

September 08, 2020

To  
**Bombay Stock Exchange Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai-400 001.  
**Company Scrip Code: - 500189**

To  
**National Stock Exchange of India Limited**  
Exchange Plaza, Bandra-Kurla Complex,  
Bandra (East), Mumbai-400 051.  
**Company Script Code: NXTDIGITAL**

**Sub.: Annual Report for FY 2019-20 along with Notice of Thirty Fifth Annual General Meeting**

**Ref.: - Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.**

Dear Sir/ Madam

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We enclose herewith the Annual Report for the financial year 2019-20 along with the Notice of Thirty-Fifth Annual General Meeting ("**AGM**") of the Company to be held on **Wednesday , September 30, 2020 at 3:00 p.m.** by means of Video Conferencing ("**VC**") / Other Audio Visual means ("**OAVM**") on account of outbreak of COVID-19 pandemic and in accordance with the relevant circulars issued by the Ministry of Corporate Affairs.

The Annual Report and the Notice of Thirty-Fifth AGM are also available on the website of the Company [www.nxtdigital.co.in](http://www.nxtdigital.co.in)

Kindly take the same on records.

Thanking You,  
Yours Faithfully

**For NXTDIGITAL LIMITED**  
**(formerly known as Hinduja Ventures Limited)**

Sd/-  
**Ashok Mansukhani**  
**Managing Director**  
**DIN: 00143001**  
**Place: Mumbai.**

**Encl: as above**



(Formerly known as Hinduja Ventures Limited)

Registered Office: IN CENTRE, 49/50 MIDC, 12<sup>th</sup> Road, Andheri (E), Mumbai - 400 093.

T: +91 - 22 - 2820 8585 W: [www.nxtdigital.co.in](http://www.nxtdigital.co.in) CIN. No.: L51900MH1985PLC036896

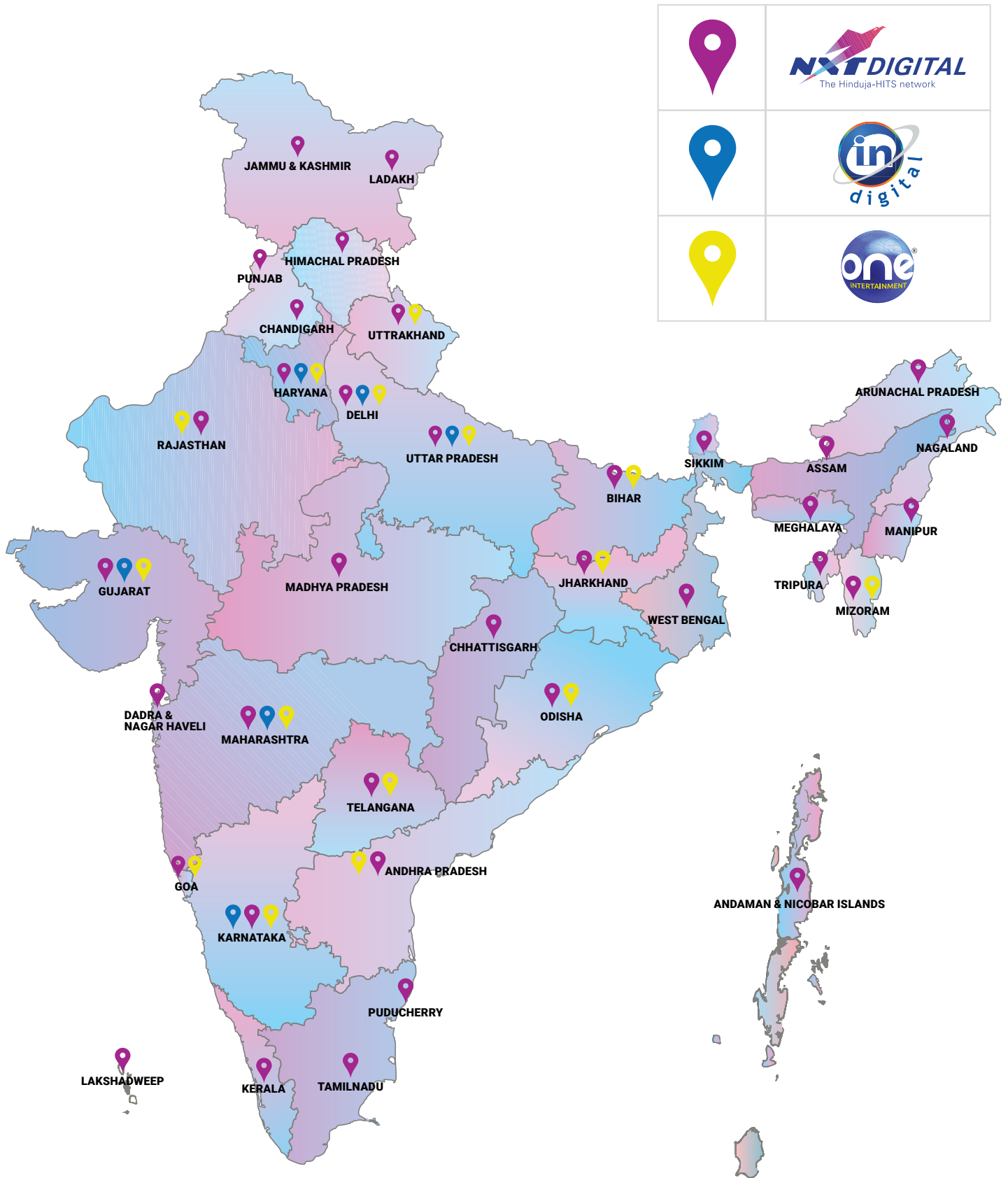




Towards digitisation and innovation



# NXTDIGITAL's footprint across 1,500+ cities & towns and growing



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## The Group Founder **Shri Parmanand Deepchand Hinduja**

The five principles as under, distilled from the lifetime experience of the Founder of Hinduja Group, late Shri Parmanand D. Hinduja, serve as the cultural cornerstones of the businesses of the Group, leading to a synergistic and creative partnership of professional management and entrepreneurship among the Group Companies.

**Work to Give**  
**Act Local; Think Global**  
**Advance Fearlessly**  
**Word is a Bond**  
**Partnership for Growth**



## CHAIRMAN'S MESSAGE

Dear Shareholders,

It is always a pleasure for me to communicate with you and share the progress made by your Company from time to time.

At the outset, I wish to express my hope that in the current challenging circumstances caused by the pandemic and the national lockdown, you are all keeping good health and staying safe.

### The year in retrospect:

The financial year 2020, has been a year of significant ups and downs globally. India being a major global player, has not been insulated from the waves of uncertainty that the global societies and economies have had to face.

The extraordinary situation caused by the pandemic affected the global economies adversely, including India. Governments across the world have announced huge financial packages to help in reviving the economies, which have seen a significant downslide due to the lockdown situation.

Having said this, the year has been a very eventful one for your Company, which, despite the various uncertainties faced by the Indian economy and the Media & Entertainment sector, in particular, has not only weathered the storm but has grown from strength to strength.

I would like to take you through some of these highlights.

On a consolidated basis, your Company has put up a stellar performance for the year ending March 31, 2020, with revenue growth of 65% over the previous year from

Rs 704.60 crores to Rs 1162.10 crores, an Earnings before Interest, Depreciation, and Taxes (from continuing operations) of Rs 341.74 crores as against a loss of Rs 71.63 crores in the previous year and a Profit after Tax (from continuing operations) of Rs 109.68 crores as against a loss of Rs 303.85 crores in the last year.

Your Company repositioned itself as a pure Digital Media & Entertainment Company by exiting its Treasury & Investment business and laying less emphasis on the Real Estate segment.

To achieve this, your Company, along with its subsidiary IndusInd Media & Communications Limited (IMCL), filed a Scheme of Arrangement with the National Company Law Tribunal (NCLT) whereby the Cable TV and Headend In the Sky businesses of IMCL are de-merged into the Company.

**The NCLT has approved the Scheme, and hence your Company has now become a significant Digital Services Provider in the listed space focussed on the Media/ Entertainment/Broadband business. This year marks the 25th anniversary of our operations in this sector.**

The year saw the implementation of the New Tariff Order (NTO) issued by the Telecom Regulatory Authority of India (TRAI) and litigation challenges and the implementation arising out of it. This was a landmark regulation that positively changed the business economics for the Cable TV industry players such as your Company.

**I am proud to mention that your Company took up this challenge head-on and came out successfully and was identified as one of the best implementers of this Order by the Telecom and Media Regulator and the Industry.**

ONEOTT Entertainment Limited (OIL), a Company belonging to the Hinduja Group and a leading Internet Service Provider in the country, has become a subsidiary of your Company through the Scheme mentioned above.

**By virtue of this, your Company has become the 6th largest internet service provider in the country in the wired category.**

The sector saw some huge investments during the year, with both strategic and financial investors making significant investments in the largest players in the industry. Your Company believes that this is a positive development for all players in the sector as the sector has proved itself to be one which is poised for exponential growth.

**I can assure you that your Company will take advantage of this development and will aim to grow exponentially riding on the best of cutting-edge technology, which will help the Company to create**



## new and profitable revenue streams.

Your Company continues to be one of the forerunners in many areas, some of which are the following:

- The only Multi-System Operator to have over 99.50 % collections on prepaid
- The only provider of services in the Cable TV industry via Satellite through the HITS technology
- Innovated compression technology enabling it to pack more channels per satellite transponder
- Present in over 1500 locations across the country
- Delivering the largest number of channels via cable and Satellite

## The Future:

Expansion of the business by leveraging technology and partnerships will be a key focus of your Company. Your company believes that technology and innovation will be the key mantras for growth.

Consumers are today exposed to sophisticated technology, and Companies such as yours, which leverage on technology, are surely to be the winners of the future.

Technologies like OTT, IOT, and Artificial intelligence have started playing a significant role in the day to day lives of people, and companies such as yours are sure to satisfy customer needs through innovative solutions.

Your company has always believed in one of the key mottos of the Hinduja Group – “Partnership for growth.” Its business model has always been “Inclusive,” wherein it looks to create value to all the stakeholders in the distribution chain by taking them along with itself on the path to growth.

Since inception, we have always supported the local cable operators to grow and retain their businesses as entrepreneurs and remain long term partners with us. They all have done well.

This concept of “Partnership for growth” is being taken one step further by your company by laying focus on “Managed Services.” The potential base for “Managed Services” stands at over 69 million cable TV customers today in semi-urban, semi-rural and rural markets, where NXTDIGITAL has a growing presence.

Smaller independent and regional MSOs operate these markets. The company is partnering with them and even

with competitors by allowing them to share the distribution infrastructure of the company, particularly the satellite footprint, and deliver high-quality digital services to any part of the country through its HITS platform in the future.

NXTDIGITAL continues to focus on consolidating and growing its serviced subscriber base, expected to cross 10 million, including onboarding of more than 5 million of Managed Service customers.

**Infrastructure sharing is the stated policy guideline of the Government for the media and telecommunication industry. In this respect, we are ahead of the competition in fulfilling the objectives of the Hon’ble Prime Minister, which is focused on ‘Skill India,’ ‘Make in India, and a ‘Digital India.’**

## Corporate Social Responsibility

Your Company is fulfilling all the necessary obligations in line with our Founder’s principle of “Work to Give” and remains fully compliant in terms of the CSR regulations. For the Financial Year 2019-2020, your company has further contributed Rs. 1.16 crores to the Hinduja Foundation for the Sustainable Rural Development Project- for rural development and education in the Jawahar Taluka in District Palghar, Maharashtra.

## Conclusion.

I want to place on record my sincere appreciation of your unstinted support to the company all these years. I would also like to thank the Directors, Management, and Employees on the excellent performance registered in the past year. Also, my thanks go out to our Bankers, Auditors, and Advisors for their help and guidance during the year to maintain the highest standards of corporate governance, a top priority for the Hinduja Group.

I would conclude by wishing you all good health.

Yours sincerely,



Ashok P. Hinduja

Chairman

September 4, 2020.

# ABOUT NXTDIGITAL LIMITED

**NXTDIGITAL** Limited (NDL) is a Company in the Media & Communication business. It is the only Integrated Digital Delivery Platform Company in the country covering Satellite, Digital Cable and Broadband. Its services have a Pan India presence, and service India’s complete socio-economic strata. It is the only Company in the Country distributing TV signals through a dual delivery platform consisting of the traditional terrestrial fibre route and the Country’s only Headend in the Sky (HITS) satellite platform, under the brand names **INDigital** and **NXTDIGITAL** respectively.

The Company’s Digital Cable television platform delivers over 750+ channels across 100+ cities/towns and the HITS services are available in India across 1500+ cities/towns and growing.

A true game-changer in the industry, the HITS platform

enables the Company to also function as a managed service provider to MSOs providing them with an unprecedented choice of channels at the best possible prices. With its state-of-the-art HITS facility, it is the only company that can offer direct-to-operator services to any corner of the country.

Other than Television services, it’s subsidiary ONEOTT Entertainment Limited has a strong presence in Broadband and Internet services in 14 cities. It’s services under the brand “ONE Broadband” provides converged services of Video, Data and Voice to consumers by delivering high-speed internet and services across multiple cities in India. ONE Broadband leverages Nokia’s GPON technology to provide 2Gbps broadband and connections to home users. The backbone of the system is a common services delivery and assurance platform.

- Only Multi-System Operator in the country with a “pre-paid” base of over 99.5%
- Only dual service with a HITS platform in Asia
- Delivering maximum number of TV channels across cable & satellite
- Delivering services Pan India to over 1,500 locations > 50% districts
- Network of over 9,000 franchisees across the country

- Only platform to offer “Managed Services” to other MSOs & LCOs, Pan India
- Existing contracts for ~5.16mn customers pending execution
- No additional technology or capacity required for subscriber addition
- Will help regional and independent MSOs sustain and grow

Digital Content Delivery



Leveraging same infrastructure



High cross-selling potential



Managed Services

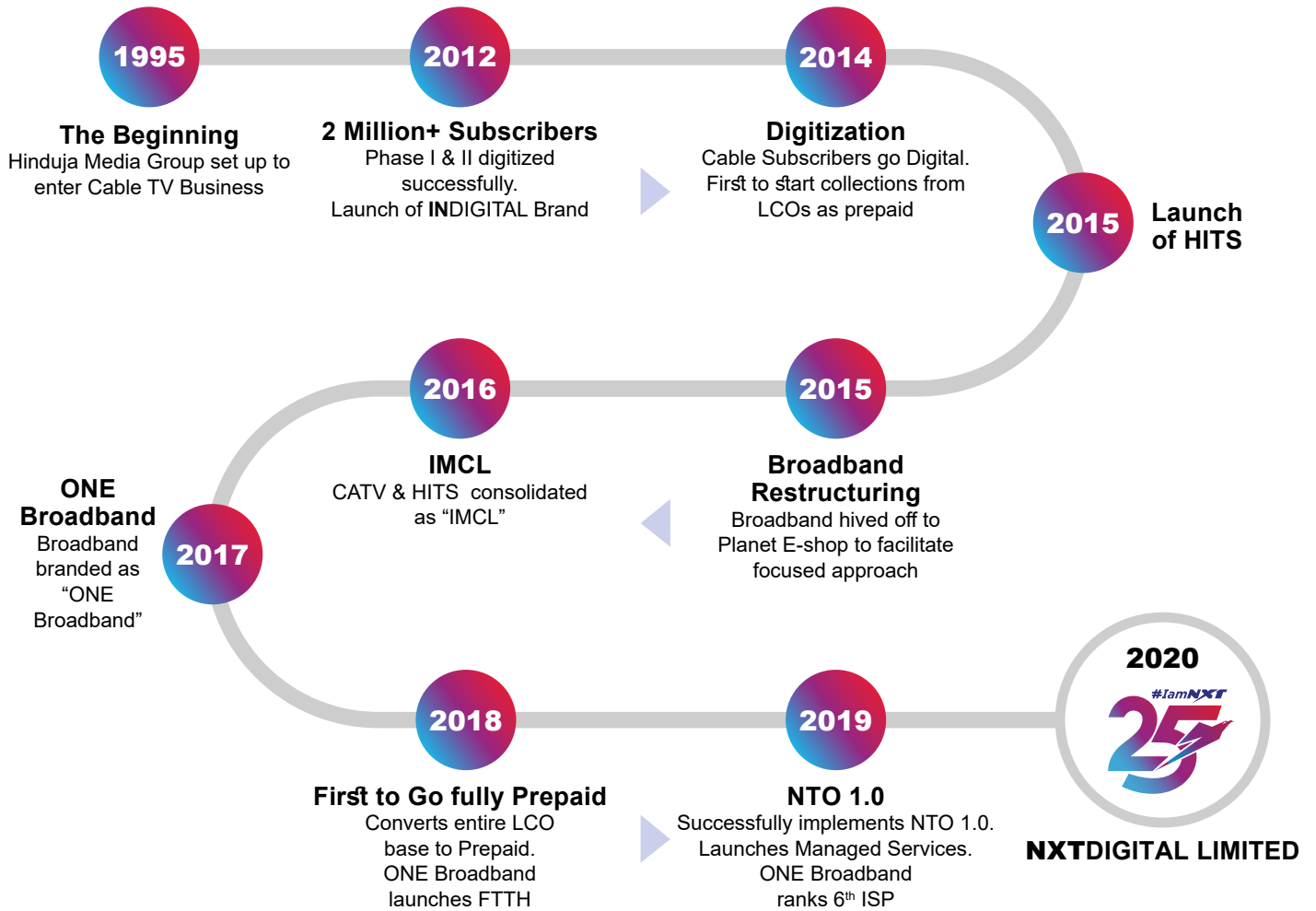


Broadband Services

- Sophisticated broadcasting centre in Noida & data centre in Mumbai
- 80% of LCOs collecting from customers through digital means
- >55% of subscriber base of 5mn estimated to use digital payment
- Focus on KPIs like On-Time & Same-Month Renewal, churn etc.

- Leverage existing CATV customers for increasing subscriber base
- ~70,000 buildings ready for installation
- >300,000 subscribers and a steady growing base under the flagship One GigaFiber

# OUR JOURNEY - 25 YEAR LEGACY OF DELIVERING DIGITAL CONTENT



## CELEBRATIONS OF 25<sup>TH</sup> ANNIVERSARY

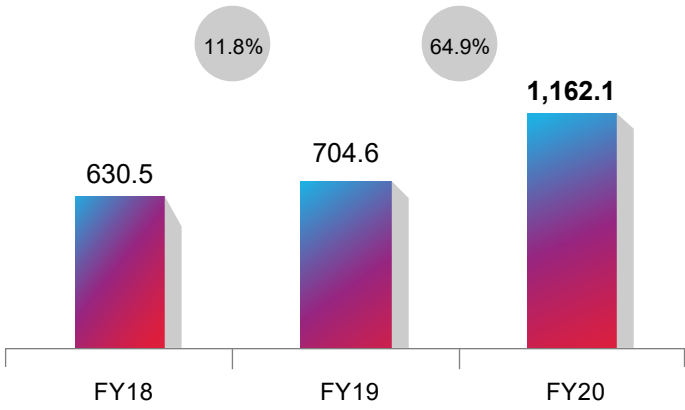




# KEY METRICS AT A GLANCE

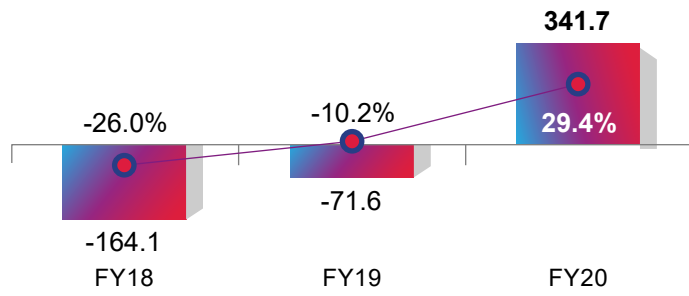
## Revenue

(INR Crores)



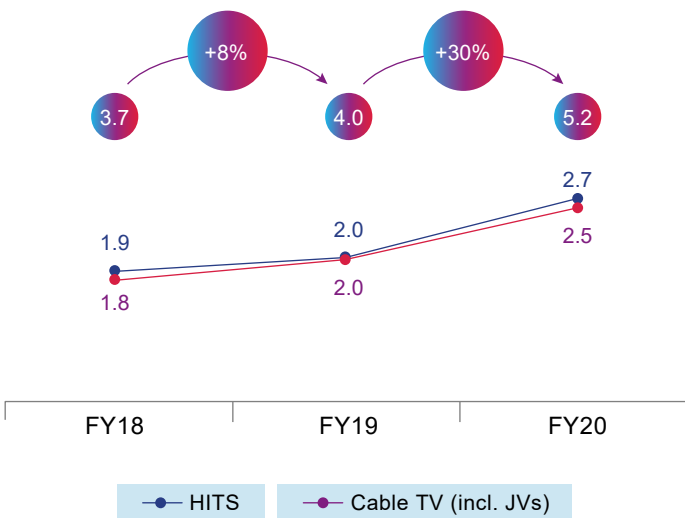
## EBITDA

((INR Crores))



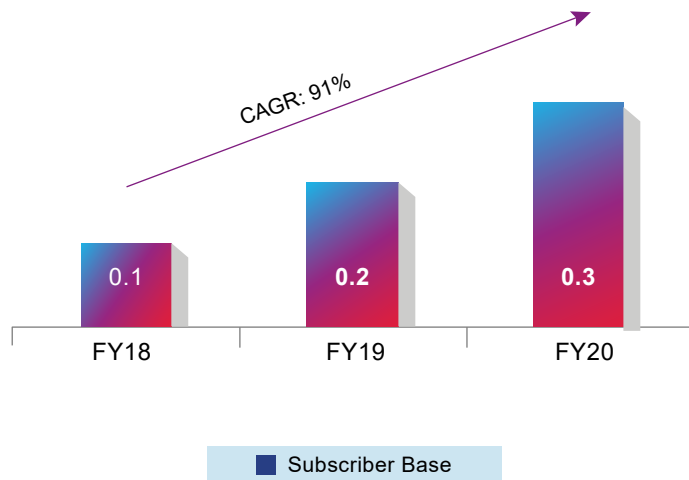
## Subscriber Base - Digital Content Delivery

(Subscriber base in millions)



## Broadband Services

(Subscriber base in millions)



# OUR PRESENCE ACROSS MEDIA

**SUPER ENTERTAINMENT DHAMAKA PACK**

**VISHESH MANORANJAN PACK**



# INITIATIVES FOR BUSINESS PARTNERS AND SUBSCRIBERS

**BRINGING HOME THE BEST OF EDUCATIONAL CHANNELS FOR YOUR KIDS!**

Your kids can learn a lot more in a fun and engaging way through our 3 new channels, at **ZERO COST, AVAILABLE NOW!**

- KISHORE MANCH:** A 24 x 7 education channel of NCERT for classes IX - XII students.
- PANINI:** A channel for Indian Culture and Heritage, Science & Technology, Music & Painting, Economics & Business studies.
- SHARDA:** An education channel which provides courses for Sr. Secondary level, class 11<sup>th</sup> & 12<sup>th</sup>.

