09</u>	<u>301.23</u>	<u>139.67</u>

*Sundry Deposits stated above include Rs. NIL debts due by Director either severally or jointly, officers and entities in which the directors are interested.

2.06 TRADE RECEIVABLES	Current As at	
	March 31, 2020	March 31, 2019
	Secured, considered good	-
Unsecured, considered good	550.68	548.89
Total Trade Receivables*	550.68	548.89
Less: Allowance for doubtful debts (expected credit loss)	550.68	370.41
Net Trade Receivables	-	178.48

*Trade Receivables stated above include Rs. NIL debts due by Director either severally or jointly, officers and entities in which the directors are interested.

2.07 CASH AND CASH EQUIVALENTS	As at	
	March 31, 2020	March 31, 2019
	a) Cash and cash equivalent	
Cash on hand	0.37	0.29
Balances in current accounts with bank	116.23	60.72
	<u>116.60</u>	<u>61.01</u>

There are no restrictions of any kind on usage of the above bank balances.

2.08 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS	As at	
	March 31, 2020	March 31, 2019
	Fixed deposit maturity for more than 3 months	-
	<u>-</u>	<u>10.32</u>

Notes to the Financial Statements

(All Amounts are Rupees in Lakhs unless otherwise stated)

2.09 CURRENT TAX ASSETS (NET)

	Current As at	
	March 31, 2020	March 31, 2019
Advance for Income Tax (Net of Provisions)	38.01	34.96
	<u>38.01</u>	<u>34.96</u>

2.10 EQUITY SHARE CAPITAL

	As at	
	March 31, 2020	March 31, 2019
a) Authorized Share Capital		
10,00,000 (10,00,000; March 31, 2019) equity shares of face value Rs 10 each	100.00	100.00
	<u>100.00</u>	<u>100.00</u>
b) Issued, subscribed & fully paid up share capital		
7,56,000 (7,56,000; March 31, 2019) equity shares of face value Rs 10 each	75.60	75.60
	<u>75.60</u>	<u>75.60</u>

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares of Rs. 10 each				
Shares Outstanding at the beginning of the year	7,56,000	75.60	7,56,000	75.60
Shares Issued during the year		-		
Shares Outstanding at the end of the year	7,56,000	75.60	7,56,000	75.60

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

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity Shares of Rs. 10 each				
Hathway Cable and Datacom Limited	7,56,000	100%	7,56,000	100%
(Holding Co.- alongwith its Nominee)				

UTN Cable Communication Private Limited became Wholly owned subsidiary of Hathway Cable and Datacom Limited w.e.f. 16th February, 2017.

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 :

Name of the Shareholder	As at March 31, 2020		As at 31-Mar-19	
	No. of Shares	Amount	No. of Shares	Amount
Hathway Cable and Datacom Ltd (Holding Co.)	7,56,000	75.60	7,56,000	75.60
	7,56,000	75.60	7,56,000	75.60

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 fully paid up equity shares is entitled to one vote per 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.

Notes to the Financial Statements

2.11 OTHER EQUITY

	As at	
	March 31, 2020	March 31, 2019
Securities Premium Account *		
Balance as at the beginning of the year	747.84	747.84
Add: Securities premium credited on Share issue	-	-
Balance as at the end of the year	747.84	747.84
Retained earnings		
Balance as at the beginning of the year	(3,032.57)	(2,340.52)
Add: Net Profit / (Loss) for the year	(117.99)	(692.05)
Balance as at the end of the year	(3,150.56)	(3,032.57)
	(2,402.72)	(2,284.73)

(a) Retained Earning :

Retained earnings are the losses that the Company has incurred till date.

(b) Securities Premium :

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

2.12 DEFERRED TAX LIABILITIES(NET)

	As at	
	March 31, 2020	March 31, 2019
Deferred tax asset on:		
Unabsorbed Depreaction/Business loss as per Income tax	1.06	2.13
	1.06	2.13
Deferred tax liability on:		
Property, Plant and Equipment	1.06	2.13
	1.06	2.13
DEFERRED TAX LIABILITIES (NET)	-	-

The Company has substantial unused tax losses and unused tax credits. The deferred tax assets relating to such deductible temporary differences, carry forward unused tax losses and carry forward unused tax credits is significantly higher than deferred tax liabilities. On conservative approach, the Company has recognized deferred tax assets on unabsorbed depreciation only to the extent of its deferred tax liabilities.

