

**HATHWAY CHANNEL 5 CABLE &
DATACOM PRIVATE LIMITED
FINANCIAL STATEMENTS
2019 - 20**

Independant Auditor's Report

To

**The Members of
Hathway Channel 5 Cable & Datacom Private Limited**

Report on the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Hathway Channel 5 Cable & Datacom Private Limited** (the Company), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the management 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 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 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.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Certain events or conditions, along with other matters, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern and repay loans provided by holding Company. In such circumstances, Going Concern Basis of Accounting has not been adopted for the preparation of financial statements.
- 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.

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

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure-A** a statement on the matters specified in

paragraphs 3 and 4 of the Order, to the extent applicable.

Further to our comment in the Annexure A 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 reports on the accounts of the branch offices of the Company audited under section 143(8) of the act is not applicable since company is not having any branch.
- d) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of change in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- e) In our opinion, the aforesaid standalone Ind-AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) The going concern matter described under the Emphasis of Matter paragraph above, in our opinion, may have adverse effect on the functioning of the Company.
- g) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- h) 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**”.
- i) 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 does not have any pending litigations which would impact its financial position.
 - (ii). The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - (iii). There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Mahesh Goyal & Associates
Chartered Accountants
Firm Registration No. 005417N

Poojan Goyal
Partner
Membership No. 515541
New Delhi
Dated : 08th April, 2020
UDIN – 20515541AAAABI5760

Annexure 1 referred to in paragraph 1 under the heading “Report on other Legal and regulatory requirements” of our report of even date

Re: Hathway Channel 5 Cable & Datacom Private Limited

- (i) In respect of its Fixed Assets:
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets except the following:
- location-wise particulars of some of the Distribution Equipments like cabling and other line equipments. As explained to us, nature of such assets is such that maintaining location-wise particulars is impractical; and
 - location-wise particulars of Access Devices with the subscribers / local cable operators.
- As confirmed by the management, such records have not been updated in certain cases to record movement of assets from one location to another and hence to that extent, location-wise particulars are to be updated.
- (b) Fixed assets were physically verified during the year, except the following:
- Access Devices with the subscribers / local cable operators; and
 - Distribution Equipments like cabling and other line equipments.
- The Company has initiated the process of reconciliation of book records with physical verification.
- However, in absence of updated location-wise particulars of certain assets, actual discrepancies, if any, are yet to be ascertained.
- In our opinion, frequency and procedure for verification of Distribution Equipments, Access Devices and certain Headend Equipments under control of local cable operators and subsequent reconciliation with book records need to be strengthened.
- (c) As the company does not have any immovable property hence this clause is not applicable.
- (ii) The Company does not have any inventory and therefore this clause is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) It is informed to us that company is not covered under Companies (Cost accounting records) Rules, 2011 prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- (vii) In respect of statutory dues:
- (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, incometax, sales-tax, Goods & Services Tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, service tax, sales-tax, Goods & Services Tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year

end, for a period of more than six months from the date they became payable.

- (c) According to the information and explanation given to us, there are no dues of Sales Tax, Goods & Services Tax, Income tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the company by the officers and employees of the company has been noticed or reported during the year.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xv) According to the informations and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For Mahesh Goyal & Associates

Chartered Accountants

Firm Registration No. 005417N

Poojan Goyal

Partner

Membership No. 515541

New Delhi

Dated : 08th April, 2020

UDIN – 20515541AAAABI5760

Annexure 2 to the independent auditor's report of even date on the financial statements of Hathway Channel 5 Cable & Datacom Private Limited.**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of the Company as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statement and their operating effectiveness. Our audit of internal financial controls with reference to financial statement included obtaining an understanding of internal financial controls with reference to financial statement, 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 Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of

changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020 based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note.