**STAY HOME, STAY SAFE AND MAKE SURE EDUCATION FOR YOUR KIDS CONTINUES.**

**INDIGITAL** | **NXTDIGITAL**

**COLLECT SUBSCRIPTION AMOUNT USING EASEBUZZ AND ENJOY ATTRACTIVE CASHBACK!**

Do not worry about the lockdown period. Continue using **Easebuzz** to collect payments, directly into your account through just a SMS link.

| COLLECTION TIME PERIOD (through Easebuzz)      | CASHBACK OFFER     |
|--|--------------------|
| APRIL 25 <sup>th</sup> TO MAY 31 <sup>st</sup> | ₹ 5 per subscriber |
| JUNE 1 <sup>st</sup> TO JUNE 30 <sup>th</sup>  | ₹ 4 per subscriber |
| JULY 1 <sup>st</sup> TO JULY 31 <sup>st</sup>  | ₹ 3 per subscriber |

Subscribers can make online payment through Net Banking, Credit/Debit Card, UPI/BHIM, Paytm, Google Pay etc.

FOR FURTHER DETAILS PLEASE CALL, INDIGITAL: 1860-212-6464 AND NXTDIGITAL: 1860-212-0496. EMAIL: ID\_CARE@NXTDIGITAL.IN

**INDIGITAL** | **NXTDIGITAL**

**RAMADAN SPECIAL PACK**

Dear Partners, We bring you the Ramadan Special Pack to help our subscribers stay connected during the holy month of Ramadan.

| CHANNEL NAME | CHANNEL NUMBER | CHANNEL NAME  | CHANNEL NUMBER |
|--------------|----------------|---------------|----------------|
| IBADAT TV    | 119            | IPURIS TV     | 423            |
| ZEE SALAAM   | 417            | SD URDU       | 416            |
| AALIM SAHARA | 906            | SD KASHIR     | 347            |
| CHANNEL WIN  | 422            | 4 TV NEWS     | 419            |
| NEWS 18 URDU | 416            | QALISTAN NEWS | 858            |
| AL JAZEERA   | 778            | YOKAZER TV    | 994            |

Price: ₹ 16.95 (Taxes additional), valid till 23<sup>rd</sup> May 2020.

*Ramadan Kareem*

FOR FURTHER DETAILS PLEASE CALL US ON: 1860-212-0496

**INDIGITAL** | **NXTDIGITAL**

**Stay notified. Stay safe. Protect yourself and your family from COVID-19.**

DOWNLOAD NOW

**AAROGYA SETU APP**

- Get information about the places with high number of cases in your vicinity.
- Get latest updates and precautionary measures required to stay protected.
- Get alerted if you have unknowingly come in contact with an infected person.
- Get instructions on how to isolate yourself in case you develop symptoms.

AVAILABLE ON **Google Play** | **App Store**

**INDIGITAL** | **NXTDIGITAL**

**Is your site monsoon ready?**

We have enclosed a **Monsoon Readiness Guide** to update you about preventive maintenance before the monsoon.

For any query/explanation/details contact your local INDIGITAL executive

OR, WHATSAPP: +91 73045 74082  
OR, EMAIL: techhelpdesk@nxtdigital.in

**INDIGITAL** | **NXTDIGITAL**

**Stay monsoon ready. The time to take precautions is now!**

Dear INDIGITAL Partners, As the monsoon arrives, it is important that you start preparing your Point of Distribution for its safety during this season. Hence we have put together a checklist for you and your site to be monsoon ready!

**PREVENTIVE MAINTENANCE GUIDELINES BEFORE MONSOON**

- Make sure that the amplifiers and nodes installed are enclosed and the equipment is protected from any water seepage either from the roof or from the floor.
- Use waterproof seal or insulation tape on all input and output cable connections for all the amplifiers and nodes installed at an open space.
- Periodic maintenance of connectors is required to ensure no water/humid air buildup which can adversely affect signals. Use WD-40 or similar anti-rust agent spray to spray these connectors on the nodes. Ensure all surface connectors are required.

Please contact your local INDIGITAL executive for further details.

**INDIGITAL** | **NXTDIGITAL**

**NXT UDAAN**

**FIRST EDITION**

New Launches  
Key Business Developments  
LCO Corner  
Innovations

**INDIGITAL** | **NXTDIGITAL**

**About NXTUDAAN**

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**INDIGITAL** | **NXTDIGITAL**

**MONSOON BONANZA OFFER**

Subscribe for 1 month for a minimum amount of ₹ 400 via INDIGITAL website and **Get a Set Top Box Free!** \* (Installation charges extra)

\*TERMS AND CONDITIONS APPLY

**INDIGITAL**

**ENJOY UPTO 31**

**AMAZING INDIGITAL VAS CHANNELS!**

EXPERIENCE A WIDE VARIETY OF **WHOLESALE ENTERTAINMENT** FOR THE ENTIRE FAMILY WITH INDIGITAL VAS CHANNELS

**INDIGITAL**



# General Information

## NXTDIGITAL LIMITED

### (FORMERLY KNOWN AS HINDUJA VENTURES LIMITED)

CIN NO: L51900MH1985PLC036896

#### Board of Directors

|                          |                          |
|--------------------------|--------------------------|
| Mr. Ashok P. Hinduja     | : Non-Executive Chairman |
| Mr. Anil Harish          | : Independent Director   |
| Mr. Rajendra P. Chitale* | : Independent Director   |
| Mr. Prashant Asher       | : Independent Director   |
| Ms. Bhumika Batra#       | : Independent Director   |
| Mr. Sudhanshu Tripathi   | : Non-Executive Director |
| Mr. Ashok Mansukhani     | : Managing Director      |
| Mr. Amar Chintopanth**   | : Whole Time Director    |

#### Committees of the Board

##### Audit Committee

|                           |
|---------------------------|
| Mr. Anil Harish, Chairman |
| Mr. Rajendra P. Chitale*  |
| Ms. Bhumika Batra#        |
| Mr. Sudhanshu Tripathi    |

##### Nomination and Remuneration Committee

|                           |
|---------------------------|
| Mr. Anil Harish, Chairman |
| Mr. Rajendra P. Chitale*  |
| Mr. Prashant Asher        |
| Mr. Sudhanshu Tripathi    |

##### Stakeholders Relationship Committee

|                                |
|--------------------------------|
| Ms. Bhumika Batra, Chairperson |
| Mr. Prashant Asher             |
| Mr. Sudhanshu Tripathi         |

##### Corporate Social Responsibility Committee

|                           |
|---------------------------|
| Mr. Anil Harish, Chairman |
| Mr. Prashant Asher        |
| Mr. Ashok Mansukhani      |

#### Company Secretary

Mr. Hasmukh Shah

#### Internal Auditor

Mr. Mihir Parab

#### Management Team

Mr. Vynsley Fernandes, CEO\*\*\*  
 Mr. N K Rouse, COO  
 Ms. Ruwanmali Ediriwira, CTO  
 Mr. Ajay Sharma, General Counsel

#### Statutory Auditors

Deloitte Haskins & Sells LLP  
 Chartered Accountants

#### Solicitors and Advocates

Crawford Bayley & Co.

#### Bankers

Yes Bank Limited  
 IndusInd Bank Limited  
 HDFC Bank Limited  
 State Bank of India  
 Axis Bank Limited

#### Registered Office

IN Centre, 49/50, MIDC  
 12<sup>th</sup> Road, Andheri (East)  
 Mumbai - 400 093.  
 Tel.: (91 22) 6691 0945

#### Registrar and Share Transfer Agent

KFin Technologies Private Limited  
 Selenium, Tower B, Plot 31-32  
 Gachibowli Financial District  
 Hyderabad - 500 032  
 Tel.: (91 040) 67162222/ 67161525

#Ms. Bhumika Batra appointed as a member w.e.f. September 23, 2019.

\*Mr. Rajendra P. Chitale ceased to be a member consequent to the completion of his term as Independent Director w.e.f. September 21, 2019.

\*\*Mr. Amar Chintopanth has been appointed as Whole Time Director w.e.f. September 04, 2020.

\*\*\*Mr. Vynsley Fernandes was appointed as a Chief Executive Officer w.e.f. August 01, 2020.

# BOARD'S REPORT

Your Directors have the pleasure in presenting the Thirty-Fifth Annual Report and Company's Audited Financial Statements for the financial year ended March 31, 2020.

The synopsis of the Consolidated Profit and Loss Statement with respect to the continuing operations is as follows:

| (₹ in Crores)   |            |            |
|---|------------|------------|
| Particulars   | FY 2019-20 | FY 2018-19 |
| Total income  | 1,162.10   | 704.60     |
| Total expenses  | 820.36     | 776.23     |
| Earnings before Interest, Depreciation, and taxes                           | 341.74     | (71.63)    |
| Finance Costs   | 119.79     | 105.46     |
| Depreciation and Amortization   | 197.48     | 152.92     |
| Profit/(Loss) before exceptional items and tax - from continuing operations | 24.47      | (330.01)   |
| Exceptional items   | -          | 35.83      |
| Profit/(Loss) before tax - from continuing operations                       | 24.47      | (294.18)   |
| Taxation  | (85.21)    | 9.67       |
| Profit/(Loss) after tax - from continuing operations                        | 109.68     | (303.85)   |

## SCHEME OF ARRANGEMENT

The Board of Directors of the Company and IndusInd Media & Communications Limited (IMCL) at their respective Meetings held on August 27, 2019, had approved the Scheme of Arrangement by which 'Media and Communications Undertaking' of IMCL demerged into the Company pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 ("Act") and fixed October 01, 2019, as the Appointed Date for the aforesaid Scheme.

To achieve this, your Company, along with its subsidiary IndusInd Media & Communications Limited (IMCL), filed a Scheme of Arrangement with the

Hon'ble National Company Law Tribunal, Mumbai Bench (Hon'ble NCLT) whereby the Cable TV and Headend In the Sky (HITS) businesses of IMCL are demerged into the Company.

The Hon'ble National Company Law Tribunal approved the aforesaid Scheme of Arrangement on August 21, 2020, and the Scheme came into effect from August 21, 2020.

The entire business and whole of the Media and Communication undertaking of IMCL stand transferred and vested in the Company effective from October 01, 2019, being the appointed date of the said Scheme.

**The Company is now a significant Digital Services Provider focused on the Media & Entertainment business.**

## ISSUE OF EQUITY SHARES TO THE SHAREHOLDERS OF IMCL

Pursuant to Clause 4.1 of the Scheme of the Arrangement, as a consideration of the transfer and vesting of Media and Communications Undertaking of IMCL, into the Company, it had issued and allotted new 34,95,655 equity shares of Rs 10 each on August 28, 2020, in the ratio of "10 (Ten) fully paid-up Equity Shares of Rs. 10 each of Company for every 125 (One hundred and twenty-five) Equity Shares of Rs. 10 each held in IMCL on record date August 25, 2020."

The Issued, subscribed, and paid-up capital after allotment of 34,95,655 Equity Shares are as under.

| SR No.   | Issued, subscribed, and paid-up capital   | (Amount in ₹)      |
|--|---|--------------------|
| i  | Existing 20,555,503 Equity shares of Rs. 10 each fully paid   | 205,555,030        |
| ii   | 34,95,655 Additional shares issued as consideration under Scheme of Arrangement to the shareholders of IMCL | 3,49,56,550        |
| <b>Total i.e. 2,40,51,158 Equity Shares of Rs. 10 each</b> |   | <b>240,511,580</b> |

The Board of Directors approved the financial results at their meeting held on September 4, 2020, after giving the effect of the Scheme of the Arrangement by and between the Company and IndusInd Media & Communication Limited (IMCL).

## REVIEW OF FINANCIAL PERFORMANCE:

On a consolidated basis, the total income for the financial year ended March 31, 2020, stood at Rs. 1162.10 Crores as against a total income of Rs. 704.60 Crores for the financial year ended March 31, 2019, a growth of 65%.

The growth is driven by an increase both in the subscriber base and the Average Rate per Unit (ARPU) of the Cable TV and broadband businesses.

For the same period, the earnings before interest depreciation and taxes increased to Rs 341.74 Crores from a loss of Rs 71.63 Crores in the previous year.

The Company earned a Profit after Tax from Continuing Operations of Rs 109.68 Crores as compared to a loss of Rs 303.85 Crores in the previous year.

## FINANCIAL IMPACT OF DEMERGER

The following corporate actions have had a bearing on the results of operations:

- By virtue of a Scheme of Arrangement between the Company and its subsidiary IndusInd Media & Communications Limited sanctioned by the National Company Law Tribunal (NCLT), the Cable TV and Headend in the Sky business of IMCL have been demerged into the Company with Appointed Date of October 1, 2019.
- Being a "Common Control" transaction under Indian Accounting Standards. (IND-AS) the figures for the previous full-year have also been restated since the

earliest reporting date, as per the relevant Accounting Standard, is April 1, 2018.

- ONEOTT Intertainment Limited, a Company engaged in providing broadband services, became a subsidiary of the Company.
- The Company discontinued its Treasury & Investment segment by disposing of almost all the assets which constituted this segment and retired all the loans against these assets.

## DIVIDEND

Continuing your Company's unwavering philosophy of rewarding shareholders, your Directors are pleased to recommend for approval of the Members, a dividend of Rs. 5.00 per equity share (previous year Rs. 17.50 per equity share), i.e., 50% of the face value of Rs. 10/- each for the financial year ended March 31, 2020.

## STATE OF INDIAN ECONOMY

The financial year 2019-20 has been a year of significant ups and downs globally. India being a major global player, has not been insulated from the waves of uncertainty that the global societies and economies have had to face the extra-ordinary situation caused by the pandemic further affected the global economies adversely, including India. Governments across the world have announced huge financial packages to help in reviving the economies, which have seen a significant downside due to the lockdown situation.

CRISIL forecasts India's GDP growth to contract to 5% in fiscal 2021 sharply. According to CRISIL, in the past 69 years, India has seen a recession only thrice in fiscals 1958, 1966, and 1980. The reason was the same each time – a monsoon shock that hit agriculture, then a sizeable part of the economy.

A pandemic has never been a cause for de-growth in the last many decades to date.



State-of-the-art Broadcast Facility at Noida

## MEDIA OUTLOOK

The Company is in the business of distribution of TV signals both through Cable and Satellite and also providing broadband services through its subsidiary ONEOTT Entertainment Limited (OIL).

While the forecast for the economy in the short run is in the negative, the TV Channels distribution sector itself shows a promise for growth due to the new work from the home culture, which has taken the route from the time national lockdown was imposed to contain the COVID outbreak in later March. This sharply increased TV viewing habits and almost doubled broadband consumption helping your Company and OIL to earn more revenue.

TV penetration in India is yet to catch up with the developed world. The percentage of TV viewing population in India is just 66% as compared to developed markets where it averages at around 90%.

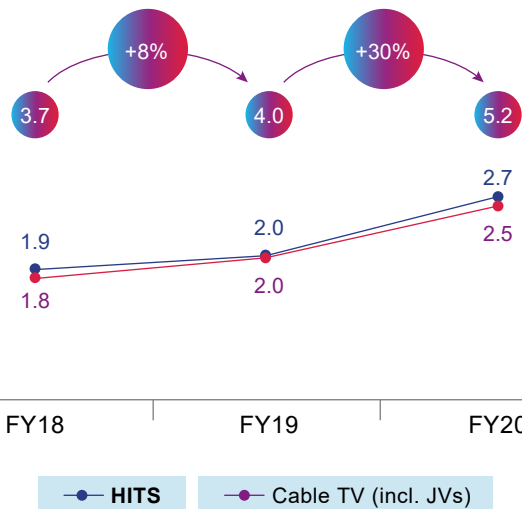
There is, therefore, great scope for growth in the sector, with the semi-urban, semi-rural, and rural India emerging as the growth drivers. The Company is well poised to reap the benefits of higher TV penetration in these areas from continuing operations.

The Pay TV industry is predicted to grow at a CAGR of 4.5 – 6% from 2019 to 2025.

The New Tariff Order (NTO) issued by the Telecom Regulatory Authority of India (TRAI) has also given a fillip to the industry by ensuring a more equitable distribution of revenue between distribution platforms, broadcasters, and local cable operators. This will invite more investment in this sector, leading to further growth.

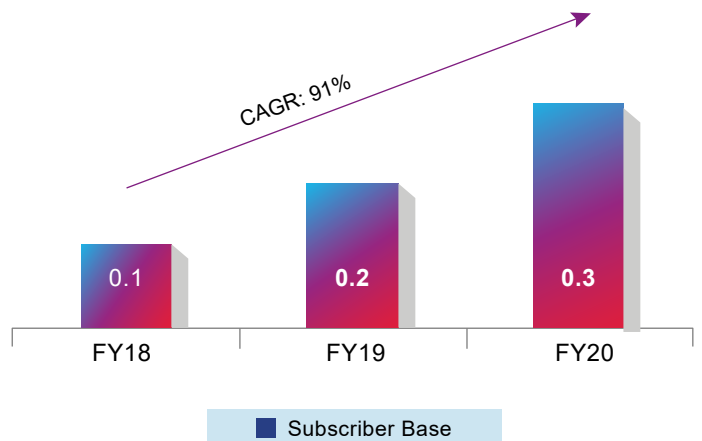
## Subscriber Base - Digital Content Delivery

(Subscriber base in millions)



## Broadband Services

(Subscriber base in millions)





The Company successfully implemented the New Tariff Order without in any way adversely impacting its prepaid collection mechanism, which today stands at 99.5% of the total collections.

The Company's subsidiary OIL is the 6th largest Internet Service Provider in the country.

The Company continues to be one of the forerunners in many areas, some of which are the following:

- Only Multi-System Operator to have over 99.50 % collections on prepaid
- The only provider of services in the Cable TV industry via satellite through the HITS technology
- Innovated compression technology enabling it to pack more channels per satellite transponder
- Present in over 1500 locations across the country
- Delivering the largest number of channels via cable and satellite.

The sector saw some huge investments during the year, with both strategic and financial investors making significant investments in the largest players in the sector. Your Company believes that this is a positive development for all players in the sector as the sector has proved itself to be one which is poised for exponential growth.

## DISCONTINUED OPERATIONS:

The Company discontinued the entire Treasury & Investments business segment by liquidating almost the whole of the Treasury assets and paying off the loans against these assets. The resultant loss has been disclosed as results of "Discontinued Operations" in the Profit & Loss Statement.

The Company holds the balance shares in IndusInd Bank Limited and Hinduja Leyland Finance Limited are disclosed in the financials as "Held for Sale" as the Company intends selling these assets during the current year.

## NATURE OF BUSINESS

The Company discontinued its Treasury & Investments segment during the year and is laying lesser emphasis on the Real Estate business. The Company has repositioned itself as a Media & Entertainment

Company by merging the Cable TV and Headend in the Sky businesses of its subsidiary IndusInd Media & Communications Limited into itself.

## FUTURE MEDIA PLANS

The Company is continuing to drive its unique managed services model - where the potential market is over 69mn TV households and growing steadily. This is essentially the subscriber base of independent, regional, or smaller Multi-System Operators who are looking to prune their operational costs of connectivity whilst improving the quality of services to their subscribers. NXTDIGITAL is also focused on leveraging its expansive TV subscriber base for growing its broadband business.

The focus would be not only on cross-selling of broadband to TV subscribers - across disparate geographies; but also, up-selling of customized content packages and "bundling" of solutions. At the same time, the Company is also poised to roll out innovative digital products and solutions that continue to deliver on the promise of delighting the customer, first & always.

## IMPACT OF COVID-19

SEBI vide its Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, regarding, Advisory on disclosure of the material impact of COVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"). The Company had made necessary intimations to Stock Exchanges from time to time.

In this regard, your Directors would like to inform you that while there have been some delays in cash inflows on account of the lockdown situation, however, the Company sees this more as a temporary phenomenon which is likely to get corrected with the progressive lifting of the lockdowns across the country in due course.

## SUBSIDIARIES/ASSOCIATES /JOINT VENTURE

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ("the Act"), read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement

containing the salient features of the financial statement of the Company’s subsidiaries is provided in Form AOC-1 annexed as **Annexure “A”** to this Report. The Company does not have any associate and joint venture Company during the period under review. Pursuant to the provisions of Section 136 of the Act, the audited financial statements of the Company including Consolidated Financial Statements along with all the relevant documents and separate audited accounts in respect of subsidiaries are available on the website of the Company at the weblink : [www.nxtdigital.co.in](http://www.nxtdigital.co.in)

These documents will also be available for inspection on all working days except Saturday and Sunday and Public Holidays at the Registered Office of the Company.

## CODE OF CONDUCT

All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year 2019-2020. A declaration to this effect as required under Regulation 26(3) read with Schedule V(D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), from the Managing Director of the Company is annexed as **Annexure “B”** to this Report.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS, AND OUTGO

The details of Conservation of Energy, Research and Development and Technology Absorption pursuant to Section 134(3)(m) of the Act during the year under review and the details of Foreign Exchange Earnings and Outgo are as under:

### i) Conservation of Energy:

The Company is not an energy-intensive unit; hence an alternate source of energy may not be feasible. However, regular efforts are made to conserve energy. The Company evaluates the possibilities and various alternatives to reduce energy consumption. Further, the use of low energy consuming LED

lightings is being encouraged.

### ii) Technology Absorption:

The Company is not engaged in manufacturing activities; therefore, disclosures on technology absorption and conservation of energy, etc. are not applicable.

### iii) Foreign Exchange Earnings and Outgo:

Disclosure of foreign exchange earnings and outgo is given in “Notes to the financial statements” forming part of the Audited Annual Accounts, the summary of foreign exchange earnings and outgo are mentioned below:

| Foreign Exchange | Earning | Outgo            |
|------------------|---------|------------------|
| 2018-2019        | NIL     | ₹ 13619.94 Lakhs |
| 2019-2020        | NIL     | ₹ 4869.58 Lakhs  |

## CORPORATE GOVERNANCE

During the year under review, your Company has complied with the Corporate Governance requirements under SEBI Listing Regulations. A detailed report on Corporate Governance as required under Regulation 34 read with Schedule V of the SEBI Listing Regulations is annexed as **Annexure “C”** to this Report.

A certificate from the Secretarial Auditor of the Company certifying that the Company has complied with the conditions of Corporate Governance as required under Schedule V(E) of the SEBI Listing Regulations is annexed as **Annexure “D”** to this Report.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 read with Schedule V of the SEBI Listing Regulations, a Separate Management Discussion and Analysis Report covering a wide range of issues relating to industry trends, Company Performance, SWOT analysis, Business Outlook, etc. is annexed as **Annexure “E”** to this Report.

## BUSINESS RESPONSIBILITY REPORT:

Pursuant to notification of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as per Clause (f) of sub-regulation (2) of regulation 34 of Listing Regulations, the annual Report shall contain a Business Responsibility Report (BSR). Your Company is listed at serial no 652 of BSE listed entity as on March 31, 2020. BSR report is attached marked as **Annexure “F”** to this Report.

## PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public within the meaning of Chapter V of the Act, and as such, no amount of principal or interest was outstanding as on the balance sheet date.

## INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has in place adequate internal financial controls which commensurate with the size, scale, and complexity of its operations. These internal financial controls of the Company encompass entity-level controls, and processes for each area of operations of the Company, including but not limited to Fixed Assets, Investments, Procurement, Operating Expenses, Accounts Payables, Revenue, Accounts Receivables, Payroll and Human Resources Management.