2.13 OTHER LIABILITIES

	Non- Current As at		Current As At	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Deposits from Customers	1.09	1.09	-	-
Advance from Customers	-	-	37.34	13.93
Statutory Payables	-	-	39.56	35.56
	1.09	1.09	76.90	49.49

2.14 BORROWINGS

	Current As at	
	March 31, 2020	March 31, 2019
Unsecured		
Loan from Hathway Cable and Datacom Limited*	611.11	611.11
Loan from Hathway Digital Private Limited**	1,029.38	900.00
	1,640.49	1,511.11

Notes to the Financial Statements

(All Amounts are Rupees in Lakhs unless otherwise stated)

Terms of Repayment for Unsecured borrowings:

*The Company does not have any repayment terms for the loan obtained from its holding Company, Hathway Cable and Datacom Limited.

**The loan obtained from Hathway Digital Private Limited is repayable on demand. Interest is payable at 10.60% p.a.

2.15 TRADE PAYABLE

	Current As at	
	March 31, 2020	March 31, 2019
Total outstanding dues of Micro and Small Enterprises	-	-
Total outstanding dues of suppliers other than Micro and Small enterprises	1,057.76	1,261.81
	<u>1,057.76</u>	<u>1,261.81</u>

2.16 OTHER FINANCIAL LIABILITIES

	Current As at	
	March 31, 2020	March 31, 2019
Interest accrued but not due	85.86	-
Other payables	10.42	19.20
	<u>96.28</u>	<u>19.20</u>

3.01 REVENUE FROM OPERATIONS

	Year ended	
	March 31, 2020	March 31, 2019
Sale of Services	1,142.59	775.97
	<u>1,142.59</u>	<u>775.97</u>
Details of Sale of Services rendered		
Subscription Income	1,038.02	754.18
Placement Income	104.57	21.79
	<u>1,142.59</u>	<u>775.97</u>

3.02 OTHER INCOME

	Year ended	
	March 31, 2020	March 31, 2019
Interest Income	0.40	0.36
Sundry balances written back(net)	1.07	0.01
Unwinding of Interest on security deposit (Ref. Note No. 2.05)	0.31	0.29
	<u>1.78</u>	<u>0.66</u>

3.03 OTHER OPERATIONAL EXPENSES

	Year ended	
	March 31, 2020	March 31, 2019
Feed Charges	750.38	982.74
Commission - Subscription	60.88	66.56
Rent	8.15	8.54
Digital Subscription Charges	120.35	120.35
Freight & Octroi Charges	0.21	0.23
	<u>939.97</u>	<u>1,178.42</u>

Notes to the Financial Statements

(All Amounts are Rupees in Lakhs unless otherwise stated)

3.04 EMPLOYEE BENEFIT EXPENSES

	Year ended	
	March 31, 2020	March 31, 2019
Staff Welfare	1.27	1.25
	<u>1.27</u>	<u>1.25</u>

3.05 FINANCE COST

	Year ended	
	March 31, 2020	March 31, 2019
Interest	95.40	95.40
Finance Charges	7.19	4.77
	<u>102.59</u>	<u>100.17</u>

3.06 DEPRECIATION AND AMORTIZATION

	Year ended	
	March 31, 2020	March 31, 2019
Depreciation on Property, Plant and Equipment	6.10	6.97
Amortisation	0.05	0.05
	<u>6.15</u>	<u>7.02</u>

3.07 OTHER EXPENSES

	Year ended	
	March 31, 2020	March 31, 2019
Business Promotion Expenses	0.24	0.33
Communication Charges	0.34	0.51
Printing & Stationery	0.57	0.21
Service Charges	11.90	12.73
Motor Car Petrol Expenses & Maintenance	2.55	4.11
Repairs & Maintenance Others	-	2.89
Conveyance	1.99	1.99
Legal and Professional Charges	0.45	0.29
Electricity Expenses	6.91	5.69
Postage & Telegram	0.01	0.01
Impairment loss allowance on Trade Receivables	180.27	13.83
Rent	0.29	0.30
Office Expenses	1.03	0.78
Miscellaneous Expenses	0.01	-
Insurance Charges	-	0.06
Interest on Indirect Taxes	4.83	0.49
Auditors Remuneration		
- Statutory Audit Fees	0.58	0.58
- Tax Audit Fees	0.35	0.35
- Out of pocket expenses	0.06	0.06
	<u>212.38</u>	<u>45.21</u>

Notes to the Financial Statements

4.01 CONTINGENT LIABILITIES

Particulars	As at	
	March 31, 2020	March 31, 2019
Claims against the Company not acknowledged as debt:		
Liability towards Broadcaster	38.78	38.78
Income tax matter under dispute	21.04	22.01
	<u>59.82</u>	<u>60.79</u>

4.02 LEASES

The Company's significant leasing arrangements in terms of Ind AS on "Leases" (Ind AS 17) are in respect of operating leases for premises and cancellable in nature. These leasing arrangements are in the range between 11 months to 22 months and are renewable by mutual consent. Rental expenses debited to Statement of Profit & Loss for the year is Rs. 8,14,580 (Previous year Rs. 8,54,019).