For Mahesh Goyal & Associates

Chartered Accountants

Firm Registration No. 005417N

Poojan Goyal

Partner

Membership No. 515541

New Delhi

Dated : 08th April, 2020

UDIN – 20515541AAAABI5760

Balance Sheet as at March 31, 2020

(All Amounts are Rupees in Lakhs unless otherwise stated)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2.01	2.95	3.30
(b) Goodwill	2.02	404.50	404.50
(c) Financial Assets			
(d) Deferred Tax Assets (Net)	2.03	-	-
(e) Other Non-Current Assets	2.04	0.27	0.27
Total Non-Current Assets		407.72	408.07
Current Assets			
(a) Financial Assets			
Trade Receivables	2.05	-	-
Cash and Cash Equivalents	2.06	6.13	6.14
(b) Current Tax Assets (Net)	2.07	1.97	1.97
Total Current Assets		8.10	8.11
Total Assets		415.82	416.18
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	2.08	48.82	48.82
(b) Other Equity	2.09	(15.74)	(15.39)
Total Equity		33.08	33.44
Non-Current Liabilities			
		-	-
Current Liabilities			
(a) Financial Liabilities			
Trade Payables	2.10		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		381.20	381.20
Other Financial Liabilities	2.11	0.20	0.20
(b) Other Current Liabilities	2.12	1.34	1.34
Total Current Liabilities		382.74	382.74
Total Equity and Liabilities		415.82	416.18
Summary of Significant Accounting Policies	1.00		
Refer accompanying notes. These notes are integral part of the financial statements.			

For MAHESH GOYAL & ASSOCIATES

Chartered Accountants

Firm Registration No. 005417N

Poojan Goyal

Partner

Membership No. 515541

For and on behalf of the Board

Sunil Sethi

Director

Din : 07777524

Mayur Govindbhai Kanani

Director

Din : 06590372

Place : New Delhi

Dated : 08th April 2020

Place : New Delhi

Dated : 08th April 2020

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

(All Amounts are Rupees in Lakhs unless otherwise stated)

Particulars	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
INCOME			
Other Income	3.01	0.20	0.20
Total Income		0.20	0.20
EXPENDITURE			
Finance Cost	3.02	0.01	-
Depreciation and Amortization	3.03	0.34	0.46
Other Expenses	3.04	0.20	1.54
Total Expense		0.55	2.00
Net Profit / (Loss) before Tax		(0.35)	(1.80)
Tax Expense:			
Current Tax		-	-
Deferred Tax		-	-
Net Profit / (Loss) for the Year (A)		(0.35)	(1.80)
Other Comprehensive Income / (Loss) for the Year, net of Tax (B)		-	-
Total Comprehensive Income / (Loss) for the Year, net of Tax (A+B)		(0.35)	(1.80)
Earnings per equity share			
Weighted Average Number of Shares		488,235	488,235
Basic (in Rs.)		(0.07)	(0.37)
Diluted (in Rs.)		(0.07)	(0.37)
Summary of Significant Accounting Policies	1.00		
Refer accompanying notes. These notes are integral part of the financial statements.			

For MAHESH GOYAL & ASSOCIATES
Chartered Accountants
Firm Registration No. 005417N

Poojan Goyal
Partner
Membership No. 515541

Place : New Delhi
Dated : 08th April 2020

For and on behalf of the Board

Sunil Sethi
Director
Din : 07777524

Place : New Delhi
Dated : 08th April 2020

Mayur Govindbhai Kanani
Director
Din : 06590372

Cash Flow Statement for the year ended March 31, 2020

(All Amounts are Rupees in Lakhs unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1 CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT / (LOSS) BEFORE TAX	(0.35)	(1.80)
A Non-cash Adjustment to Profit/ (Loss) Before Tax:		
Depreciation	0.34	0.46
B Items Considered Separately:		
Operating Profit before Working Capital	<u>0.34</u>	<u>0.46</u>
	(0.01)	(1.34)
C Change in operating assets and liabilities :		
Increase / (Decrease) in Other Current Financial Liabilities	-	1.34
Increase / (Decrease) in Other Non Current Liabilities	<u>-</u>	<u>-</u>
Cash Generated from Operations	<u>(0.01)</u>	<u>1.34</u>
Taxes paid (Net)	-	-
Net cash flow from/(used in) operating activities (A)	(0.01)	-
2 CASH FLOW FROM INVESTING ACTIVITIES:	-	-
Net cash flow from/(used in) investing activities (B)	-	-
3 CASH FLOW FROM FINANCING ACTIVITIES	-	-
Net cash flow from/(used in) in financing activities (C)	-	-
Net increase/(decrease) in cash and cash equivalents (A+B+ C)	(0.01)	-
Cash and Cash Equivalents at beginning of Year	6.14	6.14
Cash and Cash Equivalents at end of Year	6.13	6.14