The Company has an Internal Audit function that identifies the critical audit areas with specific reference to operations, accounting, and finance. The Internal Auditor reviews the adequacy of the internal controls and risks in such audit areas every quarter. The audit is based on the Internal Audit Plan, which is reviewed and approved by the Audit Committee. Based on the observations of the Internal Auditor, corrective actions are undertaken by the process owners in their respective areas and thereby strengthening the internal control.

The Internal Control System of your Company is also tested on a half-yearly basis by a specialized external audit firm. In addition to such periodic audits, the Company also has in place a well-implemented risk management policy.

Your Company has complied with specific requirements as laid under Section 134(5)(e) of the Act, which calls for establishment and implementation of the Internal Financial Control framework that supports compliance with requirements of the Act in relation to the Director’s Responsibility Statement.

The Audit Committee, based on its evaluation, has concluded that as on March 31, 2020, your Company’s internal financial controls were adequate and operating effectively.

## EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 are annexed as **Annexure “G”** to this Report, and the same is available on the website of the Company at the web link: <http://nxtdigital.co.in/investors/annual-reports/>.

## LOANS, GUARANTEES, AND INVESTMENTS

Details of loans given, investments made, guarantees are given, and securities provided are given in Note nos. 4, 15 and 42 of the Notes to the Standalone Financial Statements.

## RELATED PARTY TRANSACTIONS

Proper disclosures as required under IND AS-24 have been made in Note no 33 of the Notes to the Standalone Financial Statements.

Since all the transactions/ contracts/ arrangements of nature as specified in Section 188(1) of the Act entered by the Company during the year under review with the related party(ies) were in the ordinary course of business and on an arm’s length basis, no particulars in Form AOC-2 have been furnished, as Section 188(1) of the Act is not applicable.

During the year under review, the Board of Directors adopted a revised Policy on dealing with Related Party Transactions and on the materiality of Related Party Transactions in line with recent amendments in SEBI Listing Regulations and the Companies Act 2013. The revised Policy is available on the Company’s website at the [weblink:](http://nxtdigital.co.in/contents/static/uploads/inv/corporate_policies/Revised_RPT_policy.pdf)

[http://nxtdigital.co.in/contents/static/uploads/inv/corporate\\_policies/Revised\\_RPT\\_policy.pdf](http://nxtdigital.co.in/contents/static/uploads/inv/corporate_policies/Revised_RPT_policy.pdf)

## DIRECTOR'S RESPONSIBILITY STATEMENT

Your Directors, to the best of the knowledge and belief and according to the information, explanations, and representations obtained by them and after due inquiry, make the following statements in terms of Sections 134(3)(c) and 134(5) of the Act that:

- a) in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed, and there are no material departures from the same.
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company as at March 31, 2020, and of the profit of continuing operation of the Company for the year ended on that date;
- c) the Directors have taken proper and enough care for the 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 fraud and other irregularities.
- d) the Directors have prepared the annual accounts on a going concern basis.
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors at its meeting held on April 29, 2020, extended the terms of appointment and payment of remuneration of Mr. Ashok Mansukhani as Managing Director and Key Managerial Personnel from April 29, 2020, till the conclusion of the 35th Annual General Meeting for the year ending March 31, 2020 subject to the approval of shareholders.

Necessary resolution for approval of shareholders

towards the extension of the term of appointment and payment of remuneration of Mr. Ashok Mansukhani as Managing Director is incorporated in the Notice conveying 35th Annual General Meeting.

The Board of Directors at its meeting held on August 1, 2020, appointed Mr. Vynsley Fernandes as Chief Executive Officer and Key Managerial Personnel pursuant to Section 203 of the Companies Act, 2013. The Board at its meeting held on September 4, 2020, 1) Appointed Mr. Vynsley Fernandes as "Manager" with effect from conclusion of 35th AGM i.e. from September 30, 2020, pursuant to Section 203 of the Companies Act, 2013. 2) Appointed Mr. Amar Chintopanth (DIN:00048789), who is Chief Financial Officer as Whole Time Director for a period of three years with effect from September 4, 2020, to September 3, 2023.

Necessary resolutions for approval of shareholders towards the term of appointment and payment of remuneration of Mr. Amar Chintopanth as Whole Time Director and Mr. Vynsley Fernandes as Manager are incorporated in the Notice conveying 35th Annual General Meeting

In accordance with the provisions of Section 152(6) of the Act and in terms of the Articles of Association of the Company, Mr. Sudhanshu Tripathi, Director (DIN:06431686) will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The Board recommends his reappointment for the consideration of the Members of the Company at the 35th Annual General Meeting (AGM). A brief profile of Mr. Sudhanshu Tripathi forms part of the Notice convening the 35th Annual General Meeting.

As on the date of this Report, Mr. Ashok Mansukhani, Managing Director, Mr. Vynsley Fernandes Chief Executive Officer, Mr. Amar Chintopanth, Whole Time Director & Chief Financial Officer, and Mr. Hasmukh Shah, Company Secretary & Compliance Officer are the Key Managerial Personnel of your Company in accordance with the provisions of Section 2(51) read with Section 203 of the Act.

Mr. Ashok Mansukhani completes his term as Managing Director at the Conclusion of 35th Annual General Meeting.

The Board places on record it's sincere appreciation to Mr Mansukhani for his contributions towards success of the Company during his long association.

His dedication and loyalty, contribution to meaningful



deliberations of Board, wide and varied experience in the field of Media and Taxation has immensely benefited to the Company and Group.

## INDEPENDENT DIRECTORS

Your Company has received a declaration from all the Independent Directors confirming that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013, and Regulation 16(1)(b) of the SEBI Listing Regulations and names of all the Independent Directors are included in the data bank of Independent Directors maintained by Indian Institute of corporate Affairs (IICA).in line with the requirement of Companies Amendment Act, 2013 effective from December 1, 2019.

There has been no change in the circumstances affecting their status as Independent Directors during the year under review.

The present tenure of Ms. Bhumika Batra as an Independent Director had expired on March 10, 2020. Pursuant to the provisions of Section 149(6) of the Companies Act, she is eligible for reappointment for the second term. Ms. Bhumika has consented for reappointment for the second term of five years.

On the recommendation of the Nomination and Remuneration Committee at its meeting held on February 3, 2020, the Board of Directors at its meeting held on February 3, 2020, subject to the approval of the shareholders, have approved the reappointment of Ms. Bhumika Batra as an Independent Director for a second term of five years from March 11, 2020 to March 10, 2025.

Necessary resolution for approval of shareholders towards reappointment of Ms. Bhumika Batra as an Independent Director for a second term of five years is incorporated in the Notice conveying 35th Annual General Meeting.

## BOARD MEETINGS HELD DURING THE YEAR

During the year, five (5) meetings of the Board of Directors were held. The details of the meetings are furnished in the Corporate Governance Report, which forms part of this Report.

## COMMITTEE MEETINGS HELD DURING THE YEAR

The details of the Committee meetings are furnished in the Corporate Governance Report, which forms part of this Report.

## PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES, AND DIRECTORS

The Company had engaged the services of a specialized agency to undertake the evaluation process towards the performance of the Directors individually, the Board as a whole, and the Board Committees. The manner in which the Board has carried out evaluation in consultation with such a specialized agency has been explained in the Corporate Governance Report, which forms part of this Report.

## COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Company's Policy on Director's appointment/remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of this Report.

## COMPOSITION OF AUDIT COMMITTEE

The details pertaining to the composition of the Audit Committee are included in the Corporate Governance Report, which forms part of this Report.

## STATUTORY AUDITORS:

At the 30th Annual General Meeting of the Company held on September 23, 2015, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No. 117366W/ W-100018), were appointed as Statutory Auditors of your Company for a term of five years, i.e., from the conclusion of the 30th Annual General Meeting until the conclusion of 35th Annual General Meeting of the Company.

The terms of M/s Deloitte Haskins & Sells LLP, Chartered Accountants as statutory auditors, will expire on the conclusion of the ensuing 35th Annual General Meeting.

The Board of Directors at its meeting held on July 31, 2020, on the recommendation of Audit Committee appointed M/s. Haribhakti & Co. LLP Chartered Accountants (Firm Registration No. 103523W/W100048) as Statutory Auditors of the Company, subject to the approval of members for the first term of five years with effect from conclusion of 35th Annual General Meeting till the conclusion of 40th Annual General Meeting in place of M/s. Deloitte Haskins & Sell LLP Chartered Accountants, who will be completing its terms as Statutory Auditors of the Company pursuant to Section 139(2) of the Companies Act, 2013, on the conclusion of the 35th Annual General Meeting.

The Company has received confirmation from M/s. Haribhakti & Co. LLP Chartered Accountants (Firm Registration No. 103523W/W100048) that they are not disqualified to act as the Statutory Auditors and are eligible to hold the office as Auditors of the Company.

The Auditor's Report to the Members on the Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2020, does not contain any qualifications, reservations, or adverse remarks.

## **COST AUDITORS:**

In accordance with Section 148 of the Act and rules framed thereunder, the Board of Directors on the recommendation of the Audit Committee has appointed M/s. ABK & Associates, Cost Accountants, (Firm Registration No. 000036), as Cost Auditors of the Company for the financial year 2019-20 to audit the accounts relating to Dark Optic Fiber Leasing for the financial year ended March 31, 2020. Necessary resolution for ratification of remuneration of the Cost Auditor for the financial year 2020-21 will be placed before the Members for ratification/approval.

The accounts and Cost records, as specified under Section 148(1) of the Act, are made and maintained by the Company. The Cost Audit Report for the financial year 2019-20 issued by M/s ABK & Associates, Cost Auditor in respect of the various products prescribed under Cost Audit Rules does not contain any qualifications, reservations, or adverse remarks.

## **SECRETARIAL AUDITORS:**

Pursuant to the provisions of Section 204 of the Act and

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Ms. Rupal Jhaveri, a Company Secretary in Whole-Time Practice (CP: 4225), was appointed to undertake Secretarial Audit for the financial year 2019-2020. The Secretarial 'Auditor's Report is annexed as Annexure "H" to this Report.

The Secretarial Audit Report for the year under review does not contain any qualifications, reservations, or adverse remarks.

## **NO REPORTING OF FRAUDS BY AUDITOR:**

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor has reported to the Audit Committee, under section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

## **CORPORATE SOCIAL RESPONSIBILITY**

For the Financial Year 2019-20, your Company has further contributed Rs. 1.16 Crore to Hinduja Foundation, "Sustainable Rural Development Project" a Project of Rural Development and Rural Education Programme in Jawahar Taluka, Palghar District, Maharashtra.

Hinduja Foundation committed to improving primary learning outcomes both in urban government schools and at the rural level. It works with partners to implement the following programmes: Road to School, Road to Livelihood and Saksham. These are broad-based programmes that reach thousands of schools, mainly through primary-level interventions that build learning and lifestyle skills. They are supported by a healthy sport and nutrition support mechanism, and they offer guidance to the 'child's community and ecosystem.

In Maharashtra's Jawahar Taluka, under your Company, we run "Sustainable Rural Development Project" a Project of Rural Development and Rural Education Programme supported 3,875 students from 14 schools over six years; an after-school programme that covers 1542 children from 18 villages and 69 hamlets; and professional development and mentoring programmes that work with over 100 educators from 14

schools.

Beyond these projects, the Hinduja Foundation has undertaken long-term projects that call for 360-degree intervention and expertise across the Board. The major occupation in Jawahar is agriculture; however, the situation is challenging because of factors like small landholdings, poor soil quality, traditional agriculture

practices, single crop patterns, and rain-fed subsistence agriculture. This has resulted in low yield and inadequate income. It was against this stark reality that our Jawahar project was designed.

The CSR computation pursuant to the provisions of Section 135 of Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("the Rules") for the financial year 2019-20 was as under:

(₹ in Lakhs)

| Particulars  | 2018-19   | 2017-18  | 2016-17  |
|--|-----------|----------|----------|
| (a) Profit/(Loss) before tax   | (7164.31) | 15833.43 | 12834.32 |
| (b) Dividend Income which is covered under and complying with the provisions of section 135 of the Act:  | 551.46    | 501.67   | 435.91   |
| Balance  | (7715.77) | 15331.76 | 12398.41 |
| (c) Less: Amounts for which credits not to be given  | 0         | 0        | 0        |
| Profits of capital nature, including profits from the sale of the undertaking or any of the undertakings of the Company or any part thereof;   | 0         | 0        | 5087.15  |
| Balance  | (7715.77) | 15331.76 | 7311.26  |
| Add: Amounts for which shall not be deducted   |           |          |          |
| a) income-tax and super-tax payable by the Company under the Income-tax Act, 1961, or any other tax on the income of the Company not falling under Clause s (d) and (e) of sub-section (4);  | 0         | 0        | 0        |
| b) any compensation, damages or payments made voluntarily otherwise than in virtue of liability such as is referred to in Clause (m) of sub-section (4);   | 0         | 0        | 0        |
| c) loss of capital nature, including loss on the sale of the undertaking or any of the undertakings of the Company or any part thereof not including any excess of the written-down value of any asset which is sold, discarded, demolished, or destroyed over its sale proceeds or its scrap value; | 0         | 0        | 0        |
| d) any change in carrying amount of an asset or of liability recognized in equity reserves, including surplus in profit and loss account on measurement of the asset or the liability at fair value.   | 2531.53   | 0        | 0        |
| Net Profit   | (5184.24) | 15331.76 | 7311.26  |
| Average Profit   |           |          | 5819.59  |
| CSR - 2% of the average profits  |           |          | 116.39   |

Your Company had considered loss (for the financial year 2018-19) while computing 2% of average net profit to arrive at CSR amount for the FY 2019-20.

The composition of the CSR Committee and annual Report on CSR activities in terms of the requirements of Sections 134(3)(o) and 135 of the Act read with the Rule 8 and 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as Annexure "I" to this Report. The CSR Policy is available on the website of the Company viz [www.nxtdigital.co.in](http://www.nxtdigital.co.in)

## WHISTLEBLOWER / VIGIL MECHANISM

During the year under review, the Board of Directors had approved a revised policy on Whistle Blower / Vigil Mechanism, and the same is uploaded on the website of the Company at the web link: <http://www.nxtdigital.co.in/pdf/whistlerblower-policy-vigil-mechanism.pdf>

The mechanism enables the Directors and employees to report their genuine concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and assures to provide adequate safeguards against victimization of the concerned Director or employee. The employees and other stakeholders have direct access to the Chairperson of the Audit Committee for lodging concerns, if any, for review.

Your Company affirms that no Director/ employee has been denied access to the Chairperson of the Audit Committee and that no complaints were received during the year.

## RISK MANAGEMENT POLICY

The risk management policy of the Company lays down the risk strategy of the Company and helps in determining the risk factor, categorizing the various forms of risks affecting the Company's strategic and financial goals and modes to manage such risks.

The risk identification and remedial steps, if any, to mitigate risks are periodically reviewed by the Company. In addition to reviewing the remedial steps, the Company also assesses whether identified risks still exist or whether the Company is exposed to new risks.

The Audit Committee and Board are updated on how each of the identified risks is monitored during the

reporting period to ensure that there is no adverse impact on the Company.

Further details on risk management are provided in the Management Discussion and Analysis Section, which form part of this Report.

## COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARDS

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively. The Company has complied with SS-1 and SS-2.

## CREDIT RATING

ACUITE Ratings & Research Limited, a credit rating agency vide its letter dated February 3, 2020, has reaffirmed the long term rating "ACUITE A+" (read as ACUITE A Plus) on ₹100 Crores Buyers Credit and ₹220 Crores Term loan of the company. Instruments with this rating are considered to have a very strong degree of safety regarding timely payment of financial obligations and carry the lowest credit risk. The rating outlook is "Stable".

Infomercs Valuation and Rating Private Limited ("IVR"), a Credit Rating Agency have vide its letter dated June 22, 2020 assigned rating "IVR A+" to your Company in respect of its following facilities for ₹320 Crores.

The rating outlook is "Stable."

(₹ in Crores)

|  |        |  |
|--|--------|--|
| 1 Long Term Facility - Term Loan*        | 195.00 | IVR A+/ Stable outlook (IVR Single A Plus with stable outlook) |
| 2 Proposed Long Term Fund Based Facility | 125.00 | IVR A+/ Stable outlook (IVR Single A Plus with stable outlook) |

## PREVENTION OF SEXUAL HARASSMENT

Your Company has zero-tolerance for sexual harassment at the workplace and have adopted Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace ("PPRSH") in line with provi-



sions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder. An Internal Committee (IC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, temporary, trainees) are covered under this Policy.

During the financial year under review, no concerns have been raised regarding sexual harassment at the workplace.

## INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 (the IEPF Rules), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after the completion of seven years.

Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the Demat account of the IEPF Authority. During the year, the Company has transferred the unclaimed and unpaid dividends of Rs 3,25,785/- (Three Lakhs Twenty Five Thousand Seven Hundred Eighty Five only)

Further, 289 equity shares on which dividends were unclaimed for seven consecutive years were transferred as per the requirements of the IEPF Rules. The details are provided in the Corporate Governance Report of this Annual Report under heading Unpaid/Unclaimed Dividend and are also available on our Company's website at the weblink: <http://nxtdigital.co.in/investors/unclaimed-dividend/>

## COMMUNICATION AND PUBLIC RELATIONS

Your Company has continuously endeavored to increase awareness among its stakeholders and in the marketplace about the Company's strategy, new developments, and financial performance as per rules laid down by the Regulatory Authorities like SEBI etc.

## EMPLOYEES PARTICULARS AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure "J" to this Report.

A statement containing particulars of top 10 employees and the employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of this Report. In terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. The said Statement is also open for inspection at the Registered Office of the Company, up to the date of the ensuing Annual General Meeting. Any member interested in obtaining a copy of the same may write to Company Secretary.

## GENERAL DISCLOSURES

- 1) No significant or material orders were passed by any Regulator or Court or Tribunal, which can have an impact on the going concern status and the Company's operations in the future.
- 2) There are no material changes and commitments that have occurred between the end of the financial year of the Company and the date of this Report, which affects the financial position of the Company.
- 3) The Managing Director of the Company does not receive any remuneration or commission from any of its subsidiaries.

## ACKNOWLEDGEMENTS

Your Board of Directors takes this opportunity to thank the Company's employees, customers, vendors, business partners, members, and bankers for the faith reposed in the Company and to thank various regulatory authorities and agencies for their support and looks forward to their continued encouragement.

For and on behalf of the Board of Directors

**Ashok P. Hinduja**  
Chairman

Place: Mumbai  
Date: September 4, 2020

Annexure “A” to the Board’s Report

**Form AOC-1**  
(Pursuant to first provision to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
**Statement containing salient features of the financial statement of Subsidiaries Companies/ Associates Companies/ Joint Ventures**

**Part “A”: Subsidiaries**  
(Information in respect of each subsidiary to be presented with amounts)

(₹ in Lakh unless otherwise stated)

| Sr. No.  | Name of Subsidiary Company                                   | Reporting Period | Reporting Currency | Exchange Rate | Paid up Capital | Reserves  | Total Assets | Total Liabilities | Investments (except in case of investments in the subsidiary) | Turnover Income | Profit/(Loss) before taxation | Provision for Taxation | Profit/(Loss) after Taxation | Proposed Dividend | % of Share-holding |
|----------|--|------------------|--------------------|---------------|-----------------|-----------|--------------|-------------------|---|-----------------|-------------------------------|------------------------|------------------------------|-------------------|--------------------|
| <b>A</b> | <b>Subsidiaries Entity</b>                                   |                  |                    |               |                 |           |              |                   |   |                 |                               |                        |                              |                   |                    |
| 1        | Indusind Media and Communications Limited                    | Apr - Mar        | INR                | 1.00          | 4,866.00        | 2,593.00  | 7,929.00     | 469.00            | -   | 1,112.00        | (844.00)                      | (844.00)               | (844.00)                     | Nil               | 77.55%             |
| 2        | USN Networks Private Limited                                 | Apr - Mar        | INR                | 1.00          | 186.97          | (246.62)  | 13.71        | 73.36             | -   | -               | (0.59)                        | (0.59)                 | (0.59)                       | Nil               | 100.00%            |
| 3        | United Mysore Network Private Limited                        | Apr - Mar        | INR                | 1.00          | 227.33          | (335.60)  | 44.99        | 153.26            | -   | -               | (1.38)                        | (1.38)                 | (1.38)                       | Nil               | 99.45%             |
| 4        | Gold Star Noida Network Private Limited                      | Apr - Mar        | INR                | 1.00          | 262.00          | (957.21)  | 113.33       | 808.54            | -   | -               | (9.10)                        | (9.10)                 | (9.10)                       | Nil               | 100.00%            |
| 5        | Bhima Riddhi Infotainment Private Limited                    | Apr - Mar        | INR                | 1.00          | 102.04          | 1,157.11  | 2,742.07     | 1,482.92          | 0.88  | 6,692.21        | 847.48                        | 177.14                 | 670.34                       | Nil               | 51.00%             |
| 6        | Apna Incable Broadband Services Private Limited              | Apr - Mar        | INR                | 1.00          | 173.50          | (456.46)  | 38.42        | 321.69            | -   | -               | (6.75)                        | (6.75)                 | (6.75)                       | Nil               | 100.00%            |
| 7        | Sangli Media Services Private Limited                        | Apr - Mar        | INR                | 1.00          | 102.04          | (8.82)    | 337.53       | 244.32            | 0.03  | 265.95          | 11.17                         | (2.29)                 | 13.46                        | Nil               | 51.00%             |
| 8        | Sainath In Entertainment Private Limited                     | Apr - Mar        | INR                | 1.00          | 50.00           | (346.7)   | 206.68       | 503.39            | -   | 277.41          | (5.27)                        | (0.48)                 | (4.79)                       | Nil               | 51.00%             |
| 9        | Sunny Infotainment Private Limited                           | Apr - Mar        | INR                | 1.00          | 15.00           | (113.95)  | 43.44        | 142.39            | -   | -               | (24.41)                       | 1.58                   | (22.83)                      | Nil               | 51.00%             |
| 10       | Gold Star Infotainment Private Limited                       | Apr - Mar        | INR                | 1.00          | 92.72           | (99.04)   | 0.64         | 6.95              | -   | -               | (0.55)                        | -                      | (0.55)                       | Nil               | 98.92%             |
| 11       | Ajanta Sky Darshan Private Limited                           | Apr - Mar        | INR                | 1.00          | 2               | (9.16)    | 113.97       | 121.14            | -   | 0.01            | (7.81)                        | (0.53)                 | (7.28)                       | Nil               | 51.00%             |
| 12       | Darpita Trading Company Private Limited                      | Apr - Mar        | INR                | 1.00          | 100             | (891.19)  | 2496.04      | 3287.24           | -   | 2,766.50        | 273.84                        | 30.44                  | 243.40                       | Nil               | 51.00%             |
| 13       | RBL Digital Cable Network Private Limited                    | Apr - Mar        | INR                | 1.00          | 10              | (6.00)    | 17.11        | 13.12             | -   | -               | 1.27                          | -                      | 1.27                         | Nil               | 51.00%             |
| 14       | Vistaar Telecommunication and Infrastructure Private Limited | Apr - Mar        | INR                | 1.00          | 2.04            | (49.75)   | 77.30        | 125.01            | -   | -               | (19.13)                       | (2.27)                 | (16.86)                      | Nil               | 51.00%             |
| 15       | Vinsat Digital Private Limited                               | Apr - Mar        | INR                | 1.00          | 19.09           | (178.10)  | 473.37       | 632.38            | -   | 409.63          | (123.24)                      | (7.07)                 | (116.17)                     | Nil               | 61.00%             |
| 16       | OneOTT Intertainment Limited                                 | Apr - Mar        | INR                | 1.00          | 2822.12         | 2,1745.98 | 36828.23     | 12260.13          | 711.1   | 14159.03        | -553.22                       | -                      | -553.22                      | Nil               | 71.65%             |
| 17       | *IN Entertainment (India) Limited                            | Apr - Mar        | INR                | 1.00          | 607.5           | 11470.62  | 21264.76     | 9186.64           | 687.42  | 9291.97         | -768.26                       | (307.73)               | -460.53                      | Nil               | 0%                 |
| 18       | *Onemahane Intertainment Private Limited                     | Apr - Mar        | INR                | 1.00          | 101             | 2,76782   | 114.7        | 10.93             | 0   | 8.84            | 0.052                         | 0.05                   | -0.0015                      | Nil               | 0%                 |

\* These Companies are Wholly owned Subsidiaries of OneOTT Intertainment Limited. Therefore, these Companies are subsidiaries of the Company

**Part “B”: Associates and Joint Venture - NIL**

For and on behalf of the Board of Directors

Place: Mumbai

Date: September 04, 2020

**Anil Harish**  
Director

**Ashok Mansukhani**  
Managing Director

**Hasmukh Shah**  
Company Secretary

**Amar Chintopanth**  
Whole Time Director & CFO

**Annexure “B” to the Board's Report  
Confirmation towards Code of Conduct**

I hereby confirm that all the Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ending March 31, 2020.