4.03 The board of directors of the Company have resolved, subject to necessary approvals, to demerge its cable television business to Hathway Digital Private Limited with effect from closing hours of March 31, 2017. The management proposes to file the Scheme during financial year 2019-20.

The Holding Company has committed to provide necessary level of support to enable the Company to continue as going concern in view of cash losses incurred by the Company in past few years.

4.04 RELATED PARTY DISCLOSURE

Names of related parties and related party relationship-where control exists

Holding Company:

Hathway Cable and Datacom Limited

Related parties with whom transactions have taken place during the year

Fellow subsidiaries

Hathway Digital Pvt. Ltd. (FKA: Hathway Central Datacom Pvt. Ltd.)

Hathway Media Vision Pvt. Ltd

Transactions with Related Party:

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Income:		
Placement Income		
Hathway Digital Private Limited	104.57	21.79
Expenses:		
Feed Charges		
Hathway Digital Private Limited	750.38	982.74
Digital Subscription		
Hathway Digital Private Limited	120.35	120.35
Interst		
Hathway Digital Private Limited	95.40	95.40
Closing Balances:		
Unsecured Loan		
Hathway Cable and Datacom Limited	611.11	611.11
Hathway Digital Private Limited	1,029.38	900.00

Notes to the Financial Statements

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Unbilled Revenue		
Hathway Digital Private Limited	6.33	21.79
Interest Accrued but not due		
Hathway Digital Private Limited	85.86	-
Trade Payables		
Hathway Cable & Datacom Limited	-	6.32
Hathway Digital Pvt. Ltd. (FKA: Hathway Central Datacom Pvt. Ltd.)	940.00	1,209.28
Hathway Media Vision Pvt Ltd	34.97	34.97
	2,707.65	2,783.47

4.05 SEGMENTAL REPORTING

As the Company's business activity falls within a single business segment viz. providing Cable Television network services which is considered as the only reportable segment and the revenue substantially being in the domestic market, the financial statement are reflective of the information required by Ind AS 108 "Operating Segments".

Summary of the Segmental information is as follows:

Particulars	March 31, 2020			March 31, 2019		
	Cable TV Services	Residual	Total	Cable TV Services	Residual	Total
Segment Income						
Revenue from external sources	1,143.97	0.40	1,144.37	776.63	-	776.63
Inter-segment revenue	-	-	-	-	-	-
Total revenue	1,143.97	0.40	1,144.37	776.63	-	776.63
Segment Result	(15.80)	-	(15.80)	(592.24)	-	(592.24)
Finance Costs	102.59	-	102.59	100.17	-	100.17
Finance Income	-	0.40	0.40	-	0.36	0.36
Profit before tax	(118.39)	0.40	(117.99)	(692.41)	0.36	(692.05)
Other Information						
Segment Assets	545.41	-	545.41	633.57	-	633.57
Segment Liabilities	2,872.53	-	2,872.53	2,842.70	-	2,842.70
Capital expenditure	1.09	-	1.09	0.64	-	0.64
Depreciation and Amortisation	6.15	-	6.15	7.02	-	7.02

4.06 In the absence of reasonable certainty of availability of taxable business income in near future against which the deferred tax assets can be adjusted, the Company has recognised deferred tax assets to the extent of deferred tax liability available. (Refer to Note 2.12)

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	2.70	6.96	53.70	119.84	77.55	326.94	-	587.70
Unabsorbed depreciation	-	-	-	-	-	-	25.70	25.70
Deductible temporary difference:								
Trade Receivable	-	-	-	-	-	-	143.18	143.18
Total	2.70	6.96	53.70	119.84	77.55	326.94	168.88	756.58

4.07 Capital Management

Risk Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves. The Company manages its capital structure to ensure that it will be able to continue as a going concern while maximising the return to the stakeholders. The Company has not taken any borrowings and accordingly has no externally imposed capital restrictions. The Company is subsidiary of Hathway Cable and Datacom Limited. At present, the Company is not in the need of fresh capital as it has no significant liabilities except repayment of loan extended by the Holding Company and Hathway Digital Private Limited. The Holding Company is committed to provide financial support to the Company as may be required to carry on as a going concern.