Reconciliation of cash and cash equivalents as per Cash Flow Statement

Cash and Cash Equivalents as per above comprising of the following-

Cash in hand	0.00	0.00
Bank Balance	<u>6.13</u>	<u>6.14</u>
Balance as per statement of Cash flow	<u>6.13</u>	<u>6.14</u>

Note :

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

For MAHESH GOYAL & ASSOCIATES
Chartered Accountants
Firm Registration No. 005417N

For and on behalf of the Board

Poojan Goyal
Partner
Membership No. 515541

Sunil Sethi
Director
Din : 07777524

Mayur Govindbhai Kanani
Director
Din : 06590372

Place : New Delhi
Dated : 08th April 2020

Place : New Delhi
Dated : 08th April 2020

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

(All Amounts are Rupees in Lakhs unless otherwise stated)

A: EQUITY SHARE CAPITAL

Particulars	Note No.	Amount
As at April 01, 2018	2.08	48.82
Changes in Equity Share Capital during the year		-
Balance at March 31, 2019	2.08	48.82
Changes in Equity Share Capital during the year		-
Balance at March 31, 2020	2.08	48.82

B: OTHER EQUITY

Particulars	Security Premium	Retained earnings	Total Amount
			-
Balance as on April 01, 2018	1,144.41	(1,158.00)	(13.59)
Net Income / (Loss) for the Year	-	(1.80)	(1.80)
Balance as on March 31, 2019	1,144.41	(1,159.80)	(15.39)
Net Income / (Loss) for the Year	-	(0.35)	(0.35)
Balance as on March 31, 2020	1,144.41	(1,160.15)	(15.74)

Summary of Significant Accounting Policies (Ref. Note No. 1.00)
Refer accompanying notes. These notes are integral part of the financial statements.

For **MAHESH GOYAL & ASSOCIATES**
Chartered Accountants
Firm Registration No. 005417N

Poojan Goyal
Partner
Membership No. 515541

Place : New Delhi
Dated : 08th April 2020

For and on behalf of the Board

Sunil Sethi
Director
Din : 07777524

Mayur Govindbhai Kanani
Director
Din : 06590372

Place : New Delhi
Dated : 08th April 2020

Significant accounting policies and notes on accounts

Background

Hathway Channel 5 Cable & Datacom Pvt. Ltd. is a company limited by shares domiciled in India and incorporated under the provisions of the Companies Act, 1956 having registered office at Plot No. B1/G3, 4th,5th & 6th Floor, Mohan Industrial Estate, Main Mathura Road, New Delhi - 110044. The Company was engaged in the business of distribution and transmission of Cable TV signals and is acting as a Multi System Operator (MSO). However, due to Digital Addressable System (DAS) getting implemented in Delhi, effective from 01st November'2012, as notified by the Ministry of Information & Broadcasting, Govt. of India, it has become mandatory for all the broadcasters, MSOs & local cable operators to transmit the signals of cable TV channels in Digital mode only. Since the Company having not taken necessary approval from the concerned authorities to transact the business in digital mode & also not having the infrastructure in place, as required to transmit the digital signals, the business of the company is presently lying discontinued since Nov' 12. But due to its Holding Company, Hathway Cable & Datacom Ltd, having huge background and experience of carrying on business under DAS environment, along with having PAN-India presence, the management of the company do not perceive any chance or threat of its core business activity getting discontinued on permanent basis. The management of company is already in the process of negotiating with other business players, including its holding company, & is hopeful to find means & ways to start some business in the company at the earliest, aligned to the core business of distribution & transmission of cable TV signals carried on by it earlier.