**Ashok Mansukhani**  
**Managing Director**  
**DIN: 00143001**

Place : Mumbai  
Date : September 04, 2020

## Annexure “C” to the Board’s Report

## Report On Corporate Governance

## 1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

The Company adheres to good corporate practices and has been upholding the core values in all facets of its corporate working with due concern for the welfare of members of the Company. The Board of Directors, Management and Employees of the Company consistently envisage attainment of highest level of transparency, integrity, accountability and fairness in all operations of the Company. It is believed that strict adherence to business ethics and commitment to corporate social responsibility would help the Company to achieve its goal of maximizing value for all its stakeholders. It further inspires and strengthens investor’s confidence by ongoing commitment to overall growth of the Company.

Your Company has complied with the provisions of Corporate Governance as stipulated in the **SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015** as amended from time to time (“SEBI Listing Regulations”).

The detailed report on the compliance is given hereunder:

## 2. BOARD OF DIRECTORS

## A. Composition and Category:

The Company’s Board has an appropriate mix of Executive, Non-Executive and Independent Directors which enables the Board to provide effective leadership, strategic guidance, objective and Independent view to the Company’s management.

The Independent Directors of the Company continue to bring a balanced perspective to the Board deliberations including issues of strategy, risk management and overall governance by assessing the matters objectively.

As on March 31, 2020, the Board of Directors of the Company comprised of six (6) Directors. Out of the total six (6) Directors, five (5) (i.e. 83.33%) are Non-Executive Directors out of

which 3 (three) (i.e. 50%) are Independent Directors.

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 (**‘the Act’**) and Regulation 17 of the SEBI Listing Regulations.

Category of the Board of Directors is as follows:

| Name of Directors      | DIN      | Category                                       |
|------------------------|----------|--|
| Mr. Ashok P. Hinduja   | 00123180 | Promoter / Chairman and Non-Executive Director |
| Mr. Ashok Mansukhani   | 00143001 | Managing Director                              |
| Mr. Anil Harish        | 00001685 | Independent Director                           |
| Mr. Prashant Asher     | 00274409 | Independent Director                           |
| Ms. Bhumika Batra      | 03502004 | Independent Director                           |
| Mr. Sudhanshu Tripathi | 06431686 | Non-Executive Director                         |

\*Mr. Rajendra P. Chitale (00015986), Independent Director retired on completion of his term on September 21, 2019.

## B. Board Meetings held during the year:

Five (5) Board Meetings were held during the year under review as under:

| Date of Board Meetings | Board Strength | No. of Directors present |
|------------------------|----------------|--------------------------|
| May 09, 2019           | 7              | 7                        |
| August 12, 2019        | 7              | 6                        |
| August 27, 2019        | 7              | 7                        |
| November 14, 2019      | 6              | 6                        |
| February 03, 2020      | 6              | 6                        |

The time gap between any two meetings did not exceed one hundred and twenty days in compliance with the requirements under the Act.

In compliance with the applicable provisions of the Act and the rules made thereunder, the Company facilitates the participation of Directors in Board / Committee Meetings through video conference.



## Report on Corporate Governance

### C. Attendance of Directors and details of Membership of the Directors on Board and Board Committees were as under:

| Name of Directors       | Attendance at the meetings during the financial year 2019-2020 |                        | Number of Directorships in public companies as on March 31, 2020# |          | Number of Committee positions held in public companies as on March 31, 2020# |        |
|-------------------------|--|------------------------|---|----------|--|--------|
|                         | Board Meetings   | Annual General Meeting | Chairman  | Director | Chairman   | Member |
| Mr. Ashok P. Hinduja    | 5  | Yes                    | 6   | 6        | Nil  | Nil    |
| Mr. Anil Harish         | 5  | Yes                    | Nil   | 3        | 4  | 4      |
| Mr. Rajendra P. Chitale | 3  | Yes                    | Retired on September 21, 2019 on completion of his term           |          |  |        |
| Mr. Prashant Asher      | 4  | Yes                    | Nil   | 9        | 1  | 5      |
| Ms. Bhumika Batra       | 5  | Yes                    | Nil   | 10       | 2  | 8      |
| Mr. Sudhanshu Tripathi  | 5  | Yes                    | Nil   | 5        | Nil  | 6      |
| Mr. Ashok Mansukhani    | 5  | Yes                    | Nil   | 4        | Nil  | 1      |

# Excludes directorships in (1) Private Companies (2) Section 8 Companies (3) Companies incorporated outside India and (4) Alternate Directorships.

Only Audit Committee and Stakeholders Relationship Committee of public companies have been considered for committee position.

#### Names of the other listed entities where the Directors holds Directorship:

| Sr. No | Name of Directors      | Name of other Listed Entities   | Category of Directorship   |
|--------|------------------------|---|--|
| 1.     | Mr. Ashok P. Hinduja   | -   | -  |
| 2.     | Mr. Anil Harish        | Blue Star Limited<br>Hinduja Global Solutions Limited   | Independent Director<br>Independent Director   |
| 3.     | Mr. Prashant Asher     | Sharp India Limited<br>Keltech Energies Limited   | Independent Director<br>Independent Director   |
| 4.     | Ms. Bhumika Batra      | Repro India Limited<br>Sharp India Limited<br>Jyothy Labs Limited<br>Finolex Industries Limited<br>Hinduja Global Solutions Limited | Independent Director<br>Independent Director<br>Independent Director<br>Independent Director<br>Independent Director |
| 5.     | Mr. Sudhanshu Tripathi | GOCL Corporation Limited<br>Hinduja Global Solutions Limited  | <br>Non-Executive Director   |
| 6.     | Mr. Ashok Mansukhani   | -   | -  |

- i. None of the Directors on the Board hold directorships in more than ten public companies and seven listed companies. Further, none of them is a member of more than Ten committees or Chairman of more than Five committees (Committees being Audit Committee and Stakeholders Relationship Committee, as per Regulation 26(1) of the SEBI Listing Regulations) across all listed companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2020 have been made by the Directors. None of the Directors are related to each other.
- ii In compliance with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 effective from April 01, 2019:

## Report on Corporate Governance

1. None of the Directors on the Board hold directorships in more than eight listed entities.
2. None of the Directors serve as an Independent Director in more than seven listed entities.
3. None of the Whole-Time Director / Managing Director on the Board serves as an Independent Director in more than three listed entities.

The Independent Directors are Non-Executive Directors as defined under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. All Independent Directors have confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

- iii. No person was appointed or continued appointment as an Alternate Director for an Independent Director as required under Regulation 25(1) of SEBI Listing Regulations.
- iv. Independent Directors of the Company are appointed for a period of five (5) years as per the provisions of Section 149 of the Act and Regulation 25(2) of the SEBI Listing Regulations and are not liable to retire by rotation.
- v. The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company.
- vi. During the year, a separate meeting of Independent Directors was held on March 13, 2020 inter-alia to review the performance of Non-Independent Directors, Chairman and the Board as a whole. The Independent Directors also reviewed the quality, quantity and timeliness of the flow of information between the Management and the Board and its Committees which is necessary for Board of Directors to perform their duties effectively and reasonably.
- vii. During the year 2019-20, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- viii. The Board periodically reviews compliance report of all the laws applicable to the Company as prescribed under Regulation 17(3) of SEBI Listing Regulations.

### E. Skills / Expertise / Competencies of the Board of Directors:

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business as mentioned below:

| S. No. | Name of the Directors  | Strategic Financial acumen | Strategic Risk Management | Corporate Governance | Providing guidance to the management | Performance assessment and evaluation of Senior management personnel | Regulatory Knowledge |
|--------|------------------------|----------------------------|---------------------------|----------------------|--------------------------------------|--|----------------------|
| 1.     | Mr. Ashok P. Hinduja   | √                          | √                         | √                    | √                                    | √  | √                    |
| 2.     | Mr. Anil Harish        |                            |                           | √                    | √                                    |  | √                    |
| 3.     | Mr. Prashant Asher     | √                          | √                         | √                    | √                                    | √  | √                    |
| 4.     | Ms. Bhumika Batra      |                            | √                         | √                    | √                                    | √  | √                    |
| 5.     | Mr. Sudhanshu Tripathi |                            | √                         | √                    | √                                    | √  | √                    |
| 6.     | Mr. Ashok Mansukhani   | √                          | √                         | √                    | √                                    | √  | √                    |

## Report on Corporate Governance

### 3. AUDIT COMMITTEE

The Committee's composition and terms of reference are in compliance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations.

#### A. #Terms of Reference:

The terms of reference of the Audit Committee are as under:

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of our Company;
3. Approval of payment to Auditors for any other services rendered by the Auditors of our Company;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - b) Changes, if any, in accounting policies and practices and reasons thereto;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions; and
  - g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
8. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
9. Formulating a policy on related party transactions, which shall include materiality of related party transactions;
10. Approval or any subsequent modification of transactions of our Company with related parties; Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the Accounting Standards.
11. Scrutiny of inter-corporate loans and investments;
12. Valuation of undertakings or assets of our Company, wherever it is necessary;
13. Evaluation of internal financial controls and risk management systems;
14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
15. Reviewing the adequacy of internal audit function, if any, including the structure

## Report on Corporate Governance

- of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
16. Discussion with internal auditors of any significant findings and follow up there on;
  17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  19. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  20. To review the functioning of the whistle blower mechanism;
  21. Approval of the appointment of the CFO of our Company (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  22. Review the compliance with the provisions of SEBI (Prohibition of Insider Trading) (Amendment) Regulations 2018 and shall verify that the systems for internal control are adequate and are operating effectively at least once in a financial year; and
  23. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee is required to mandatorily review the following information:

- 1) Management discussion and analysis of financial condition and results of operations;
- 2) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of our Company;
- 3) Management letters / letters of internal control weaknesses issued by the statutory auditors of our Company;
- 4) Internal audit reports relating to internal control weaknesses;
- 5) The appointment, removal and terms of remuneration of the Chief Internal Auditor;
- 6) Statement of deviations:
  - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchanges in terms of sub-regulation (1) of Regulation 32 of the SEBI Listing Regulations; and
  - b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of sub-Regulation (7) of Regulation 32 of the SEBI Listing Regulations.

*#The Terms of Reference of Audit Committee were revised at the Board meeting held on February 07, 2019 pursuant to the Companies Amendment Act 2017, effective from May 07, 2018 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, effective from April 01, 2019.*

### B. Composition:

The composition of the Audit Committee is as follows:

**Chairman :** Mr. Anil Harish  
(Independent Director)

**Members :** \*Mr. Rajendra. P. Chitale  
(Independent Director)

# Ms. Bhumika Batra  
(Independent Director)

Mr. Sudhanshu Tripathi  
(Non-Executive Director)

\*Ms. Bhumika Batra was appointed as a member of Audit Committee w.e.f. September 23, 2019.

\*Mr. Rajendra P. Chitale ceased to be a member of Audit Committee on completion of his term as Independent Director w.e.f. September 21, 2019.



## Report on Corporate Governance

Mr. Anil Harish, the Chairman of the Audit Committee attended the last Annual General Meeting of the Company held on September 18, 2019.

All the members have accounting or related financial management expertise and have the ability to understand and analyze the financial statements.

The Company Secretary acts as Secretary to the Committee. The invitees to Audit Committee meetings include representatives of the Statutory Auditors and Internal Auditor, Managing Director, Chief Financial Officer and such other executives as deemed necessary.

### C. Meetings and Attendance:

The details of meetings held during the year under review and the attendance thereat are as follows:

**Number of Meetings:** Five (5)

**Dates of Meetings:** May 09, 2019; August 12, 2019; August 27, 2019; November 14, 2019 and February 03, 2020.

The time gap between any two meetings did not exceed one hundred and twenty days.

#### Attendance:

| Name of Members          | Number of meetings attended during the financial year 2019-20 |
|--------------------------|---|
| Mr. Anil Harish          | 5   |
| *Mr. Rajendra P. Chitale | 3   |
| Mr. Sudhanshu Tripathi   | 5   |
| #Ms. Bhumika Batra       | 2   |

## 4. NOMINATION AND REMUNERATION COMMITTEE

The Committee's composition and terms of reference are in compliance with the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations.

### A. #Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee are as under:

1. The Committee shall be constituted as a Board Committee and be formally empowered to;
  - a. identify persons who are qualified to become Directors and who may be

appointed in the Senior Management as per criteria laid down by the Company and recommend to the Board their appointment or removal;

- b. provide the terms of engagement for Independent Directors, Non-Executive Directors, Chief Executive Officer, Whole Time Directors and Senior Management.

The expression "Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.

- c. Determine criteria for evaluation of Board, Committee and individual Director's effectiveness, initiate effective evaluation process.

Role of the Committee shall inter- alia include the following:

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
  - b. Formulation of criteria for evaluation of Independent Directors and the Board;
  - c. Devising a policy on Board diversity and succession planning for Board/Senior Management;
  - d. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment, remuneration and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
2. While formulating the policy on the basis of criteria enumerated above, the Committee shall ensure that;

## Report on Corporate Governance

- a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. remuneration to Directors, Key Managerial Personnel And Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
  - d. Further, the policy formulated taking into consideration the above, shall be disclosed in the Board's Report.
3. The Committee shall (subject to compliance of the Companies Act and other applicable regulations):
- a. Establish the KRAs and clear metrics of performance for Chief Executive Officer and Whole-Time Directors against which their performance shall be appraised at the end of the year.
  - b. Review and approve KRAs and performance metrics for senior management proposed by the Chief Executive Officer.
  - c. Document the expectations and the actual achievements for a full Board review as may be taken as an audit.
  - d. Have the responsibility for a) setting the remuneration for the Chief Executive Officer and Whole-Time Directors and, b) review and approval of Senior Management (one level below MD) remuneration proposed by Chief Executive Officer. Remuneration in this context will include salary; performance based variable component and any compensation payments, such as retiral benefits or stock options.
  - e. Make available its terms of reference, its role, the authority delegated to it by the Board and what it has done for the year under review to the shareholders in a separate section of the chapter on

corporate governance in the Annual Report.

4. The Committee shall be able to appoint external consultants for assistance on policy and compensation inputs whenever required.
5. The Nomination and Remuneration Committee shall comprise of 3 members, including its Chairman who shall be an Independent Director.
6. The Chairperson of the Committee or, in his absence, any other member of the Committee authorized by him in this behalf shall attend the general meetings of the Company.

*#The terms of Reference of Nomination and Remuneration Committee were revised at the Board meeting held on November 14, 2019*

### B. Composition:

The Composition of Nomination and Remuneration Committee (NRC) is as follows:

**Chairman :** Mr. Anil Harish  
(Independent Director)

**Members :** \*Mr. Rajendra P. Chitale  
(Independent Director)  
-till September 21, 2019  
Mr. Prashant Asher  
(Independent Director)  
Mr. Sudhanshu Tripathi  
(Non-Executive Director)

\*Mr. Rajendra P. Chitale ceased to be a member of NRC on completion of his term as Independent Director w.e.f. September 21, 2019.

### C. Meetings and Attendance:

The details of meetings held during the year under review and the attendance thereat are as follows:

**Number of Meetings:** Two (2)

**Dates of Meetings:** August 12, 2019 and February 03, 2020

**Attendance:**

| Name of Members          | Number of meetings attended during the financial year 2019-2020 |
|--------------------------|---|
| Mr. Anil Harish          | 2   |
| *Mr. Rajendra P. Chitale | 1   |
| Mr. Prashant Asher       | 1   |
| Mr. Sudhanshu Tripathi   | 2   |

## Report on Corporate Governance

Mr. Anil Harish, the Chairman of the Nomination and Remuneration Committee attended the last Annual General Meeting of the Company held on September 18, 2019.

### D. Performance Evaluation:

The Nomination and Remuneration Committee has laid down the criteria for evaluation of performance of all Directors of the Company as under:

| Factor                             | Attributes  |
|------------------------------------|---|
| <b>Role &amp; Accountability</b>   | ➤ Understanding of nature and role of Independent Directors' position                           |
|                                    | ➤ Understanding of risks associated with the business   |
|                                    | ➤ Application of knowledge for rendering advice to Management for resolution of business issues |
|                                    | ➤ Offer constructive challenge to Management strategies and proposals                           |
|                                    | ➤ Active engagement with the Management and attentiveness to progress of decisions taken        |
| <b>Objectivity</b>                 | ➤ Non-partisan appraisal of issues  |
|                                    | ➤ Own recommendations given professionally without tending to majority or popular views         |
| <b>Leadership &amp; Initiative</b> | ➤ Heading Board Sub Committees  |
|                                    | ➤ Driving any function or identified initiative based on domain knowledge and experience        |
| <b>Personal attributes</b>         | ➤ Commitment to role & fiduciary responsibilities as a board member                             |
|                                    | ➤ Attendance and active participation and not done perfunctorily                                |
|                                    | ➤ Proactive, strategic and lateral thinking   |

Pursuant to provisions of the Act and SEBI Listing Regulations, during the year under review, the Board have carried out an annual

evaluation of its own performance, and that of its committees, Chairperson and Directors facilitated by an Independent external agency to ensure objectivity and equality based on above criteria. The process involved evaluation of the effectiveness of Board, Committees and Individual Directors and Independent feedback from all Board Members. The Independent Directors also evaluated the performance of Non-Independent Directors, Chairman and the Board as a whole. The Independent Directors also reviewed the quality, quantity and timeliness of the flow of information between the Management and the Board and its Committees which is necessary for Board of Directors to effectively and reasonably perform their duties.

The overall performance evaluation exercise was completed to the satisfaction of Board. The Board of Directors deliberated on the outcome of independent external agency review and feedback from Directors.

### E. Remuneration Policy:

The Company has adopted a Remuneration Policy for Directors, KMPs and Senior Executives which is annexed as “**Annexure I**” to this report. The objective of the remuneration policy of the Company is to attract, motivate and retain qualified and expert individuals that the Company needs in order to achieve its strategic and operational objectives, whilst acknowledging the societal context around remuneration and recognizing the interests of the Company's stakeholders..

### F. Details of Remuneration to all Directors:

No remuneration was paid to any Director except Managing Director.

No sitting fees was paid to Managing Director for the financial year 2019-20.

### G. Remuneration paid to Managing Director during the financial year 2019-2020:

(Amount in ₹)

| Name of Director     | Salary     | Perquisites & allowances (*) | Commission | Bonus | Performance Linked Incentive | Severance Fee | Stock options granted | Total      |
|----------------------|------------|------------------------------|------------|-------|------------------------------|---------------|-----------------------|------------|
| Mr. Ashok Mansukhani | 12,227,783 | 333,717                      | Nil        | Nil   | Nil                          | Nil           | Nil                   | 12,561,500 |

(\*) Perquisites are valued as per Income Tax Act, 1961.

## Report on Corporate Governance

### H. Criteria for Payment to Non-Executive Directors:

Non-Executive Directors are paid sitting fees for attending each meeting of the Board of Directors and Committee thereof. Non-Executive Directors are also reimbursed travelling and actual out of pocket expenses incurred for attending the meetings. There were no material pecuniary relationships or transactions with Non-Executive Directors.

### I. Sitting fees paid to Non-Executive Directors during the financial year 2019-20:

| (Amount in ₹)            |                    |
|--------------------------|--------------------|
| Name of Directors        | Total Sitting Fees |
| Mr. Anil Harish          | 11,50,000          |
| *Mr. Rajendra P. Chitale | 6,50,000           |
| Mr. Prashant Asher       | 5,50,000           |
| Ms. Bhumika Batra        | 8,00,000           |
| Mr. Sudhanshu Tripathi   | 11,00,000          |
| Mr. Ashok P. Hinduja     | 5,00,000           |
| <b>Total</b>             | <b>47,50,000</b>   |

\*Mr. Rajendra P. Chitale ceased as Director on completion of his term as Independent Director w.e.f. September 21, 2019.

### J. Details of Fees for professional services rendered by firms of Solicitors / Advocates in which certain Independent Directors are partners are as under:

| Name of Firm       | Amount paid / payable during the year under review (Amount in ₹) | Name of Director who is partner |
|--------------------|--|---------------------------------|
| D. M. Harish & Co. | 7,00,000*  | Mr. Anil Harish                 |

\*Amounts are exclusive of all taxes

### 5. Details of Equity Shares held by Directors of the Company:

The numbers of shares held by the Directors in the Company as on March 31, 2020 were as under:

| Sr. No. | Name of Directors    | Executive/Non-Executive Director | No. of Shares# |
|---------|----------------------|----------------------------------|----------------|
| 1       | Mr. Ashok P. Hinduja | Non-Executive Director           | 76,913         |
| 2       | Mr. Prashant Asher   | Non-Executive Director           | 125            |
| 3       | Mr. Ashok Mansukhani | Managing Director                | 500            |

# Shares held singly or as a first Member are only considered.

The Company has not issued any convertible instruments.

### 6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee's composition and terms of reference are in compliance with the provisions of Section 178 (5) of the Act and Regulation 20 of the SEBI Listing Regulations.

#### A. #Terms of Reference:

- 1) Considering and resolving grievances of shareholders', debenture holders and other security holders;
- 2) Redressal of grievances of the security holders of the Company, including complaints in respect of allotment of Shares or debentures, transfer of Shares, non-receipt of declared dividends, non-receipt of balance sheets of the Company, non-receipt of annual reports of the Company, general meetings etc. and assisting with quarterly reporting of such complaints;
- 3) Allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities and review cases for refusal of transfer/transmission of shares and debentures;
- 4) Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc. and redress complaints relating to non-receipt of share certificates;
- 5) Overseeing the performance of the registrars and transfer agents of the Company and to recommend measures for overall improvement in the quality of investor service;
- 6) Review the system of dealing with and responding to correspondence from all categories of investors. The details of complaint letters, if any, received from Stock Exchanges/ SEBI and responses thereto are reviewed by the Committee. The Committee also reviews/ approves initiatives for further improvements in servicing investors;
- 7) Review of measures taken for effective exercise of voting rights by shareholders;
- 8) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed



## Report on Corporate Governance

dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company; and

- 9) Carrying out any other function contained in the SEBI Listing Regulations as amended from time to time, and the equity listing agreement executed with the stock exchanges.