The details of outstanding capital and payables to Holding Company on account of loans are as under:

Particulars	As on	
	March 31, 2020	March 31, 2019
Equity	75.60	75.60
Loans taken	1,640.49	1,511.11
Total	1,716.09	1,586.71

4.08 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, current deposits, trade payables, payables for acquisition of property, plant and equipment, current loans from banks, financial institutions and others are considered to be the same as their fair values, due to their current 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)

Level 3: unobservable inputs from assets and liability

Notes to the Financial Statements

Particulars	March 31, 2020		March 31, 2019	
	Carrying values	Fair value	Carrying values	Fair value
Financial assets				
Measured at amortised cost				
Trade receivables	0.00	0.00	178.48	178.48
Loans	3.29	3.29	2.98	2.98
Other financial assets	6.33	6.33	21.79	21.79
Cash and cash equivalents	116.60	116.60	61.01	61.01
Bank balance other than cash and cash equivalents	-	-	10.32	10.32
Total Equity and Liabilities				
Financial liabilities				
Measured at amortised cost				
Borrowings	1640.49	1640.49	1,511.11	1,511.11
Trade payables	1057.76	1057.76	1,261.81	1,261.81
Others Financial Liabilities	96.28	96.28	19.20	19.20

(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, trade receivables, financial assets measured at amortised cost.	Ageing analysis Credit ratings	Diversification of bank deposits and credit limits
2) Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed financial support

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

Credit Risk Management

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.

Particulars	As at	
	March 31, 2020	March 31, 2019
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivables	-	178.48

Notes to the Financial Statements

Age of receivables (Gross)	As at	
	March 31, 2020	March 31, 2019
0-90 days past due	3.32	202.38
91-180 days past due	222.63	39.96
181-270 days past due	59.83	43.29
271-360 days past due	0.85	51.99
>360 days past due	264.06	211.27

Movement in the expected credit loss allowance	March 31, 2020	March 31, 2019
Balance at beginning of the year	370.41	219.97
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	180.27	150.44
Balance at end of the year	550.68	370.41

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

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.

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 years	Total
Non-Derivatives			
Trade payables	1,057.76	-	1,057.76
Short term borrowings	1,640.49	-	1,640.49
Other financial liabilities	96.28	-	96.28
	2,794.52	-	2,794.52

As at March 31, 2019	Less than 1 year	1 to 5 years	Total
Non-Derivatives			
Trade payables	1,261.81		1,261.81
Short term borrowings	1,511.11		1,511.11
Other financial liabilities	19.20		19.20
	2,792.12		2,792.12

Subsequent to the outbreak of Coronavirus (COVID -19) and consequential lock down across the country, the Company has continued to operate and provide Cable TV Services to its customers without any disruptions. However, disruptions to businesses worldwide and economic slowdown may have its eventual impact on the Company. A definitive assessment of the impact is not possible in view of the highly uncertain economic environment and the situation is still evolving. The Company has evaluated its liquidity position and of recoverability and carrying values of its assets and have concluded that no material adjustments are required at this stage in the stand-alone financial statements.

Notes to the Financial Statements

4.09 Exceptional Items

In view of the New Regulatory Framework for Broadcasting & Cable services sector notified by the Telecom Regulatory Authority of India (TRAI), which has come into effect during the quarter resulting into changes in pricing mechanism & arrangements amongst the Company and its LCOs; the Management, based on a review, has provided for impairment of trade receivables. These adjustments, having one-time, non-routine material impact on financial statements, hence been disclosed as “Exceptional Item” in Financial Statements.

Particulars	Amount in Lakhs	
	March 31, 2020	March 31, 2019
- Impairment of Recivables	-	136.61
Total	-	136.61

4.10 The previous figures have been reclassified/re-grouped wherever necessary.

As per our report of even date

For G. M. Kapadia & Co.

Chartered Accountants

Firm Registration Number: 104767W

Dhirendra Kumar Dhal

Partner

Membership No: 221691

ICAI UDIN: 20221691AAAABO9240

Place: Bengaluru

Dated:06-April-2020

For and on behalf of the Board of Directors
UTN Cable Communication Private Limited

Sangeet Kumar Nigam

Director

DIN: 07687835

Place: Mumbai

Dated:06-April-2020

Narendra Kumar P

Director

DIN: 08021260