Authorization of financial statements

The financial statements were authorized for issue in accordance with a resolution of the directors on 8th April, 2020.

1.00 Summary of significant accounting policies

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

1.01 Basis of Preparation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

- a) Certain financial assets and liabilities are measured at fair value.

1.02 Current Versus Non-Current Classification

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

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle of the Company; or

Significant accounting policies and notes on accounts

- b) Held primarily for the purpose of trading; or
- c) Expected to be realised within twelve months after the reporting period; or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is classified current when:

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

The Company classifies all other liabilities as non-current.

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

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

1.03 Use of Judgements, Estimates & Assumptions

While preparing financial statements in conformity with Ind AS, we make certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, disclosure of contingent 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. We continually evaluate these estimates and assumptions based on the most recently available information.

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

- a) Evaluation of recoverability of deferred tax assets

1.04 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.

Significant accounting policies and notes on accounts

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.

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.

1.05 Impairment of Property, Plant and Equipment

Carrying amount of Property, Plant and Equipment 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.

1.06 Cash and Cash Equivalents

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

1.07 Financial Instruments

A. Financial Assets

(i) Classification

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

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

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

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

(ii) Measurement

At initial recognition, the company measures a financial asset except for trade receivable, at its fair

Significant accounting policies and notes on accounts

value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Trade receivables are recognised initially at transaction price less provision for impairment.

(iii) Derecognition

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

(iv) Impairment of financial assets

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.

B. Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings.

(ii) Subsequent measurement

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

1.08 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.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

Significant accounting policies and notes on accounts

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.

1.09 Revenue Recognition

During the year Company had no operations, therefore did not have any policy for Revenue Recognition.

1.10 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

Significant accounting policies and notes on accounts

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.

1.11 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.

1.12 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 for the year ended March 31, 2020

(All Amounts are Rupees in Lakhs unless otherwise stated)

2.01 PROPERTY, PLANT AND EQUIPMENT	Gross Block (at Cost)			Depreciation/Amortisation/Impairment				Net Block		
	As at 01-04-2019	Additions during the Year	As at 31-03-2020	As at 01-04-2019	Additions during the Year	Deductions during the Year	Other Adjustments*	As at 31-03-2020	As at 31-03-2020	As at 31-03-2019
Plant and Machinery	0.58	-	0.58	0.20	0.04	-	-	0.24	0.34	0.38
Distribution Equipments	4.85	-	4.85	2.16	0.30	-	-	2.46	2.39	2.69
Furniture & Fixtures	0.03	-	0.03	-	-	-	-	-	0.03	0.03
Computers	0.02	-	0.02	-	-	-	-	-	0.02	0.02
Office Equipments	1.32	-	1.32	1.14	-	-	-	1.14	0.17	0.17
Motor Vehicles	0.02	-	0.02	0.02	-	-	-	0.02	0.00	0.00
Total	6.81	-	6.81	3.52	0.34	-	-	3.86	2.95	3.30

2.02 GOODWILL	Gross Block (at Cost)			Depreciation/Amortisation/Impairment				Net Block		
	As at 01-04-2019	Additions during the Year	As at 31-03-2020	As at 01-04-2019	Additions during the Year	Deductions during the Year	Other Adjustments*	As at 31-03-2020	As at 31-03-2020	As at 31-03-2019
Goodwill	8.30	-	8.30	-	-	-	-	-	8.30	8.30
Cable Television Franchisee	396.20	-	396.20	-	-	-	-	-	396.20	396.20
Total	404.50	-	404.50	-	-	-	-	-	404.50	404.50