*#The terms of Reference of Stakeholders Relationship committee were revised at the Board meeting held on February 07, 2019 pursuant to the Companies Amendment Act 2017, effective from May 07, 2018 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 effective from April 01, 2019.*

### B. Composition:

The Composition of Stakeholders Relationship Committee is as follows:

**Chairperson** : Ms. Bhumika Batra  
(Independent Director)

**Members** : Mr. Prashant Asher  
(Independent Director)  
Mr. Ashok Mansukhani  
(Managing Director)

Mr. Hasmukh Shah, Company Secretary acts as the Compliance Officer of the Company for complying with requirements of Securities Laws and SEBI Listing Regulations with Stock Exchanges.

### C. Meetings and Attendance:

The details of meetings held during the year under review and the attendance thereat is as follows:

**Number of Meetings:** One (1)

**Date of Meetings:** July 18, 2019.

**Attendance:**

| Name of Members      | Number of meetings attended during the financial year 2019-20 |
|----------------------|---|
| Ms. Bhumika Batra    | 1   |
| Mr. Prashant Asher   | 1   |
| Mr. Ashok Mansukhani | 1   |

Ms. Bhumika Batra, the Chairperson of the Stakeholder Relationship Committee attended the last Annual General Meeting of the Company held on September 18, 2019.

### D. Investor Grievance Redressal:

The Status of Investors' queries and complaints as on March 31, 2020 and reported under Regulation 13(3) of the SEBI Listing Regulations, is as under:

| Sr. No | Particulars   | No. of Complaints |
|--------|---|-------------------|
| 1      | Investor Complaints pending at the beginning of the year        | NIL               |
| 2      | Investor Complaints received during the year                    | 02                |
| 3      | Investor Complaints disposed off during the year                | 02                |
| 4      | Investor Complaints remaining unresolved at the end of the year | NIL               |

All queries and complaints have been redressed to the satisfaction of the members and none of them were pending as on March 31, 2020.

## 7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Committee's composition and terms of reference are in compliance with the provisions of Section 135 of the Act and the Rules framed thereunder.

### A. Terms of Reference:

The terms of reference of Corporate Social Responsibility ("CSR") Committee are as under:

- 1) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company;
- 2) To recommend the amount of expenditure to be incurred on the activities referred to in clause (1); and
- 3) To monitor the Corporate Social Responsibility Policy of the Company from time to time.

### B. Composition:

The Composition of CSR Committee is as follows:

**Chairman** : Mr. Anil Harish  
(Independent Director)

**Members** : Mr. Prashant Asher  
(Independent Director)  
Mr. Ashok Mansukhani  
(Managing Director)

**C. Meeting and Attendance:**

The details of meeting held during the year under review and the attendance thereat are as follows:

**Number of Meeting:** One (1)

**Date of Meeting:** November 14, 2019.

**Attendance:**

| Name of Members      | Number of meeting attended during the financial year 2019-20 |
|----------------------|--|
| Mr. Anil Harish      | 1  |
| Mr. Prashant Asher   | 1  |
| Mr. Ashok Mansukhani | 1  |

**7. GENERAL BODY MEETINGS / POSTAL BALLOTS****A. Details of location, date and time of holding the last three Annual General Meetings and special resolution passed thereat:**

| Financial Year | Date and Time                       | Venue   | Special Resolution passed  |
|----------------|-------------------------------------|---|--|
| 2016-2017      | September 27, 2017<br>at 11:00 a.m. | Hall of Culture, Nehru Centre,<br>Dr. Annie Besant Road, Worli,<br>Mumbai-400018. | No Special Resolution was passed.  |
| 2017-2018      | September 24, 2018<br>at 11:00 a.m. | Hall of Harmony, Nehru<br>Centre, Dr. Annie Besant<br>Road, Worli, Mumbai-400018. | No Special Resolution was passed.  |
| 2018-2019      | September 18, 2019<br>at 11:00 a.m. | Hall of Harmony, Nehru<br>Centre, Dr. Annie Besant<br>Road, Worli, Mumbai-400018. | Re-appointment of Mr. Anil Harish<br>as an Independent Director<br><br>Re-appointment of Mr. Prashant<br>Asher as an Independent Director<br><br>Ratification of payment of excess<br>remuneration and remuneration<br>for remaining term to Mr. Ashok<br>Mansukhani as Managing Director<br>and Key Managerial Personnel of<br>the Company. |

**B. No Extra Ordinary General Meeting of the Members of the Company was held during the financial year 2019-20.****C. Details of special resolution passed through Postal Ballot in last year:**

During the year 2019-20, the Company conducted the following businesses through Postal Ballot:

Date of Postal Ballot Notice: September 06, 2019

Voting period: September 23, 2019 to October 22, 2019

Date of declaration of result: October 23, 2019

Date of approval: October 22, 2019

## Report on Corporate Governance

| Name of the resolution  | Type of resolution | No. of Votes Polled | Votes cast in favor |      | Votes cast against |     |
|---|--------------------|---------------------|---------------------|------|--------------------|-----|
|   |                    |                     | No. of Votes        | %    | No. of votes       | %   |
| Approval for change of name of the Company from "HINDUJA VENTURES LIMITED" to "NXTDIGITAL LIMITED" and consequent amendment to Memorandum of Association and Articles of Association and other documents of the Company | Special            | 12288652            | 12288568            | 99.9 | 84                 | 0.0 |

Ms. Rupal Jhaveri, Company Secretaries, was appointed as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

Date of Postal Ballot Notice: March 02, 2020

Voting period: March 17, 2020 to April 15, 2020

Date of declaration of result: April 16, 2020

Date of approval: April 16, 2020

| Name of the resolution  | Type of resolution | No. of Votes Polled | Votes cast in favor |      | Votes cast against |     |
|---|--------------------|---------------------|---------------------|------|--------------------|-----|
|   |                    |                     | No. of Votes        | %    | No. of votes       | %   |
| To consider and approve the Scheme of Arrangement between IndusInd Media & Communications Limited ("IMCL" or "Demerged Company") and Hinduja Ventures Limited (now known as NXTDIGITAL LIMITED) ("NXTDIGITAL" or "Resulting Company") and their respective shareholders under Sections 230-232 and other applicable provisions, if any, of the Companies Act, 2013. | NCLT Meeting       | 14894713            | 14894704            | 99.9 | 9                  | 0.0 |

The Hon'ble National Company Law Tribunal vide its order dated February 27, 2020, appointed Ms. Akanksha Bilaney, A.S. Bilaney & Associates, Company Secretaries, as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

### Procedure for Postal Ballot:

In compliance with the provisions of Sections 108 and 110 of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting (e-voting) facility, in addition to physical ballot, to all its members. For this purpose, the Company has engaged the services of KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) ("**KFin**").

Postal ballot notices and forms are dispatched, along with postage-prepaid business reply envelopes to registered members / beneficiaries. The same notice is sent by email to members who have opted for receiving communication through the electronic mode. The Company also publishes a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members who want to exercise their votes by physical postal ballot are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Those using the e-voting option are requested to vote before the close of business hours on the last date of e-voting.

The scrutinizer completes his scrutiny and submits his report to the Chairman, and the consolidated results of the voting are announced by the Chairman / authorized officer. The results are also displayed on the Company website, [www.nxtdigital.co.in](http://www.nxtdigital.co.in), besides being communicated to the stock exchanges, depository and registrar and share transfer agent. The last date for the receipt of postal ballot forms or e-voting shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

- D. None of the business proposed to be transacted at the ensuing Annual General Meeting requires passing of a special resolution through Postal Ballot.

## 8. DISCLOSURES

- i. Suitable disclosures pertaining to related party transaction(s) as required under IND AS-24 have been made in Note no. 33 of the Notes to the Standalone Financial Statements.

The Policy on dealing with Related Party Transactions and on materiality of Related Party Transactions is available on the Company's website at the **[weblink: http://nxtdigital.co.in/contents/static/uploads/inv/corporate\\_policies/Revised\\_RPT\\_policy.pdf](http://nxtdigital.co.in/contents/static/uploads/inv/corporate_policies/Revised_RPT_policy.pdf)**

There were no materially significant transactions with related parties which could lead to a potential conflict with the interest between the Company and listed entities at large.

- ii. The Company has adopted a Policy on archival and preservation of documents pursuant to Regulation 9 of SEBI Listing Regulations.
- iii. There have been no instances of non-compliance by the Company on any matters related to the capital markets, nor had any penalty/strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter relating to capital markets, during the last three years.
- iv. A Certificate from the Managing Director and Chief Financial Officer in terms of Regulation 17(8) read with Part B of Schedule II of the SEBI Listing Regulations was placed before the Board to approve Audited Accounts for the financial year ended March 31, 2020.
- v. Your Company has complied with all the mandatory requirements of Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations. The Company has also complied with the requirements of the Corporate Governance Report provided in sub-regulation (2) to (10) of Part C of Schedule V of the SEBI Listing Regulations.
- vi. Your Company has put in place a Whistle Blower Policy and Vigil Mechanism for Directors and Employees inter alia to report unethical conduct and mismanagement, if any. No person has been denied access to

the Chairman of the Audit Committee for reporting issues concerning the interests of employees and the Company. During the year under review, no complaints were received. The policy on Whistle Blower Policy and Vigil Mechanism as per SEBI Listing Regulations is available on your Company's website at the **[weblink http://nxtdigital.co.in/contents/static/uploads/inv/corporate\\_policies/Revised\\_WhistleBlower\\_Policy.pdf](http://nxtdigital.co.in/contents/static/uploads/inv/corporate_policies/Revised_WhistleBlower_Policy.pdf)**

- vii. Your Company has complied with the following non-mandatory requirements as prescribed under Regulation 27 of the SEBI Listing Regulations.
  - a. During the year under review, there were no audit qualifications, reservations or adverse remarks in your Company's auditor's report on statutory financial statements. Your Company continues to adopt best practices to ensure a regime of unqualified financial statement.
  - b. The Internal Auditor reports directly to the Audit Committee.
- viii. There have been no instances of non-compliance by the Company of any requirement of Corporate Governance as required under SEBI Listing Regulations.
- ix. There were no instances where the Board had not accepted any recommendations of any committee during the financial year.
- x. Total fees for financial year 2019-20, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part have been made in Note no. 36 of the Notes to the Consolidated Financial Statements.
- xi. During the financial year under review, no complaints were received regarding sexual harassment at the workplace in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 9. SUBSIDIARY COMPANIES

The Audit Committee reviews the financial statements including investments made by its unlisted subsidiary companies. The Minutes of the Board Meetings along with a report



## Report on Corporate Governance

on significant transactions of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

The policy for determining material subsidiaries has been uploaded on the website of the Company at the [weblink: http://nxtdigital.co.in/contents/static/uploads/inv/corporate\\_policies/Revised\\_Material\\_Subsidiary\\_Policy.pdf](http://nxtdigital.co.in/contents/static/uploads/inv/corporate_policies/Revised_Material_Subsidiary_Policy.pdf)

### 10. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Independent Directors were familiarized *inter alia*, with the Company, their duties, roles and responsibilities, the nature of the industry and operations of the Company. The Directors were also familiarized with the organizational set-up, functioning, internal control processes and relevant information pertaining to the Company. Various interactions were held between the Directors and Senior Management of your Company to understand the Company's business operations.

Apart from the above, periodic presentations were also made at the Board Meetings to familiarize the Directors with the Company's Business Plans, Capital Structure, Business Model or Technology, Strategy, Business Performance, Opportunities, Regulatory updates/framework and other related matters.

The details of familiarization programmes can be viewed at the weblink:

[http://www.nxtdigital.co.in/contents/static/uploads/inv/sebi\\_clause46/familiarization-FY-2019-20.pdf](http://www.nxtdigital.co.in/contents/static/uploads/inv/sebi_clause46/familiarization-FY-2019-20.pdf)

### MEANS OF COMMUNICATION

i. **Financial Results:** The quarterly, half yearly and yearly financial results of the Company were published in leading national newspapers (The Business Standard and Sakaal). The quarterly, half yearly and yearly financial results were simultaneously displayed on the Company's website [www.nxtdigital.co.in](http://www.nxtdigital.co.in). The website is updated regularly with the official news releases and disclosures as required from time to time. The results are also uploaded on the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited on their websites [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.

- ii. **Presentations to institutional investors/ analysts:** No presentations have been made to institutional investors / analysts during the year.
- iii. **Website:** The Company's website [www.nxtdigital.co.in](http://www.nxtdigital.co.in) contains a dedicated section "Investor" which displays details/information of interest to various stakeholders. The Company's Annual Report is also available in a user friendly and downloadable form.
- iv. **News releases:** Official press releases are sent to Stock Exchanges and the same is hosted on the website of the Company.
- v. **Investor servicing:** A separate e-mail id [investorgrievances@nxtdigital.in](mailto:investorgrievances@nxtdigital.in) has been designated for the purpose of registering complaints by members or investors.
- vi. **A greener environment - Now and for future:** The Company's philosophy focuses on making the environment greener for the benefit of posterity. In this regard, your Company requests its Members to register / update the e-mail ids for communication purpose.

### 12. GENERAL SHAREHOLDER INFORMATION

| Sr. No. | Subject                      | Date  |
|---------|------------------------------|---|
| 1       | Company Registration Details | The Company is registered in the State of Maharashtra, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L51900MH1985PLC036896.  |
| 2       | Annual General Meeting       |   |
|         | Date                         | Wednesday, September 30, 2020   |
|         | Time                         | 3.00 p.m.   |
|         | Venue                        | In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.<br><br>The deemed venue for the AGM shall be registered office of the Company. |
| 3       | Financial Year               | April 01 to March 31  |

| Sr. No. | Subject  | Date   |  |                                 |        |  |   |  |        |  |
|---------|--|--|--|---------------------------------|--------|--|---|--|--------|--|
| 4       | Financial Calendar for 2020-21 (Tentative)                               |  |  |                                 |        |  |   |  |        |  |
|         | Unaudited results for the quarter ending June 30, 2020                   | September 04, 2020   |  |                                 |        |  |   |  |        |  |
|         | Unaudited results for the quarter / half year ending September 30, 2020. | 2nd Week of November, 2020   |  |                                 |        |  |   |  |        |  |
|         | Unaudited results for the quarter/ nine months ending December 31, 2020. | 2nd Week of February, 2021   |  |                                 |        |  |   |  |        |  |
|         | Audited results for the year ending March 31, 2021.                      | 2nd Week of May, 2021  |  |                                 |        |  |   |  |        |  |
| 5       | Book Closure Dates   | (Thursday) 24.09.2020 to (Wednesday) 30.09.2020  |  |                                 |        |  |   |  |        |  |
| 6       | Dividend payment date for the financial year 2019-20                     | Wednesday, October 07, 2020  |  |                                 |        |  |   |  |        |  |
| 7       | Listing of Equity Shares on Stock Exchanges                              | a. <b>BSE Limited (BSE)</b><br>Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.<br>b. <b>National Stock Exchange of India Limited (NSE).</b><br>Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051  |  |                                 |        |  |   |  |        |  |
| 8       | Stock Code   | BSE: 500189<br>NSE: NXTDIGITAL   |  |                                 |        |  |   |  |        |  |
| 9       | International Securities Identification Number [ISIN]                    | INE353A01023   |  |                                 |        |  |   |  |        |  |
| 10      | Listing Fee  | Annual Listing fee for the financial year 2020-21 has been paid to BSE Limited and National Stock Exchange of India Limited.   |  |                                 |        |  |   |  |        |  |
| 11.     | Credit Ratings   | <p>ACUITE Ratings &amp; Research Limited vide its letter dated February 03, 2020 have reaffirmed the long-term rating of 'ACUITE A+' (read as ACUITE A plus) on the bank loan facilities sanction to the Company. The outlook is 'Stable'.</p> <p>Infomeric Valuation and Rating Private Limited ("IVR"), a Credit Rating Agency has assigned rating "IVR A+" to NXTDIGITAL LIMITED (Formerly known as Hinduja Ventures Limited) ("the Company") in respect of its following facilities for ₹ 320 Crores.</p> <p>The rating outlook is "Stable" and the Company on <b>June 22, 2020</b>, has communicated its acceptance for the said rating to IVR.</p> <table border="1"> <tbody> <tr> <td>1</td> <td>Long Term Facility – Term Loan*</td> <td>195.00</td> <td>IVR A+/ Stable outlook (IVR Single A Plus with stable outlook)</td> </tr> <tr> <td>2</td> <td>Proposed Long Term Fund Based Facility</td> <td>125.00</td> <td>IVR A+/ Stable outlook (IVR Single A Plus with stable outlook)</td> </tr> </tbody> </table> | 1  | Long Term Facility – Term Loan* | 195.00 | IVR A+/ Stable outlook (IVR Single A Plus with stable outlook) | 2 | Proposed Long Term Fund Based Facility | 125.00 | IVR A+/ Stable outlook (IVR Single A Plus with stable outlook) |
| 1       | Long Term Facility – Term Loan*  | 195.00   | IVR A+/ Stable outlook (IVR Single A Plus with stable outlook) |                                 |        |  |   |  |        |  |
| 2       | Proposed Long Term Fund Based Facility                                   | 125.00   | IVR A+/ Stable outlook (IVR Single A Plus with stable outlook) |                                 |        |  |   |  |        |  |

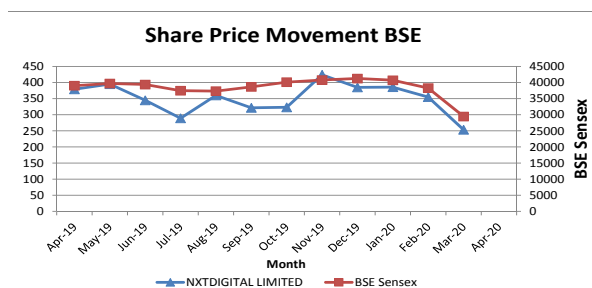
### 13. STOCK MARKET PRICE DATA

| Month          | BSE Limited (BSE) |             | National Stock Exchange of India Limited (NSE) |             |
|----------------|-------------------|-------------|--|-------------|
|                | Months' High      | Months' Low | Months' High                                   | Months' Low |
|                | ₹                 | ₹           | ₹  | ₹           |
| April 2019     | 414.00            | 366.80      | 398.00   | 360.30      |
| May 2019       | 426.95            | 363.10      | 418.00   | 371.95      |
| June 2019      | 403.90            | 337.00      | 407.75   | 341.00      |
| July 2019      | 365.95            | 289.05      | 364.60   | 289.05      |
| August 2019    | 361.35            | 276.10      | 362.00   | 275.00      |
| September 2019 | 373.90            | 320.05      | 373.75   | 320.25      |
| October 2019   | 353.75            | 306.25      | 354.30   | 301.30      |
| November 2019  | 430.45            | 316.25      | 429.35   | 312.25      |
| December 2019  | 429.65            | 370.00      | 432.35   | 366.50      |
| January 2020   | 402.00            | 378.10      | 404.00   | 375.05      |
| February 2020  | 489.00            | 355.00      | 490.10   | 351.50      |
| March 2020     | 370.00            | 192.00      | 372.05   | 180.30      |

[Source: This information is compiled from the data available from the websites of BSE and NSE]

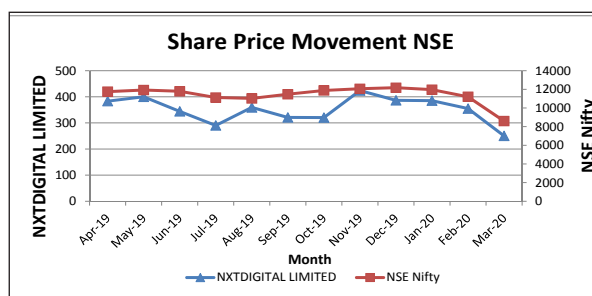
#### A. SHARE PRICE MOVEMENT (BSE)

Your Company's closing share price performance on the BSE relative to BSE Sensex closing prices (April 2019 to March 2020).



#### B. SHARE PRICE MOVEMENT (NSE)

Your Company's closing share price performance on the NSE relative to NSE Nifty closing prices. (April 2019 to March 2020).



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### 14. UNPAID/UNCLAIMED DIVIDEND

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“**IEPF Rules**”), dividends, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (“**IEPF**”).

Further, all the shares in respect of such dividends which have not been claimed for a period of 7 consecutive years are also liable to be transferred to the demat account of the IEPF Authority.

In the interest of the members, the Company sends periodical reminders to the members to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and members whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company’s website. <http://nxtdigital.co.in/investors/unclaimed-dividend>

In light of the aforesaid provisions, during the year under review, the Company has credited on October 08, 2019 unpaid/ unclaimed dividend amounting to ₹3,25,785/- to the IEPF for the financial year 2011-12 pursuant to the provisions of Section 124 of the Act and transferred 289 equity shares of 5 members on October 16, 2019 to the demat account of the IEPF Authority as per Section 124 of the Act. Accordingly, the voting rights on the shares lying with IEPF Authority shall remain frozen till the rightful owner of such shares claims the shares.

The members who have a claim on above dividend and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the *website* [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.

The unclaimed / unpaid dividend declared for

the financial year 2012-13 will be transferred to the IEPF in September 2020 and details of the same will be uploaded on the website of the Company and will be filed with Ministry of Corporate Affairs. The Company has already sent individual reminders to the concerned members with a request to claim the unpaid/ unclaimed dividends and to avoid transfer of unpaid/ unclaimed dividend to IEPF.

Likewise, all the shares wherein the dividend for the financial year 2012-13 and onwards has remained unpaid/ unclaimed for seven consecutive years will be transferred by the Company to IEPF in October 2020, if not claimed by the concerned shareholders in time. The Company has given public notice in Business Standard and Sakaal and also sent individual communication to the concerned members requesting them to claim their unclaimed/ unpaid dividend amount(s) for the financial year 2012-13 and onwards on or before Monday, August 31, 2020 to enable processing of claims before the due date and in order to avoid transfer of equity shares and unpaid/ unclaimed dividend for the year 2012-13 to the IEPF.

Those Members who have so far not encashed their dividend warrants for the financial year 2013-2014, 2014-2015, 2015-2016, 2016-2017, 2017-2018 and 2018-19 are requested to approach the Company’s Registrar and Share Transfer Agent [RTA] for claiming the same at the earliest.

### 15. SHARE TRANSFER SYSTEM

Your Company’s equity shares are compulsorily traded in dematerialized form on the BSE and NSE. As on March 31, 2020, about 99.80% of your Company’s equity (comprising 2,05,14,394 shares) had been dematerialized.

The power to approve transfer of shares in physical form has been delegated by the Board to Share Transfer Committee consisting officers of the Company.

Transfer of shares in physical form is normally processed within a stipulated time period of 15 days from the date of the lodgment, subject to documents being valid and complete in all respects.

During the year under review, 2 (two) requests for physical transfer was received

by the Company. The details of physical shares transferred during the immediately three previous years and current year are as under:

| Particulars               | 2017-2018 | 2018-2019 | 2019-20 |
|---------------------------|-----------|-----------|---------|
| No. of transfer deeds     | Nil       | 1         | 2       |
| No. of shares transferred | Nil       | 50        | 300     |

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting physical transfer of securities except in case of transmission or transposition of securities shall not be processed w.e.f. April 1, 2019 and the securities can be transferred only in the dematerialised form. Therefore, Shareholders holding share in physical form are requested to take necessary action to dematerialize their securities

#### Demat status as on March 31, 2020:

|              | Number of Accounts | Number of Shares   | Percentage of Shareholding |
|--------------|--------------------|--------------------|----------------------------|
| CDSL         | 3263               | 15,62,540          | 07.60                      |
| NSDL         | 5643               | 1,89,51,854        | 92.20                      |
| <b>TOTAL</b> | <b>8906</b>        | <b>2,05,14,394</b> | <b>99.80</b>               |

#### Pattern of Shareholding as of March 31, 2020:

| Particulars  | No. of Shares      | % of Shareholding |
|--|--------------------|-------------------|
| Promoters and Promoter Group   | 1,45,57,906        | 70.82             |
| FII's / Foreign Portfolio Investors  | 13,40,567          | 6.52              |
| N.R.I.s / OCBs / Non-Domestic Companies / Foreign National                           | 1,24,662           | 0.61              |
| Mutual Funds, Banks, Financial Institutions, Insurance Companies, Central Government | 12,936             | 0.06              |
| Private Corporate Bodies   | 8,41,813           | 4.10              |
| Individuals / Others   | 36,70,331          | 17.85             |
| IEPF   | 7,288              | 0.04              |
| <b>Total Paid-up Capital</b>   | <b>2,05,55,503</b> | <b>100</b>        |

#### Distribution Schedule as of March 31, 2020:

| Distribution | No. of Members |                   | No. of Shareholding |                   |
|--------------|----------------|-------------------|---------------------|-------------------|
|              | No of Members  | % of Total Member | No of Shares        | % of Shareholding |
| Up to 500    | 8437           | 93.03             | 5,88,844            | 2.86              |
| 501-1000     | 275            | 3.03              | 2,12,562            | 1.03              |
| 1001-2000    | 154            | 1.70              | 2,28,397            | 1.11              |
| 2001-3000    | 55             | 0.61              | 1,35,159            | 0.66              |
| 3001-4000    | 36             | 0.40              | 1,25,530            | 0.61              |
| 4001-5000    | 23             | 0.25              | 1,25,530            | 0.61              |
| 5001-10000   | 28             | 0.31              | 1,86,847            | 0.91              |
| Above 10000  | 61             | 0.67              | 1,89,73,987         | 92.31             |
| <b>Total</b> | <b>9,069</b>   | <b>100</b>        | <b>2,05,55,503</b>  | <b>100.00</b>     |

Reconciliation of Share Capital Audit as mandated by SEBI Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996 and SEBI Circular No. D&CC/FITTC/Cir-16/2002 dated December 31, 2002 is carried out by a Qualified Practicing Company Secretary. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. This audit is carried out every quarter and the report thereon are submitted to stock exchanges and is also placed before the Board of Directors.

#### 16. OUTSTANDING GDRS/ ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY SHARE CAPITAL

Your Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence as on March 31, 2020 there were no outstanding GDRs/ADRs/Warrants or any convertible instruments.

#### 17. CERTIFICATE TOWARDS NON-DISQUALIFICATION OF DIRECTORS

Your Company has received a Certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authorities which has been enclosed as "Annexure II" to this report.



## Report on Corporate Governance

### 18. CODE OF CONDUCT

Your Company has adopted separate Code of Conduct for Board of Directors and Senior Management and the same has also been displayed on the Company's website. All Board Members and Senior Management Personnel [as per Regulation 26(3) of the SEBI Listing Regulations] have affirmed compliance with the applicable Code of Conduct applicable to them during the year ended March 31, 2020. The Annual Report of the Company contains a certificate by the Managing Director on the compliance declarations received from Board of Directors and Senior Management which is annexed as "Annexure B" to the Board's Report. The code has been hosted on the Company's website under the weblink <http://nxtdigital.co.in/investors/code-of-conduct>

### 19. REGISTRAR AND SHARE TRANSFER AGENT

The details of the Company's Registrar and Share Transfer Agent are given below.

**KFin Technologies Private Limited  
(Formerly known as Karvy Fintech Private Limited)**

**Address:**

Selenium Tower B,  
Plot 31-32, Gachibowli,  
Financial District Nanakramguda,  
Serilingampally Mandal  
Hyderabad – 500 032.

Tel.: 040-67162222,

Fax: 040-23001153

E-mail: [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com)

Member's correspondence should be addressed to the Registrar and Share Transfer Agent at the above Karvy address, marked to the attention of:

**Mrs. Rajitha Cholleti / Mr. Premkumar Nair**

**Investor Relations Centre**

24-B, Raja Bahadur Mansion  
Ground Floor, Ambalal Doshi Marg  
Fort, Mumbai-400 023  
Tel.: (91-22) 6623 5412

### 20. ADDRESS FOR CORRESPONDENCE

Queries relating to operational and financial performance of your Company may be addressed to:

Mr. Ashok Mansukhani, Managing Director

**Address:**

IN Centre, 49/50, MIDC  
12<sup>th</sup> Road Andheri (East)  
Mumbai-400093.

Tel.: (91-22) 6691 0945

E-mail: [ashokm@nxtdigital.in](mailto:ashokm@nxtdigital.in)

Members may address queries relating to their holdings to:

Mr. Hasmukh Shah - Company Secretary and Compliance Officer

Ms. Swati Talgaonkar - Manager - Corporate Secretariat

**Address:**

IN Centre, 49/50, MIDC  
12<sup>th</sup> Road, Andheri (East)  
Mumbai - 400 093.

Tel.: (91-22) 6691 0945

E-mail: [investorgrievances@nxtdigital.in](mailto:investorgrievances@nxtdigital.in)

Members are requested to register their e-mail address with the Company's Registrar and Share Transfer Agent (RTA) at [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) to enable the Company to send all notices / documents through e-mail and also intimate about any changes in their e-mail address from time to time to the RTA.

Pursuant to the SEBI Circular No. MIRSD/DPSIII/Cir-01/07 dated January 22, 2007, the Company has designated an exclusive e-mail ID viz. [investorgrievances@nxtdigital.in](mailto:investorgrievances@nxtdigital.in) where the investors would be able to register their complaints and also take necessary follow-up actions

### 21. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

The Company does not deal in the commodity market nor has any hedging activities.

The Company has in place a Risk Management Policy and a mechanism to assess foreign exchange risk, periodically review it and ensure

## Report on Corporate Governance

that necessary steps are taken to mitigate the foreign exchange risk. The details of Foreign Exchange Earnings and Outgo are mentioned in the Board's Report.

### **22. DETAILS OF PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONAL PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A) OF THE SEBI LISTING REGULATIONS:**

The Company has not raised funds through preferential allotment or qualified institutional placement during the year under review.

**23. PLANT LOCATIONS:** Not applicable.

### **24. COMPLIANCE OFFICER**

Mr. Hasmukh Shah, Company Secretary is the Compliance Officer of the Company for complying with requirements of Securities Laws and Listing Regulations with Stock Exchanges.

**For and on behalf of the Board of Directors**

Place : Mumbai

Date : September 04, 2020

**Ashok P. Hinduja**

**Chairman**

## Annexure “I” to the Corporate Governance Report

### REMUNERATION POLICY

#### 1. Objective

The objective of the remuneration policy of NXTDIGITAL LIMITED (hereinafter referred to as (“NXTDIGITAL”) (Formerly known as Hinduja Ventures Limited) is to attract, motivate and retain qualified and expert individuals that the company needs in order to achieve its strategic and operational objectives, whilst acknowledging the societal context around remuneration and recognizing the interests of NXTDIGITAL’s stakeholders.

#### 2. The Nomination & Remuneration Committee

The Nomination & Remuneration Committee (“Committee”) is responsible for formulating and making the necessary amendments to the Remuneration Policy for the Directors, KMP and Senior Executives of NXTDIGITAL from time to time.

#### 3. Remuneration for Non-Executive Directors

Non-Executive Directors (“NED”) are remunerated by way of Sitting Fee for each meeting of the Board/ Committees of the Board attended by them and an annual commission on the profits of the Company. Commission to respective NED is determined on the basis of objective criteria discussed and agreed upon by the Committee Members unanimously. NED’s are reimbursed any out of pocket expenses incurred by them for the purpose of the Company.

#### 4. Remuneration for Executive Directors, Key Managerial Personnel (KMP) and Senior Executives

The following elements are taken into consideration for determining the Remuneration of Executive Directors, KMP and Senior Executives:

- The remuneration policy reflects a balance between the interests of NXTDIGITAL’s main stakeholders as well as a balance between the Company’s short-term and long-term strategy. As a result, the structure of the remuneration package for the Directors, KMP and Senior Executives is designed to balance short-term operational performance with the medium and long-term objective of creating sustainable value within the Company, while taking into account the interests of its stakeholders. NXTDIGITAL strives for a high performance in the field of sustainability and aims to maintain a good balance between economic gain, respect for people and concern for the environment.
- To ensure that highly skilled and qualified KMP/Senior Executives can be attracted and retained, NXTDIGITAL aims for a total remuneration level that is comparable to levels provided by other Companies that are similar to NXTDIGITAL in terms of size and complexity.
- In designing and setting the levels of remuneration for the Directors, KMP and Senior Executives, the Committee also takes into account the relevant statutory provisions and provisions of the corporate governance regulations, societal and market trends and the interests of stakeholders.
- NXTDIGITAL’s policy is to offer the Directors, KMP and Senior Executives a total compensation comparable to the peer group.

#### Total Compensation (TC)

The total compensation of the Managing Director and Senior Executives consists of the following components:

1. Base salary
2. Variable income –
  - Annual Performance Pay (APP)
  - Performance-related Long-Term Incentive Plan (LTIP)

#### Base salary

On joining the Company, the Managing Director, KMP and Senior Executives receive a base salary comparable to the peer group. Every year, base salary levels are reviewed by the Committee.

## Annexure “I” to the Corporate Governance Report

### Variable income

The variable income part of remuneration consists of APP and LTIP. The distribution between APP and LTIP for (on target) performance aims to achieve a proper balance between short-term result and long-term value creation. The parameters relating to the various elements of the variable income part of the remuneration are established and where necessary adjusted by and at the discretion of the Committee, taking into account the general rules and principles of the remuneration policy itself.

The targets are determined each year by the Committee in consultation with the respective Director/ KMP / Executive, based on historical performance, the operational and strategic outlook of the Company in the short term and expectations of the Company’s management and stakeholders, among other things. The targets contribute to the realization of the objective of long-term value creation.

It is one of the long-term objectives to reach the proportion of variable compensation upto 50% of the total compensation.

### 5. Remuneration for other Employees.

Remuneration of middle and lower level employees of the Company consists entirely of fixed pay which is reviewed on an annual basis. Increase in the remuneration of employees is effected based on an annual review taking into account performance of the employee and the performance of the Company also.

### 6. Remuneration for Workmen.

Remuneration of workmen employed in the factories of the Company consists of fixed pay and performance incentives, which is negotiated and agreed upon on periodical basis. Increase in the remuneration of workmen is effected based on a review of performance of the Company and increase in the general price levels / cost of living index, etc.

### 7. Employee Stock Options

It is a long term objective of the Company to introduce employee stock options to inculcate a sense of ownership among the employees of the Company.

### 8. Alignment of Remunerations

The Committee strives to achieve that the remunerations of the Directors, Senior Executives, Middle and lower level employees of NXTDIGITAL are aligned to each other.

### 9. Term of Appointment

The term of appointment of the Managing Director and other Executive Directors is generally for a period of 3 years and renewed for similar periods from time to time, whereas the term of the other employees, generally is upto the age of superannuation. However, the Company may also appoint consultants for shorter periods on need basis.

### 10. Post Retirement Benefits

All the executive directors and employees are entitled to retirement benefits such as provident fund, superannuation fund and gratuity.

### 11. Severance Arrangements

Contracts of employment with executive directors and regular employees provide for compensation of upto 3 months pay or advance notice of similar period.

### 12. Loans

There is no system of granting of loans to Directors, KMP and employees of the Company.



## Annexure “II” to the Corporate Governance Report

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,

The Members of

#### **NXTDIGITAL LIMITED**

IN Centre, 49/50, MIDC, 12<sup>th</sup> Road,  
Andheri (E), Mumbai – 400093.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **NXTDIGITAL LIMITED** (formerly known as **Hinduja Ventures Limited**) having CIN L51900MH1985PLC036896 and having registered office at In Centre, 49/50 MIDC 12<sup>th</sup> Road, Andheri (E) Mumbai – 400093 (hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

| Sr. No. | Name of Directors             | DIN      | Date of appointment in Company |
|---------|-------------------------------|----------|--------------------------------|
| 1       | Mr. Anil Harish               | 00001685 | 08/11/1995                     |
| 2       | Mr. Ashok Parmanand Hinduja   | 00123180 | 20/02/1995                     |
| 3       | Mr. Ashok Hiranand Mansukhani | 00143001 | 30/04/2012                     |
| 4       | Mr. Prashant Khatau Asher     | 00274409 | 23/09/2014                     |
| 5       | Ms. Bhumika Batra             | 03502004 | 11/03/2015                     |
| 6       | Mr. Sudhanshu Tripathi        | 06431686 | 04/08/2015                     |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Mumbai

Date : 3<sup>rd</sup> September, 2020

**Rupal Dhiren Jhaveri**

Practicing Company Secretary  
Membership No.: **FCS 5441**  
Certificate of Practice No.: **4225**  
**UDIN: F005441B000657444**

## Annexure “D” to the Board’s Report

### PRACTISING COMPANY SECRETARY’S CERTIFICATE ON CORPORATE GOVERNANCE

**TO THE MEMBERS OF  
NXTDIGITAL LIMITED  
(Formerly known as Hinduja Ventures Limited)**

I have examined the compliance of the conditions of Corporate Governance by **NXTDIGITAL LIMITED (formerly known as Hinduja Ventures Limited** (‘the Company’) for the year ended on 31<sup>st</sup> March, 2020, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’).

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on 31<sup>st</sup> March, 2020.

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Mumbai  
Date : 24<sup>th</sup> June, 2020

Rupal Dhiren Jhaveri  
FCS No: 5441  
Certificate of Practice No. 4225  
UDIN: F005441B000374911

## Annexure “E” to the Board’s Report

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

NXTDIGITAL LIMITED (NDL), (formerly known as Hinduja Ventures Limited) is in now in the business of Electronic Media and Communications in the digital content distribution business through both digital cable and the Headend-in-the-Sky (“HITS”) platform. The conversion into an operating Company happened

recently on approval by National Company Law Tribunal by its Order dated August 21, 2020, of the demerger of media and communication undertaking of its Subsidiary Company IndusInd Media and Communication Limited into the Company. The order took effect from October 1, 2019.

## BUSINESS OVERVIEW - DEVELOPMENTS AND OUTLOOK

### A Unique Digital Service Provider

The Company is in the business of digitally distributing content through digital cable and via satellite through the Headend-in-the-Sky (HITS) technology.

Its business model is primarily a B2B2C business model wherein it receives TV signals from various broadcasters, designs customer-centric packages, and then transmits these packages (content) via fibre and satellite to Local Cable Operators (LCOs), who in turn, transmit the signals to the consumers.

The Company designed a unique delivery model known as COPE (Cable Operator Premises Equipment) to enable LCOs to go digital anywhere in India in just 24 hours. Among its unique features is receipt of signals directly from satellite irrespective of the location of the Local Cable Operator.

This low maintenance COPE does not require fibre and is low maintenance, consuming low power, and being economical in space. COPEs are available in different configurations and price points as per local and regional needs to make them affordable to the COPE operators.

This model has created opportunities for entrepreneurial operators in both far-flung areas of the country and towns and cities for whom the company has created a harmonious revenue model for both the COPE operator and the Company. These operators offer 700+ channels.

The Company also has thousands of LCOs taking conventional service from the In Digital platform. Over



COPE (Cable Operator Premises Equipment)

730+ channels are offered in 100 cities through LCOs.

In addition, the Company's subsidiary ONEOTT Entertainment Limited, provides internet services to retail and enterprise consumers. Its reach has steadily grown and is now the 6th largest cable ISP in the country.

The year FY 2019-20 has seen many ups and downs, and the state of the economy due to the impact of the pandemic has led the Government to give special packages for the revival of the economy.

The Cable TV distribution business, as well as internet services business, have, however, been largely insulated from the negative impact of this downturn, due to the new work from home culture.

Added to this, considering that both the Cable TV and the internet services businesses operate on a prepaid model (wherein this company is the only MSO to have a prepaid base of over 99.5%), the revenue of the Company has been supported by prompt collections, largely unaffected by the COVID lockdown and the slowing of the Indian economy.

This has happened because each operator makes payment in advance using various digital payment platforms. Services are available to the customers of the operator to the extent of credit in the individual wallet.

A majority of our thousands of operators are small and lack technological savviness and compliance capacity. The Company has identified this as a growth business and has begun to offer support to smaller MSOs in

semi-rural and rural areas as a managed service giving them sustenance and survival and creating a new revenue stream for the Company. A major MSO has also availed of the Company's managed service model.



COPE (Cable Operator Premises Equipment)

## Beneficial Impact of the New Tariff Order (NTO)

The new regulatory framework or NTO (New Tariff Order) issued by Telecom Regulatory Authority of India was devised with the motive of ushering an era of transparency and equitable distribution of revenues across the value chain with consumer choice at the center of change.

After multiple delays caused by severe rounds of litigation right up to the Supreme Court, the NTO, (which introduced MRP pricing for channels for the first time in India), was eventually implemented over the last quarter of FY19, ushering in a new era for the entire ecosystem.

The NTO is generally positive for the distribution

platform operators (DPOs) comprising MSOs, DTH, HITS, and IPTV platforms, with the content cost being generally treated as a pass-through. In case of a disagreement between the MSOs and LCOs, the Order has mandated that MSOs and LCOs share the network capacity fee and distribution fee in the ratio of 55:45.

The TRAI has now come out with NTO.2, which is an improvement on the original notification primarily with respect to the pricing of channels, providing better choice to the consumers and making ala-carte choice viable for consumers. Broadcasters have challenged this Order in the Courts, and it is pending a decision by the Courts though no stay was granted at the interim stage.



# SWOT ANALYSIS

## Strengths:

- Strength in semi-urban, semi-rural and rural India via the HITS service; gives an edge over conventional MSOs.
- One of the very few integrated platforms in Asia - offering digital cable, satellite & broadband.
- Technology innovation and adaptability to changing environment.
- The prepaid business model ensures minimum capital requirements.
- A multifaceted and highly experienced top management team drawn from diverse sectors.

## Weaknesses:

- Digital content presence is at low levels.
- There is low Internet services penetration in the existing Cable TV subscriber base
- The business is vulnerable to irrational and predatory pricing by competition in some key regions to capture the subscriber base.

## Opportunities:

- Leverage existing satellite infrastructure to provide Managed Services to other licensed MSOs.
- Creation of new revenue streams by package segmentation at attractive pricing and to reduce dependence on monopoly content, especially the sports arena.

- Tap the close to 10,000 Local cable operators for providing additional other services not related to the Cable TV business – for example, distribution of financial products or even FMCG products. The Company is in the process of training these operators to diversify their offerings into financial and other products harnessing the combined strength of the Hinduja Group.
- Providing customers with bundled or combination packages consisting of video, data, value-added services, and home security, etc.
- In time to come, the Company plans to export HITS technology to friendly neighborhood countries and, depending on regulatory clearance, will also provide satellite distribution services.
- The Company has the potential to provide niche telecom services in customer homes by taking various license permissions.
- The ultimate aim is to be a one-stop blended digital services provider offering a bouquet of traditional services and many value-added services like broadband and cybersecurity and home security solutions.

## Threats:

- Regulatory concerns, especially the absence of regulation on OTT platforms.
- Competition offering heavy discounts on packages to undercut the subscriber base.
- A threat from newer emerging technologies like 5G and platforms offering content on broadband platforms where content cost is sought to be commoditized.



Digital Headend set-up



Satellite Dish

# PERFORMANCE REVIEW

## Discussion on financial results with respect to Operational Performance:

The consolidated financial highlights for the financial year 2019-20 are produced below. The following are the relevant financial highlights with respect to the operational performance of the company.

| (₹ in Crores)   |          |          |
|---|----------|----------|
| For the Year  | 2019-20  | 2018-19  |
| Total income  | 1,162.10 | 704.60   |
| Total expenses  | 820.36   | 776.23   |
| Earnings before Interest, Depreciation, and taxes                           | 341.74   | (71.63)  |
| Finance Costs   | 119.79   | 105.46   |
| Depreciation and Amortization   | 197.48   | 152.92   |
| Profit/(Loss) before exceptional items and tax - from continuing operations | 24.47    | (330.01) |
| Exceptional items   | -        | 35.83    |
| Profit/(Loss) before tax - from continuing operations                       | 24.47    | (294.18) |
| Taxation  | (85.21)  | 9.67     |
| Net Profit/(Loss) after tax - from continuing operations                    | 109.68   | (303.85) |

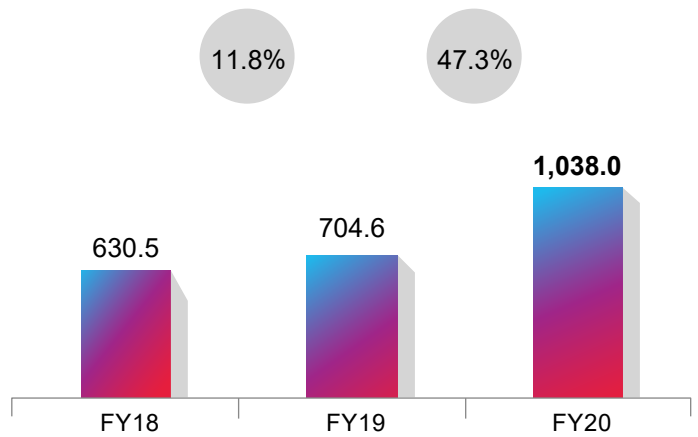
### Financial Performance

- The Company's consolidated revenues grew by close to 65% in the current year over the previous year. Considering that the revenue had a one-time income of Rs 123.72 Crores relating to IND-AS adjustments pertaining to conversion of Preference Shares held in ONEOTT Intertainment Limited into Equity Shares, the revenue grew by 47%.
- This growth has been driven by an increase in subscription revenue pertaining to the Cable TV business and the consolidation of the revenues of ONEOTT Intertainment Limited, which became a subsidiary of the Company in the current year.

- Operating expenses have come down to Rs.438.78 crores from Rs.532.40 Crores in the previous year, reduction by 18% owing to the rationalization of broadcaster costs through the implementation of the NTO and several cost rationalization steps taken by the Company.
- As a result of the above, the operating margin excluding the one-time income mentioned above has improved to 21% of operating revenues from being negative in the previous year.