F.Y. 2018-19

2.01 PROPERTY, PLANT AND EQUIPMENT	Gross Block (at Cost)			Depreciation/Amortisation/Impairment				Net Block		
	As at 01-04-2018	Additions during the Year	As at 31-03-2019	As at 01-04-2018	Additions during the Year	Deductions during the Year	Other Adjustments	As at 31-03-2019	As at 31-03-2019	As at 31-03-2018
Headend Equipments	0.58	-	0.58	0.15	0.04	-	-	0.20	0.38	0.42
Distribution Equipments	4.85	-	4.85	1.74	0.42	-	-	2.16	2.69	3.11
Furniture & Fixtures	0.03	-	0.03	-	-	-	-	-	0.03	0.03
Computers	0.02	-	0.02	-	-	-	-	-	0.02	0.02
Office Equipments	1.32	-	1.32	1.14	-	-	-	1.14	0.17	0.17
Motor Vehicles	0.02	-	0.02	0.02	0.00	-	-	0.02	0.00	0.00
Total	6.81	-	6.81	3.06	0.46	-	-	3.52	3.30	3.76

2.02 GOODWILL	Gross Block (at Cost)			Depreciation/Amortisation/Impairment				Net Block		
	As at 01-04-2018	Additions during the Year	As at 31-03-2019	As at 01-04-2018	Additions during the Year	Deductions during the Year	Other Adjustments	As at 31-03-2019	As at 31-03-2019	As at 31-03-2018
Goodwill	8.30	-	8.30	-	-	-	-	-	8.30	8.30
Cable Television Franchisee	396.20	-	396.20	-	-	-	-	-	396.20	396.20
Total	404.50	-	404.50	-	-	-	-	-	404.50	404.50

2.03 DEFERRED TAX ASSETS (NET)	As at	
	March 31, 2020	March 31, 2019
Deferred Tax Assets in relation to:		
Trade Receivables	89.80	89.00
	89.80	89.00
Deferred Tax Liabilities in relation to:		
Property, Plant and Equipment	89.80	89.00
	89.80	89.00
NET DEFERRED TAX ASSETS	-	-

Note : Refer Note No. 4.06 & Note No. 4.07

2.04 OTHER ASSETS	Non Current	
	As at March 31, 2020	As at March 31, 2019
OTHER ADVANCES		
Unsecured, considered good unless stated otherwise		
GST Claimable*	0.00	0.00
Advances with Statutory Authorities	0.27	0.27
	0.27	0.27

* GST Claimable in March 31, 2020 is Rs. 200/- (F.Y. 2018-19 - Rs. 200/-)

Notes to the Financial Statements for the year ended March 31, 2020

2.05 TRADE RECEIVABLES	(All Amounts are Rupees in Lakhs unless otherwise stated)	
	Current	
	As at	
	March 31, 2020	March 31, 2019
Unsecured, considered good unless stated otherwise		
Unsecured, considered good	-	-
Doubtful Outstanding	32.64	32.64
	32.64	32.64
Less: Impairment loss allowance on trade receivables	32.64	32.64
	-	-

Note: No amount is receivable from any of the directors or officers of the Company, severally or jointly with any other person, or from firms where such director is a partner or from private companies where such director is a member.

2.06 CASH AND CASH EQUIVALENTS	Current	
	As at	As at
	March 31, 2020	March 31, 2019
In Current Accounts	6.13	6.14
Cash in hand**	0.00	0.00
	6.13	6.14

** Cash in Hand on March 31, 2020 is Rs. 61/- (F.Y. 2018-19 Rs. 61/-)

2.07 CURRENT TAX ASSETS (NET)	Current	
	As at	As at
	March 31, 2020	March 31, 2019
Advance Income Tax (Net of Provision)	1.97	1.97
	1.97	1.97

2.08 EQUITY SHARE CAPITAL	As at	As at
	March 31, 2020	March 31, 2019
	Authorised Capital	
500,000 (March 31, 2019; 500,000) equity shares of face value Rs 10 each	50.00	50.00
	50.00	50.00
Issued, Subscribed and Paid up Capital		
488,235 (March 31, 2019; 488,235) equity shares of face value Rs 10 each	48.82	48.82
	48.82	48.82

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

Particulars	As at		As at	
	March 31, 2020		March 31, 2019	
	Number	Amount	Number	Amount
Equity Shares of Rs.10 each				
Shares Outstanding at the beginning of the year	488,235	48.82	488,235	48.82
Shares Outstanding at the end of the Year	488,235	48.82	488,235	48.82