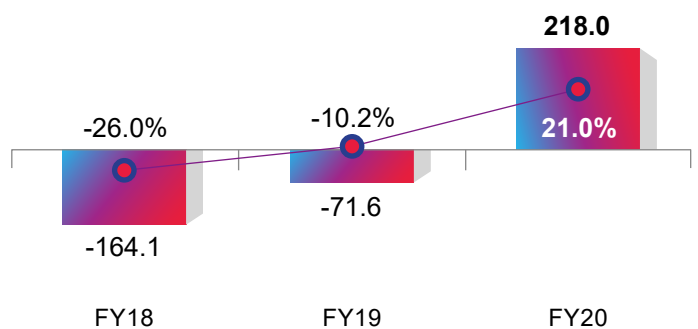
### Operating Revenue

(INR Crores)



### Operating EBITDA

(INR Crores)



## Balance Sheet Summary:

(₹ in Crores)

| Liabilities         | 2019-20        | 2018-19         |
|---------------------|----------------|-----------------|
| Equity and Reserves | 247.78         | 556.18          |
| Borrowings          | 971.26         | 1,203.96        |
| Lease liabilities   | 113.82         | -               |
| Other liabilities   | 631.17         | 731.45          |
| <b>Total</b>        | <b>1964.03</b> | <b>2,491.59</b> |

| Assets   |                |                 |
|--|----------------|-----------------|
| Property, plant & equipment including capital work in progress | 625.03         | 697.37          |
| Right of use - leases  | 108.98         | -               |
| Other long-term assets   | 701.29         | 973.22          |
| Other assets   | 528.73         | 821.00          |
| <b>Total</b>   | <b>1964.03</b> | <b>2,491.59</b> |

## Significant

## Developments

- The debt of the Company has come down by close to 20%, with the Company discontinuing its “Treasury & Investment” division by liquidating the assets which constituted this segment and repaying all the debt against these assets.
- The Company has two valuable pieces of land in Bangalore and Hyderabad, and some holdings of Indusind Bank shares and Hinduja Leyland Finance Limited shares, which will be sold in the current Financial Year yielding valuable revenues for the Company.
- Lease liabilities pertain to the future lease rent

payable on satellite transponders taken on lease by the Company, such liabilities being created in compliance with Accounting Standard 116 of Indian Accounting Standards (Ind AS). The lease is an eight-year lease taken by the Company on an operating lease model.

- Other long-term assets and other assets have declined significantly through the disposal of “Treasury & Investment” assets held both as Investments and Inventories.

## Some Key Metrics:

| Ratio                   | FY 2019-20 | FY 2018-19 | Change |
|-------------------------|------------|------------|--------|
| Operating EBIDTA %      | 21%        | Negative   | NA     |
| Interest coverage ratio | 2.85       | Negative   | NA     |
| Return on Net Worth (%) | 27%        | Negative   | NA     |

All the key metrics of the company have shown a significant improvement over the previous year.

## Risks, Concerns and Mitigation Plans

In addition to entity-level governance mechanisms, the Company has put in place a Risk Management Policy which, among other things, covers the following:

- Economic and market environment
- Political environment
- Technology obsolescence
- Financial reporting
- Investment
- Legal and compliance
- Human resource

The Company keeps constantly monitoring and reviewing the risks it is exposed to and assesses the nature and extent of risk in each of the identified areas.

It also assesses new risks and their impact. The regular monitoring of the risks by the management is updated to the Audit Committee and Board every quarter.

### **Internal Control System and their Adequacy**

The Company has an internal control system that covers, among other areas, entity-level controls, procurement and payables, revenue and receivables, borrowings, and operating controls.

These controls are tested from time to time by both the auditors and external agencies specialized in formulating and testing internal controls.

The Company's internal financial controls are adequate and operating effectively.

### **Material Developments In Human Resource Management/ Industrial Relations**

The Company recognizes that employees are its

natural assets, and their engagement contributes to lower turnover and higher productivity and better customer service. The Company had cordial relations with its employees during the year.

The Company has adopted the best practices to retain key talent. Based on business needs, the Company will go forward with new plans to recruit experienced professionals where required.

There were 812 permanent employees on the rolls of the Company as on March 31, 2020.

### **Cautionary Statement**

Statements in the Management Discussion and Analysis Report describing the Company's objectives, expectations, predictions, and assumptions may be 'forward-looking' within the meaning of applicable Securities Laws and Regulations.

Actual results may differ materially from those expressed herein.

Important factors that could influence the Company's operations include global and domestic economic conditions affecting demand, supply, price conditions, change in Government's regulations, tax regimes,

SEPTEMBER 4, 2020.



State-of-the-art Broadcast Facility at Noida



## Annexure “F” to the Board’s Report

**BUSINESS RESPONSIBILITY REPORT****Section A: General Information About The Company**

- |   |   |
|---|---|
| <b>1. CORPORATE IDENTITY NUMBER (CIN)</b>   | <b>L51900MH1985PLC036896</b>  |
| <b>2. NAME OF THE COMPANY</b>   | <b>NXTDIGITAL LIMITED<br/>(Formerly known as Hinduja Ventures Limited)</b>            |
| <b>3. REGISTERED ADDRESS</b>  | <b>49/50, IN CENTRE, MIDC, 12th Road,<br/>Andheri (East), Mumbai – 400 093, INDIA</b> |
| <b>4. WEBSITE</b>   | <b>www.nxtdigital.co.in</b>   |
| <b>5. EMAIL-ID</b>  | <b>investorgrievances@nxtdigital.in</b>   |
| <b>6. FINANCIAL YEAR REPORTED</b>   | <b>April 1, 2019 - March 31, 2020</b>   |
| <b>7. SECTOR(S) THAT THE COMPANY IS ENGAGED IN (INDUSTRIAL ACTIVITY CODE-WISE):</b> |   |

The Company is mainly engaged in the following business activity:

**Media and Communication - N.I.C. Code No. 7730 and 6130.**

(Source: As per National Industrial Classification, 2008 issued by Central Statistical Organisation, Ministry of Statistics and Programme Implementation.)

- 8. LIST THREE KEY PRODUCTS/SERVICES THAT THE COMPANY MANUFACTURES/PROVIDES (AS IN BALANCE SHEET):**

a) Leasing of optic fibre cable infrastructure

b) Digital cable through fibre and HITS (Headend In The Sky) through satellite

- 9. TOTAL NUMBER OF LOCATIONS WHERE BUSINESS ACTIVITY IS UNDERTAKEN BY THE COMPANY:**

i) Number of International locations: Nil

ii) Number of National locations:

The Company operates in all the states and union territories of the country. The Company has 1,500+ points-of-presence in India covering 2,000+ pin codes in the country.

- 10. MARKETS SERVED BY THE COMPANY:**

Company has more than 5 million subscribers spread across all the states and union territories of the country

**SECTION B: FINANCIAL DETAILS OF THE COMPANY (STANDALONE OPERATIONS)**

- |  |                              |
|--|------------------------------|
| <b>1. PAID-UP CAPITAL</b>                                      | <b>INR 2055.55 Lakh</b>      |
| <b>2. TOTAL REVENUE</b>  | <b>INR 96,963.32 Lakhs</b>   |
| <b>3. PROFIT/(LOSS) AFTER TAXES (Continuing Operations)</b>    | <b>INR 12,706.68 Lakhs</b>   |
| <b>4. PROFIT/(LOSS) AFTER TAXES (Discontinuing Operations)</b> | <b>INR (24,376.69) Lakhs</b> |
| <b>5. TOTAL PROFIT/(LOSS) AFTER TAXES FOR THE YEAR</b>         | <b>INR (11,670.01) Lakhs</b> |

**4. TOTAL SPENDING ON CORPORATE SOCIAL RESPONSIBILITY (CSR) AS PERCENTAGE OF PROFIT AFTER TAX (%):**

During the financial year under review, i.e., 2019-20, the Company, has spent Rs. 116.39 Lakhs towards the CSR Activities, which constitutes approx. 2% of the Company's average net profit after tax for the financial year ended March 2017, March 2018, and March 2019.

**5. LIST OF ACTIVITIES IN WHICH EXPENDITURE IN 4 ABOVE HAS BEEN INCURRED:**

The CSR spends during the year is mainly towards Hinduja Foundation's Rural Development Programme and

Saksham- A Rural Educational Programme in the Jawahar Taluka, District Palghar.

**These contributions aim to promote:**

1. Improved Agriculture Practices
2. Tree-based farming (Wadi)
3. Water Resource Management
4. Women Empowerment
5. Support to Landless Families
6. Strengthening P.O.
7. Training (Agriculture)



Jawahar Taluka, District Palghar.

## SECTION C: OTHER DETAILS

### 1. DOES THE COMPANY HAVE ANY SUBSIDIARY COMPANY/COMPANIES?

Yes, as of March 31, 2020, the Company has 18 subsidiaries. A detailed list of subsidiaries can be referred in Board's Report **Annexure G - Form No MGT-9**

### 2. DO THE SUBSIDIARY COMPANY/COMPANIES PARTICIPATE IN THE BR INITIATIVES OF THE PARENT COMPANY? IF YES, THEN INDICATE THE NUMBER OF SUCH SUBSIDIARY COMPANY(S).

Yes, the Subsidiaries IndusInd Media & Communications Limited and ONEOTT Entertainment Limited participate in the B.R. initiatives of the Parent Company.

### 3. DO ANY OTHER ENTITY/ENTITIES (E.G., SUPPLIERS, DISTRIBUTORS, ETC.)? THAT THE COMPANY DOES BUSINESS WITH PARTICIPATE IN THE BR INITIATIVES OF THE COMPANY? IF YES, THEN INDICATE THE PERCENTAGE OF SUCH ENTITY /ENTITIES (LESS THAN 30%, 30-60%, MORE THAN 60%)

Though the Company's B.R. policies / Initiatives do not apply to vendors/suppliers, the Company follows zero tolerance on any acts of bribery, corruption, etc. by such agencies during their dealing with the Company and /or any of its employees.

## SECTION D: BR INFORMATION

### 1. DETAILS OF DIRECTOR/DIRECTORS RESPONSIBLE FOR BR:

#### a) Details of the Director/Directors responsible for the implementation of the B.R. policy/policies:

All Corporate Policies, including the Business Responsibility Policies of the Company, are

ingrained in day-to-day business operations of the Company, and are implemented by Management at all levels.

The responsibility for implementation of B.R. Policies of the Company is ultimately shouldered by Mr. Amar Chintopanth (DIN - 00048789), Whole Time Director & CFO of the Company.

#### b) Details of the B.R. Head:

| Particulars    | Details                        |
|----------------|--------------------------------|
| 1. DIN Number  | 00048789                       |
| 2. Name        | Mr. Amar Chintopanth           |
| 3. Designation | Whole Time Director & CFO      |
| 4. Tel. Number | 9821030278                     |
| 5. Email Id    | amar.chintopanth@nxtdigital.in |

## 2. PRINCIPLE-WISE (AS PER NVGs) BR POLICY/POLICIES

#### List of B.R. Policies:

| Principle | Nature of Policy                                 |
|-----------|--|
| P1        | Business Ethics, Transparency and Accountability |
| P2        | Product Life Cycle Sustainability                |
| P3        | Employee Well-being                              |
| P4        | Stakeholder Engagement                           |
| P5        | Human Rights                                     |
| P6        | Environmental Protection                         |
| P7        | Policy Advocacy                                  |
| P8        | Inclusive Growth and Equitable Development       |
| P9        | Customer Value                                   |

**a) Details of Compliance (Reply in Y/N)**

| Sr. Questions No   | P1  | P2  | P3  | P4  | P5  | P6  | P7  | P8  | P9  |
|--|---|-----|-----|-----|-----|-----|-----|-----|-----|
| 1 Do you have a Policy / Policies for  | Yes   | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 2 Has the policy been formulated in consultation with the relevant stakeholders  | Yes   | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3 Does policy conform to any national/ international standards. If Yes, specify?   | Policies are prepared to ensure adherence to applicable regulatory requirements and industry standards                  |     |     |     |     |     |     |     |     |
| 4 Has the P board approved the policy? If yes, has it been signed by the MD/ CEO/ appropriate Board Director?                            | Yes   | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 5 Does the Company have a specified committee of the Board/ Director/ Official to oversee implementation of the policy?                  | Yes   | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 6 Indicate the link for the policy to be viewed online   | Policies are uploaded on the Company's corporate website <a href="http://www.nxtdigital.co.in">www.nxtdigital.co.in</a> |     |     |     |     |     |     |     |     |
| 7 Has the policy been formally communicated to all relevant internal and external stakeholders?  | Yes   | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 8 Does the Company have in house structure to implement the policy   | Yes   | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 9 Does the Company have a grievance redressal mechanism related to the policy to address stakeholders' grievances related to the policy? | Yes   | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 10 Has the Company carried out an independent audit/ evaluation of the working of this policy by an internal or external agency?         | Policies are evaluated regularly by the Managing Director and respective Senior Executives                              |     |     |     |     |     |     |     |     |



**b) If the answer to the question at Sr No 1 against any principle is “No”, please explain why:**

| Sr. Questions No  | P1 | P2 | P3 | P4 | P5 | P6             | P7 | P8 | P9 |
|---|----|----|----|----|----|----------------|----|----|----|
| 1 The Company has not understood the principles   |    |    |    |    |    |                |    |    |    |
| 2 The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles |    |    |    |    |    |                |    |    |    |
| 3 The Company does not have financial or manpower resources available for the task  |    |    |    |    |    | Not Applicable |    |    |    |
| 4 It is planned to be done within the next six months   |    |    |    |    |    |                |    |    |    |
| 5 It is planned to be done within next one year   |    |    |    |    |    |                |    |    |    |
| 6 Any other reason (Please specify)   |    |    |    |    |    |                |    |    |    |

**3. GOVERNANCE RELATED TO BR:**

**a) Indicate the frequency with which the Board of Directors, Committee of the Board, or C.E.O. assesses the B.R. performance of the Company.**

Board of Directors annually assess the Company’s B.R. performance.

**b) Does the Company publish a B.R. or sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Company had started publishing B.R. report from the financial year 2019-20. The B.R. report is/shall be available as part of the Annual Report on Company’s website [www.nxtdigital.co.in](http://www.nxtdigital.co.in)

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

**PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES**

**WITH ETHICS, TRANSPARENCY, AND ACCOUNTABILITY**

The Company’s Code of Conduct and Ethics complies with the legal requirements of applicable laws and regulations, including anti-bribery and anti-corruption policies, ethical handling of conflicts of interest, and fair, accurate, and timely disclosure of reports and documents that are filed with the required regulatory bodies in the regions we operate.

**1. Does the policy relating to ethics, bribery, and corruption apply only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/ Others?**

The Code of Conduct of the Company provides guidelines on ethics, bribery, and corruption. It is binding on all employees, directors, and senior management personnel of the Company and its subsidiaries.

Though the Company’s policies do not apply to external stakeholders including suppliers,



contractors, etc., the Company follows zero tolerance on any acts of bribery, corruption, etc. by such agencies during their dealings with the Company and or with any of its employees

**2. How many stakeholders' complaints have been received in the past financial year and what was the percentage satisfactorily resolved by the Management?**

During the financial year 2019-20, 2 complaints were received from investors, of which both complaints have been resolved.

Additionally, on an ongoing basis, the complaints/ grievances/ views from viewers and other stakeholders are dealt with by respective functions within the Company

**PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE**

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks, and opportunities.**

The Company's businesses are provided in compliance with applicable regulations/advisories, issued by relevant Statutory Authorities including but not limited to Ministry of Information & Broadcasting and Telecom Regulatory Authority of India.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw materials, etc.) per unit of product (optional), including a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain and b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

As a service provider, the operations of the Company require minimal energy consumption. Continuous efforts are being made to reduce the consumption of energy. The Company and its employees ensure that there is optimum utilization

of the available resources (like water, energy, etc.).

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs were sourced sustainably?**

The Company maintains a healthy relationship with its content providers, vendors, and other suppliers. The process of vendor registration emphasizes the conformity of safe working conditions and business ethics by the vendor.

The Company also confirms safe working conditions, prevention of child labour, business ethics, and general housekeeping by the vendor. Further, the Company has been seeking vendor commitments to good sustainability practices before registering them on board.

**4. Has Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors**

The Company is a Digital Cable Service Provider operating on the conventional cable and the Headend in the Sky platform and receives and retransmits the content, which is made available by the Broadcasters and other content providers.

The Company supports the new entrants in the broadcasting business as well as the regional players by distributing their content.

Additionally, other goods and service providers required for the day-to-day operations are sourced from local vendors and small producers, which has contributed to their growth.

**5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as <5%, 5-10%, >10%). Also, provide details thereof.**

As the Company is a Digital cable service provider, which is a telecommunication service, our disposal of waste, recycling products, and waste is limited to the equipment we use for providing cable service and does not discharge any effluent or waste.

Wherever possible, the Company recycles or upcycles certain materials like cables and

enclosures, which can be used in other locations.

Further, the Company continues to take initiatives to minimize waste that is generated by its operations. This will ensure end-to-end traceability and recycling of both physical waste and e-waste.

**PRINCIPLE 3: BUSINESS SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES**

**1. Please indicate the total number of employees:**

As on March 31, 2020, the total number of employees on rolls of Company stands at 812.

**2. Please indicate the total number of employees hired on a temporary/ contractual/ casual basis:**

225 employees as on March 31, 2020.

**3. Please indicate the number of permanent women employees:**

43 permanent women employees as on March 31, 2020.

**4. Please indicate the number of permanent employees with disabilities:**

There are no permanent employees with disabilities as on March 31, 2020.

**5. Do you have an employee association that is recognized by Management?**

There is no employee association in existence.

**6. What percentage of your permanent employees are members of this recognized employee association?**

Not Applicable.

**7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year, and pending as at the end of the financial year.**

No cases of child labour, forced labour, involuntary labour paid or unpaid and no cases of sexual harassment and discriminatory employment were reported in the last financial year.

**8. What percentage of your employees mentioned above were given safety and skill up-gradation training in the last year?**

The Company organizes various training sessions in-house regularly and also sponsors its employees to attend training sessions organized by external professional bodies to facilitate up-gradation of the skill of employees handling relevant functions, basic fire, and safety training.

**PRINCIPLE 4: BUSINESSES SHOULD RESPECT INTEREST OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED**

**1. Has the Company mapped its internal and external shareholders?**

Yes. The Company has mapped its internal and external stakeholders and the main categories of the same are as follows:

- (i) Viewers / Subscribers (ii) Investors, (iii) Banks, (iv) (xiii) Stock Exchanges, (v) Vendors, (vi) Service Providers (vii) The Ministry of Information & Broadcasting, (viii) The Department of Telecommunication, (ix) Telecom Regulatory Authority of India, (x) Ministry of Corporate Affairs, (xi) Reserve Bank of India, and (xii) Depositories.

However, the process of mapping stakeholders is an ongoing effort of updating on a regular basis.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable, and marginalized stakeholders?**

Yes

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof.**

The Company extends its support beyond the business activities to the marginalized and vulnerable groups through its various social initiatives, including CSR initiatives.

**PRINCIPLE 5: BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHTS**

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint ventures/ suppliers/ contractors/N.G.O.s/Others?**

Yes, all Companies in the Media Group of NXTDIGITAL Limited, including employees, are covered by the policy. The Company encourages its stakeholders to adopt the principles as laid down in the Human Rights policy. The Company’s approach to human rights is based upon prevailing national laws and internationally accepted best practices.

**2. How many stakeholder complaints have been received in the past financial year, and what percent was satisfactorily resolved by the Management?**

Our stakeholder engagement processes are robust and have strong listening mechanisms. Additionally, all stakeholders have access to the Whistle-blower Policy.

During the financial year 2019-20, 2 complaints were received from investors, of which both complaints have been resolved.

**PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT**

**1. Does the policy related to Principle 6 cover only the Company or extend to the Group/Joint ventures/suppliers/ contractors/ NGOs/ Others?**

The protection of the environment ranks high among our corporate goals and as a responsible corporate citizen. The Company also aims towards the protection and safety of workforce.

The Company’s sustainable development policy seeks to provide long-term vision and growth to the society involving contributions from all stakeholders, both internal and external.

The Company also ensures that all the employees of the Company are adhering to the various norms of Environment Act that apply to the Company.

**2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If**

**yes, please give hyperlinks for the webpage, etc.**

No, the Company being a service-oriented organization, the impact on the environment as a result of our business operations is minimal. Given the above, we do not have any strategies or initiatives aimed at tackling global environmental challenges.

**3. Does the Company identify and assess potential environmental risks? Y/N**

No, the Company being in the business of Distribution of T.V. Channels, does not involve in any manufacturing activity.

However, the Company is committed to safety and protecting the environment in which it operates.

**4. Does the Company have any project related to the Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

The Company being in the business of Distribution of T.V. Channels does not involve in any manufacturing activity, and hence, there is no specific project related to the Clean Development Mechanism.

However, the Company ensures that due importance is given to energy efficiency.

**5. Has Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give a hyperlink to a web page, etc.**

Though the Company has not undertaken any specific initiatives related to clean technology or efficient and renewable energy, however, regular efforts are made to conserve the energy, viz. use of low energy consuming L.E.D. lighting are being encouraged.

**6. Does the Company generate the Emissions/Waste within permissible limits given by CPCB/SPCB for the financial year being reported?**

The same does not apply to the Company as our business activities do not involve the generation of effluents and air emissions.

**7. What is the number of show cause/legal notices received from CPCB/SPCB, which are pending (i.e., not resolved to satisfaction) as of the end of the financial year?**

No show cause/legal notice has been received from CPCB/SPCB.

**PRINCIPLE 7: BUSINESS, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER**

**1. Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.**

The Company is an active member of the following associations:

- 1) All India Digital Cable Federation (AIDCF)
- 2) Confederation of Indian Industry (CII)

**2. Have you advocated/lobbied through the above associations for advancement or improvement of public good? Yes/No; If yes, specify the broad areas**

The Company has been active in various business associations like FICCI and supports/advocates on multiple issues which affect the industry and consumers.

**PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**

**1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?**

The Company has been undertaking CSR initiatives in the areas of agriculture, tree-based farming, water resource management, women empowerment, support to landless families, etc., to promote the well-being of the society through Hinduja Foundation’s Rural Development Programme and Saksham- A Rural Educational Programme in the Jawahar Taluka, District Palghar, Maharashtra State.

The Company is striving towards increasing its presence in remote areas and rural parts of the country through its implementing agency “Hinduja Foundation.”

**2. Are the programmes/projects undertaken through in-house team/own foundation/ external N.G.O./government structures/any other organization?**

To facilitate identifying long term CSR projects and monitoring implementation. The Company carries out its Corporate Social Responsibility activities through its implementing agency “Hinduja Foundation.”

**3. Have you done any impact assessment of your initiative?**

The progress on the Company’s CSR initiatives is periodically reviewed by the CSR Committee and the Board of Directors. However, a formal impact assessment is yet to be done.

**4. What is the Company’s direct contribution to community development projects amount in INR and the details of the projects undertaken?**

The Company has spent an amount of Rs 116.39 Lakh towards CSR for the financial year2019-20. Please refer to the details of CSR contributions in the Annual report on CSR forming part of this Annual Report.

**5. Have you taken steps to ensure that the community successfully adopts this community development initiative?**

Yes, a majority of our community development projects are being reviewed by the CSR Committee and Board Members at regular intervals.

**PRINCIPLE 9: BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER**

**1. What percentage of customer complaints/consumer cases at the end of the financial year?**

The Company is engaged in the Digital Cable distribution business and is bound by and fully complies with the Quality of Service Regulations of TRAI, which inter alia provides the manner and time within which a consumer complaint has to be resolved.