Notes to the Financial Statements for the year ended March 31, 2020

(All Amounts are Rupees in Lakhs unless otherwise stated)

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

Particulars	As at		As at	
	March 31, 2020		March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of Rs. 10 each				
Hathway Cable and Datacom Limited - Holding Company (Including its nominee shareholders)	249,000	51%	249,000	51%
Mrs. Sonia	190,235	39%	190,235	39%
Mr. Arvinder Singh	24,500	5%	24,500	5%

c) Rights, Preference and restrictions attached to Shares;

Terms/ Rights attached to Equity Shares:

The Company has only one class of equity shares having face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per fully paid share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

2.09 OTHER EQUITY

	As at	
	March 31, 2020	March 31, 2019
Securities Premium*		
Balance as at the beginning of the Year	1,144.41	1,144.41
Balance as at the end of the Year	1,144.41	1,144.41
Retained earnings		
Balance at the beginning of the Year	(1,159.80)	(1,158.00)
Add : Net Profit/ (Loss) for the Year	(0.35)	(1.80)
Balance as at the end of the Year	(1,160.15)	(1,159.80)
Balance as at the end of the Year	(15.74)	(15.39)

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

2.10 TRADE PAYABLES

	Current	
	As at	
	March 31, 2020	March 31, 2019
Trade Payables		
Micro and Small Enterprises		
Micro and Small Enterprises (Refer to Note no. 4.05)	-	-
Others	381.20	381.20
	381.20	381.20

2.11 OTHER FINANCIAL LIABILITIES

	Current	
	As at	
	March 31, 2020	March 31, 2019
Other Liabilities	0.20	0.20
	0.20	0.20

2.12 OTHER LIABILITIES

	Current	
	As at	
	March 31, 2020	March 31, 2019
Interest in Service Tax Payable	1.34	1.34
	1.34	1.34

Notes to the Financial Statements for the year ended March 31, 2020

(All Amounts are Rupees in Lakhs unless otherwise stated)

3.01 OTHER INCOME	Year ended	
	March 31, 2020	March 31, 2019
Amount No Longer Payable Written Back	0.20	0.20
	0.20	0.20
3.02 FINANCE COST	Year ended	
	March 31, 2020	March 31, 2019
Bank Charges	0.01	-
	0.01	-
3.03 DEPRECIATION AND AMORTISATION	Year ended	
	March 31, 2020	March 31, 2019
Depreciation on Property, Plant and Equipment	0.34	0.46
	0.34	0.46
3.04 OTHER EXPENSES	Year ended	
	March 31, 2020	March 31, 2019
Interest on Taxes	-	1.34
Auditor's Remuneration		
Statutory Audit Fees	0.20	0.20
	0.20	1.54

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts are Rupees in Lakhs unless otherwise stated)

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

There is no claims against the company which can be acknowledged as debt.

4.02 SEGMENTAL REPORTING

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

4.03 RELATED PARTY DISCLOSURES

A) Names of related parties and related party relationship where control exist

Co-Venture Company
Hathway Cable and Datacom Ltd.

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

B) Related Party Transactions

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

Transaction	As at		
	March 31, 2017	March 31, 2020	As at March 31, 2019
CLOSING BALANCES			
Trade Payables	34.08	381.20	381.20
Hathway Digital Pvt. Ltd. (FKA: Hathway Central Datacom Pvt. Ltd.)			

4.04 EARNINGS / (LOSS) PER SHARE

Particulars	March 31, 2020	March 31, 2019
Profit / (Loss) after tax	(0.35)	(1.80)
Weighted / Adjusted No. of ordinary shares (No.'s) used as denominator for calculating Basic/ Diluted EPS	488,235	488,235
Weighted / Adjusted No. of ordinary shares (No.'s) used as denominator for calculating Diluted EPS	488,235	488,235
Nominal value of ordinary shares (Rs.) (Face Value restated)	10	10
EPS - Basic & Diluted (Rupees)	(0.07)	(0.37)

4.05 DISCLOSURE UNDER MSME DEVELOPMENT ACT 2006:

Disclosure under the MSME Act 2006 is as under:

Disclosure under Micro, Small and Medium Enterprises Development Act, 2006	Year ended	
	March 31, 2020	March 31, 2019
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting year;	Nil	Nil
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year;	Nil	Nil

Notes to the Financial Statements for the year ended March 31, 2020

(All Amounts are Rupees in Lakhs unless otherwise stated)

(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

4.06 In view of insertion of a new section – Section 115BAA in The Income Tax Act, 1961, as introduced by the Government of India, vide Taxation Laws (Amendment) Ordinance, 2019 dated 20th of September 2019, the domestic Companies have been given option to pay tax at reduced rate of 22%, effective from FY 2019-20 (AY 2020-21) & onwards, subject to their adhering to certain conditions not to avail any exemptions/ incentives. The management of the Company has decided to opt for the new tax regime, and pay taxes at reduced rate U/s 115BAA of the Income Tax Act, 1961, and considered the impact of new tax rate in these financial statements.

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

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	7.10	0.59	1.44	0.00	0.00	0.34	-	9.47
Unabsorbed depreciation	-	-	-	-	-	-	20.24	20.24
Trade Receivables	-	-	-	-	-	-	8.22	8.22
Total	7.10	0.59	1.44	0.00	0.00	0.34	28.46	37.93

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts are Rupees in Lakhs unless otherwise stated)

4.08 CAPITAL MANAGEMENT

The company's objectives when managing capital are to Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the company may issue new shares.

The Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents)

divided by

Total 'equity' (as shown in the balance sheet)

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

Particulars	As on March 31, 2020	As on March 31, 2019
Net debt	-	-
Equity	33.08	33.44
	-	-

4.09 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 following methods and assumptions were used to estimate the fair values:

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

(ii) Categories of financial instruments and fair value hierarchy

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

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

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

Level 3: unobservable inputs from assets and liability.

Particulars	March 31, 2020		March 31, 2019		Fair value hierarchy
	Carrying values	Fair value	Carrying values	Fair value	
Financial assets					
Cash and cash equivalents	6.13	6.13	6.14	6.14	Level 3
Financial liabilities					
Trade payables	381.20	381.20	381.20	381.20	Level 3
Other Financial Liability	0.20	0.20	0.20	0.20	Level 3

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts are Rupees in Lakhs unless otherwise stated)

(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, financial assets measured at amortised cost.	aging analysis	Diversification of bank deposits, credit limits
2) Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowings facilities.

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

Credit Risk 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	32.64	32.64
Age of receivables (Gross)		
	As at	
	March 31, 2020	March 31, 2019
1-90 days past due	-	-
91-180 days past due	-	-
181-365 days past due	-	-
More than 365 days past due	32.64	32.64
Movement in the expected credit loss allowance		
	As at	
	March 31, 2020	March 31, 2019
Balance at beginning of the year	32.64	32.64
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit	-	-
Balance at end of the year	32.64	32.64

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 company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

Financing arrangements

The Co venture 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 year	Total
Non-Derivatives			
Trade payables	381.20	-	381.20
Other financial liabilities	0.20	-	0.20
Total	381.40	-	381.40

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts are Rupees in Lakhs unless otherwise stated)

As at March 31, 2019	less than 1 year	1 to 5 year	Total
Non-Derivatives			
Trade payables	381.20	-	381.20
Other financial liabilities	0.20		0.20
Total	381.40	-	381.40

As per our report of even date

For MAHESH GOYAL & ASSOCIATES

Chartered Accountants

Firm Registration No. 005417N

For and on behalf of the Board

Poojan Goyal

Partner

Membership No. 515541

Place : New Delhi

Dated : 08th April 2020

Sunil Sethi

Director

Din : 07777524

Place : New Delhi

Dated : 08th April 2020

Mayur Govindbhai Kanani

Director

Din : 06590372