As a corporate policy, the Company is fully dedicated to providing the best services to the consumers, including providing resolution to their complaints/queries within the shortest possible time.

No material consumer cases/customer complaints are outstanding as at the end of the Financial Year.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws?**

Considering the business activity of the Company the display of product information on the product label as per local laws is not applicable to the Company.

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising, and or anti-competitive behaviour during the last five years and pending as of the end of the financial year?**

There are no cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising, and anti-competitive behaviour during the last five years.

**4. Did your Company carry out any consumer survey/consumer satisfaction trends?**

Yes. This is enclosed as Annexure A.

**Annexure A.**

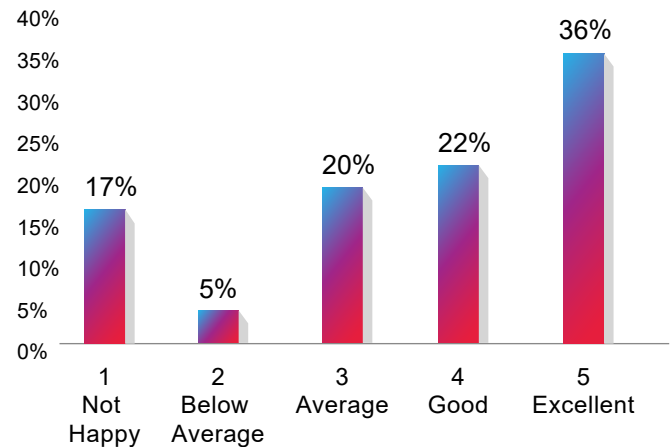
**Online Survey to customers to find out satisfaction of customers**

The Company did a sample survey with customers to find out how happy they are with In Digital Service. The customers were requested to rate In Digital. The survey result given below is for the Western Region.

Similar survey was done across India.

**78 % of our customers have given more than or equal to 3 rating.**

**HOW DO YOU RATE INDigital?**



State-of-the-art Broadcast Facility at Noida



## Annexure “G” to the Board’s Report

### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS

|   |   |   |
|---|---|---|
| 1 | CIN No.   | L51900MH1985PLC036896   |
| 2 | Registration Date   | July 18, 1985   |
| 3 | Name of the Company   | NXTDIGITAL LIMITED (formerly known as Hinduja Ventures Limited)   |
| 4 | Category/Sub-category of the Company                              | Public Company Limited by Shares  |
| 5 | Address of the Registered office and contact details              | IN Centre, 49/50, MIDC, 12th Road, Andheri (East), Mumbai-400 093.<br>Tel: (91 22) 6691 0945<br>E-mail: <a href="mailto:investorgrievances@nxtdigital.in">investorgrievances@nxtdigital.in</a><br>Website: <a href="http://www.nxtdigital.co.in">www.nxtdigital.co.in</a> |
| 6 | Whether Listed Company  | Yes   |
| 7 | Name, Address and Contact details of Registrar and Transfer Agent | <b>KFin Technologies Private Limited</b><br>Selenium, Tower B, Plot No. 31-32<br>Financial District, Nanakramguda, Serilingampally<br>Mandal, Hyderabad – 500032<br>Tel: (91 40) 67161511   |

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are as under:-

| Sr. No. | Name and Description of main products / services | *NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|-----------------------------------|------------------------------------|
| 1       | Media & Communication                            | 7730                              | 100                                |

\* As per National Industrial Classification, 2008 issued by Central Statistical Organisation, Ministry of Statistics and Programme Implementation.

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No | Name and Address of the Company   | CIN                   | Holding/ Subsidiary/ Associate | % of shares held* | Applicable section |
|--------|---|-----------------------|--------------------------------|-------------------|--------------------|
| 1      | IndusInd Media & Communications Limited<br>IN Centre, 49/50, 12th Road, MIDC , Andheri (East) Mumbai 400093 | U92132MH1995PLC085835 | Subsidiary                     | 77.55             | 2(87)              |
| 2      | U S N Networks Private Limited<br>IN Centre, 49/50, 12th Road, MIDC, Andheri (East) Mumbai 400093           | U32201MH1998PTC306027 | Subsidiary                     | 100.00            | 2(87)              |
| 3      | United Mysore Network Private Limited<br>IN Centre, 49/50, 12th Road, MIDC, Andheri (East) Mumbai 400093    | U85110MH1996PTC306003 | Subsidiary                     | 99.45             | 2(87)              |

## Annexure "G" to the Board's Report

| Sr. No | Name and Address of the Company  | CIN                   | Holding/ Subsidiary/ Associate | % of shares held* | Applicable section |
|--------|--|-----------------------|--------------------------------|-------------------|--------------------|
| 4      | Gold Star Noida Network Private Limited<br>IN Centre, 49/50, 12th Road, MIDC , Andheri (East) Mumbai 400093  | U72300MH2007PTC326439 | Subsidiary                     | 100.00            | 2(87)              |
| 5      | Bhima Riddhi Infotainment Private Limited<br>C.S.No. 446/5, E Ward, Kailash Tower, Above Komal Hospital, New Shahupuri , Station Road, Kolhapur- 416 001.          | U92132PN2008PTC131620 | Subsidiary                     | 51.00             | 2(87)              |
| 6      | Apna Incable Broadband Services Private Limited<br>IN Centre, 49/50, 12th Road, MIDC , Andheri (East) Mumbai 400093  | U64201MH2008PTC306009 | Subsidiary                     | 100.00            | 2(87)              |
| 7      | Sangli Media Services Private Limited<br>Sms House, Capital Crown, Near Hotel Chinar, Ganpati Mandir Road, Vishrambag, Sangli - 416 415                            | U92100PN2008PTC133058 | Subsidiary                     | 51.00             | 2(87)              |
| 8      | Sainath In Entertainment Private Limited<br>101, Saidham Bldg., Kharigaon, Kalwa (West), Thane - 400 605   | U92190MH2009PTC196339 | Subsidiary                     | 51.00             | 2(87)              |
| 9      | Sunny Infotainment Private Limited<br>A/20, Kiran C.H.S.L. Road No.6, Pestom Sagar, Chembur, Mumbai - 400 089  | U74990MH2008PTC188328 | Subsidiary                     | 51.00             | 2(87)              |
| 10     | Goldstar Infotainment Private Limited<br>Hanjer Nagar, ""B"" Wing, Shop No.5, Pump House, Andheri (East), Mumbai - 400 093.  | U64204MH2007PTC172051 | Subsidiary                     | 98.92             | 2(87)              |
| 11     | Ajanta Sky Darshan Private Limited<br>New Parimal Chowk, Behind Akashwani Quarter, Above Hariom Auto, University Road, Rajkot - 360 005                            | U64204GJ2010PTC061776 | Subsidiary                     | 51.00             | 2(87)              |
| 12     | Darpita Trading Company Private Limited<br>TISAI House, 3rd Floor, Tisgaon, Kalyan East, Thane - 421 306   | U51900MH2008PTC186699 | Subsidiary                     | 51.00             | 2(87)              |
| 13     | RBL Digital Cable Network Private Limited<br>Bastarwadi Mata Mandhir Prem Nagar Road, Nagpur Near Railway Station Itwari, Nagpur - 440 002                         | U93090MH2010PTC208543 | Subsidiary                     | 51.00             | 2(87)              |
| 14     | Vistaar Telecommunication and Infrastructure Private Limited<br>Samaj Kalyan Co. Soc. Block No.2, Near Mahanagar Bank, Bhatwadi, Ghatkopar West, Mumbai - 400 084. | U64204MH2010PTC210057 | Subsidiary                     | 51.00             | 2(87)              |
| 15     | Vinsat Digital Private Limited<br>Flat No.19 & 20, Sripada Diamond Towers 47-10-6, North Block, IV floor, Dwaraka Nagar, Visakhapatnam - 530016                    | U74220AP2012PTC084081 | Subsidiary                     | 61.00             | 2(87)              |
| 16     | OneOTT Intertainment Limited<br>IN Centre, 49/50, 12th Road, MIDC, Andheri (East), Mumbai - 400093   | U74110MH2000PLC129434 | Subsidiary                     | 71.65             | 2(87)              |

## Annexure “G” to the Board’s Report

| Sr. No | Name and Address of the Company  | CIN                   | Holding/ Subsidiary/ Associate  | % of shares held* | Applicable section |
|--------|--|-----------------------|---|-------------------|--------------------|
| 17     | Onemahanet Intertainment Private Limited<br>IN Centre, 49/50, 12th Road, MIDC, Andheri (East), Mumbai - 400093 | U74900MH2012PTC226203 | Step down Subsidiary (Wholly owned subsidiary of OneOTT Intertainment Ltd.) | 0.00              | 2(87)              |
| 18     | IN Entertainment (India) Limited<br>IN Centre, 49/50, 12th Road, MIDC, Andheri (East), Mumbai - 400093         | U22121MH2000PLC129433 | Step down Subsidiary (Wholly owned subsidiary of OneOTT Intertainment Ltd.) | 0.00              | 2(87)              |

\*Representing aggregate % of shares held by the Company and / or its subsidiaries.

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### (i) Category-wise Share Holding:

| Sr. No.                                | Category of Shareholders                 | No. of Shares held at the beginning of the year |          |                    |                   | No. of Shares held at the end of the year |          |                    |                   | % Change during the year |
|--|--|---|----------|--------------------|-------------------|---|----------|--------------------|-------------------|--------------------------|
|  |  | Demat   | Physical | Total              | % of total shares | Demat                                     | Physical | Total              | % of total shares |                          |
| <b>(A) PROMOTER AND PROMOTER GROUP</b> |  |   |          |                    |                   |   |          |                    |                   |                          |
| <b>(1) INDIAN</b>                      |  |   |          |                    |                   |   |          |                    |                   |                          |
| (a)                                    | Individual /HUF                          | 15,32,185                                       | 0        | 15,32,185          | 7.45              | 15,32,185                                 | 0        | 15,32,185          | 7.45              | 0.00                     |
| (b)                                    | Central Government/State Government(s)   | 0   | 0        | 0                  | 0.00              | 0   | 0        | 0                  | 0.00              | 0.00                     |
| (c)                                    | Bodies Corp.                             | 1,0264,294                                      | 0        | 1,02,64,294        | 49.93             | 1,02,64,294                               | 0        | 1,02,64,294        | 49.93             | 0.00                     |
| (d)                                    | Financial Institutions / Banks           | 0   | 0        | 0                  | 0.00              | 0   | 0        | 0                  | 0.00              | 0.00                     |
| (e)                                    | Others                                   | 0   | 0        | 0                  | 0.00              | 0   | 0        | 0                  | 0.00              | 0.00                     |
|  | <b>Sub-Total A (1)</b>                   | <b>1,17,96,479</b>                              | <b>0</b> | <b>1,17,96,479</b> | <b>57.39</b>      | <b>1,17,96,479</b>                        | <b>0</b> | <b>1,17,96,479</b> | <b>57.39</b>      | <b>0.00</b>              |
| <b>(2) FOREIGN</b>                     |  |   |          |                    |                   |   |          |                    |                   |                          |
| (a)                                    | Individuals (NRIs/Foreign Individuals)   | 0   | 0        | 0                  | 0.00              | 0   | 0        | 0                  | 0.00              | 0.00                     |
| (b)                                    | Bodies Corporate                         | 27,61,427                                       | 0        | 27,61,427          | 13.43             | 27,61,427                                 | 0        | 27,61,427          | 13.43             | 0.00                     |
| (c)                                    | Institutions                             | 0   | 0        | 0                  | 0.00              | 0   | 0        | 0                  | 0.00              | 0.00                     |
| (d)                                    | Qualified Foreign Investor               | 0   | 0        | 0                  | 0.00              | 0   | 0        | 0                  | 0.00              | 0.00                     |
| (e)                                    | Others                                   | 0   | 0        | 0                  | 0.00              | 0   | 0        | 0                  | 0.00              | 0.00                     |
|  | <b>Sub-Total A (2)</b>                   | <b>27,61,427</b>                                | <b>0</b> | <b>2,76,14,27</b>  | <b>13.43</b>      | <b>27,61,427</b>                          | <b>0</b> | <b>27,61,427</b>   | <b>13.43</b>      | <b>0.00</b>              |
|  | <b>Total A=A(1)+A(2)</b>                 | <b>1,45,57,906</b>                              | <b>0</b> | <b>1,45,57,906</b> | <b>70.82</b>      | <b>1,45,57,906</b>                        | <b>0</b> | <b>1,45,57,906</b> | <b>70.82</b>      | <b>0.00</b>              |
| <b>(B) PUBLIC SHAREHOLDING</b>         |  |   |          |                    |                   |   |          |                    |                   |                          |
| <b>(1) INSTITUTIONS</b>                |  |   |          |                    |                   |   |          |                    |                   |                          |
| (a)                                    | Mutual Funds /UTI                        | 0   | 0        | 0                  | 0.00              | 0   | 0        | 0                  | 0.00              | 0.00                     |
| (b)                                    | Financial Institutions /Banks            | 6,724   | 0        | 6,724              | 0.03              | 56  | 0        | 56                 | 0.00              | -0.03                    |
| (c)                                    | Central Government / State Government(s) | 0   | 0        | 0                  | 0.00              | 0   | 0        | 0                  | 0.00              | 0.00                     |
| (d)                                    | Venture Capital Funds                    | 0   | 0        | 0                  | 0.00              | 0   | 0        | 0                  | 0.00              | 0.00                     |
| (e)                                    | Insurance Companies                      | 0   | 0        | 0                  | 0.00              | 0   | 0        | 0                  | 0.00              | 0.00                     |

## Annexure “G” to the Board’s Report

| Sr. No.                     | Category of Shareholders   | No. of Shares held at the beginning of the year |               |                    |                   | No. of Shares held at the end of the year |               |                    |                   | % Change during the year |
|-----------------------------|--|---|---------------|--------------------|-------------------|---|---------------|--------------------|-------------------|--------------------------|
|                             |  | Demat   | Physical      | Total              | % of total shares | Demat                                     | Physical      | Total              | % of total shares |                          |
| (f)                         | Foreign Portfolio Investors                                      | 12,71,615                                       | 0             | 12,71,615          | 6.19              | 13,40,567                                 | 0             | 13,40,567          | 6.52              | 0.34                     |
| (g)                         | Foreign Venture Capital Investors                                | 0   | 0             | 0                  | 0.00              | 0   | 0             | 0                  | 0.00              | 0.00                     |
| (h)                         | Qualified Foreign Investor                                       | 0   | 0             | 0                  | 0.00              | 0   | 0             | 0                  | 0.00              | 0.00                     |
| (i)                         | Others (NBFC)  | 12,280  | 0             | 12,280             | 0.06              | 12,880                                    | 0             | 12,880             | 0.06              | 0.00                     |
|                             | <b>Sub-Total B (1)</b>   | <b>12,90,619</b>                                | <b>0</b>      | <b>12,90,619</b>   | <b>6.28</b>       | <b>13,53,503</b>                          | <b>0</b>      | <b>13,53,503</b>   | <b>6.58</b>       | <b>-0.30</b>             |
| <b>(2) NON-INSTITUTIONS</b> |  |   |               |                    |                   |   |               |                    |                   |                          |
| (a)                         | Bodies Corporate   | 9,04,548  | 0             | 9,04,548           | 4.40              | 8,41,813                                  | 0             | 8,41,813           | 4.10              | -0.31                    |
| (b)                         | Individuals  |   |               |                    |                   |   |               |                    |                   |                          |
| (i)                         | Individuals holding nominal share capital upto ₹ 2 Lakhs         | 16,43,822                                       | 0             | 16,43,822          | 8.00              | 15,80,283                                 | 0             | 15,80,283          | 7.69              | -0.31                    |
| (ii)                        | Individuals holding nominal share capital in excess of ₹ 2 Lakhs | 20,18,104                                       | 0             | 20,18,104          | 9.82              | 20,87,198                                 | 0             | 20,87,198          | 10.15             | 0.34                     |
| (c)                         | Others   |   |               |                    |                   |   |               |                    |                   |                          |
|                             | Clearing Members   | 4,484   | 0             | 4,484              | 0.02              | 2,839                                     | 0             | 2,839              | 0.01              | -0.01                    |
|                             | Directors  | 0   | 0             | 0                  | 0.00              | 0   | 0             | 0                  | 0.00              | 0.00                     |
|                             | Foreign Nationals  | 3,885   | 0             | 3,885              | 0.02              | 3,885                                     | 0             | 3,885              | 0.02              | 0.00                     |
|                             | Non Resident Companies   | 0   | 15000         | 15,000             | 0.07              | 0   | 15000         | 15,000             | 0.07              | 0.00                     |
|                             | Non Resident Indians   | 92,126  | 0             | 92,126             | 0.45              | 90,970                                    | 0             | 90,970             | 0.44              | -0.01                    |
|                             | NRI Non-Repatriation   | 17,979  | 0             | 17,979             | 0.09              | 14,807                                    | 0             | 14,807             | 0.07              | -0.02                    |
|                             | Trusts   | 11  | 0             | 11                 | 0.00              | 11  | 0             | 11                 | 0.00              | 0.00                     |
|                             | Investor Education & Protection Fund                             | 7,019   | 0             | 7,019              | 0.03              | 7,288                                     | 0             | 7,288              | 0.04              | 0.01                     |
| (d)                         | Qualified Foreign Investor                                       | 0   | 0             | 0                  | 0.00              | 0   | 0             | 0                  | 0.00              | 0.00                     |
|                             | <b>Sub-Total B (2)</b>   | <b>46,91,978</b>                                | <b>15,000</b> | <b>47,06,978</b>   | <b>22.90</b>      | <b>46,29,094</b>                          | <b>15,000</b> | <b>46,44,094</b>   | <b>22.59</b>      | <b>-0.31</b>             |
|                             | <b>Total B=B (1)+B (2)</b>                                       | <b>59,82,597</b>                                | <b>15,000</b> | <b>59,97,597</b>   | <b>29.18</b>      | <b>59,82,597</b>                          | <b>15,000</b> | <b>59,97,597</b>   | <b>29.17</b>      | <b>0.00</b>              |
|                             | <b>Total (A+B)</b>   |   |               | <b>2,05,55,503</b> |                   |   |               | <b>2,05,55,503</b> |                   |                          |
| (C)                         | Shares held by custodians for GDRs and ADRs                      |   |               | 0                  |                   |   |               | 0                  |                   |                          |
|                             | <b>GRAND TOTAL (A+B+C)</b>                                       |   |               | <b>2,05,55,503</b> |                   |   |               | <b>2,05,55,503</b> |                   |                          |

## Annexure “G” to the Board’s Report

### (ii) Shareholding of Promoters:

| Sr. No. | Shareholder's Name   | Shareholding at the beginning of the year |                                  |   | Shareholding at the end of the year |                                  |   | % Change in shareholding during the year |
|---------|--|---|----------------------------------|---|-------------------------------------|----------------------------------|---|--|
|         |  | No. of shares                             | % of total shares of the Company | % of shares pledged/ encumbered to total shares | No. of shares                       | % of total shares of the Company | % of shares pledged/ encumbered to total shares |  |
| 1       | Mr. Ashok P. Hinduja   | 31,600                                    | 0.15                             | 0.00  | 31,600                              | 0.15                             | 0.00  | 0.00                                     |
| 2       | Mr. Ashok P. Hinduja jointly with Ms. Harsha Ashok Hinduja   | 45,313                                    | 0.22                             | 0.00  | 45,313                              | 0.22                             | 0.00  | 0.00                                     |
| 3       | Ms. Harsha Ashok Hinduja   | 16,695                                    | 0.08                             | 0.00  | 16,695                              | 0.08                             | 0.00  | 0.00                                     |
| 4       | Ms. Harsha Ashok Hinduja jointly with Ashok Parmanand Hinduja  | 4,72,498                                  | 2.30                             | 0.00  | 472,498                             | 2.30                             | 0.00  | 0.00                                     |
| 5       | Mr. Vinoo Srichand Hinduja   | 61,065                                    | 0.30                             | 0.00  | 61,065                              | 0.30                             | 0.00  | 0.00                                     |
| 6       | Ms. Ambika Ashok Hinduja   | 1,77,242                                  | 0.86                             | 0.00  | 1,77,242                            | 0.86                             | 0.00  | 0.00                                     |
| 7       | Mr. Shom Ashok Hinduja   | 140,007                                   | 0.68                             | 0.00  | 1,40,007                            | 0.68                             | 0.00  | 0.00                                     |
| 8       | Mr. Shanoo S. Mukhi  | 955                                       | 0.00                             | 0.00  | 955                                 | 0.00                             | 0.00  | 0.00                                     |
| 9       | Mr. A P Hinduja  | 54,327                                    | 0.26                             | 0.00  | 54,327                              | 0.26                             | 0.00  | 0.00                                     |
| 10      | Mr. Ashok Parmanand Hinduja  | 5,32,483                                  | 2.59                             | 0.00  | 5,32,483                            | 2.59                             | 0.00  | 0.00                                     |
| 11      | Hinduja Group Limited  | 56,37,449                                 | 27.43                            | 0.00  | 56,37,449                           | 27.43                            | 0.00  | 0.00                                     |
| 12      | Hinduja Group Limited jointly with Hinduja Realty Ventures Limited (as the Demat Account holder & Partners of Aasia Exports) | 29,13,123                                 | 14.17                            | 0.00  | 29,13,123                           | 14.17                            | 0.00  | 0.00                                     |
| 13      | Aasia Corporation LLP  | 14,00,879                                 | 6.82                             | 0.00  | 14,00,879                           | 6.82                             | 0.00  | 0.00                                     |
| 14      | Hinduja Properties Limited   | 2,12,843                                  | 1.04                             | 0.00  | 2,12,843                            | 1.04                             | 0.00  | 0.00                                     |
| 15      | Hinduja Finance Limited  | 1,00,000                                  | 0.49                             | 0.00  | 1,00,000                            | 0.49                             |   |  |
| 16      | Amas Mauritius Limited   | 27,61,427                                 | 13.43                            | 0.00  | 27,61,427                           | 13.43                            | 0.00  | 0.00                                     |
|         | <b>Total</b>   | <b>1,45,57,906</b>                        | <b>70.82</b>                     | <b>0.00</b>                                     | <b>1,45,57,906</b>                  | <b>70.82</b>                     | <b>0.00</b>                                     | <b>0.00</b>                              |

### (iii) Change in Promoters Shareholding:

| Sr. No. | Particulars  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  | Reason    |
|---------|--|---|----------------------------------|---|----------------------------------|-----------|
|         |  | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |           |
| 1       | <b>Mr. Ashok P. Hinduja</b>  |   |                                  |   |                                  |           |
|         | At the beginning of the year   | 31,600                                    | 0.15                             | 31,600                                  | 0.15                             |           |
|         | Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | -   | -                                | -                                       | -                                | No Change |
|         | At the end of the year   | 0   | 0.00                             | 31,600                                  | 0.15                             |           |
| 2       | <b>Mr. Ashok P. Hinduja jointly with Ms. Harsha Ashok Hinduja</b>  |   |                                  |   |                                  |           |
|         | At the beginning of the year   | 45,313                                    | 0.22                             | 45,313                                  | 0.22                             |           |
|         | Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | -   | -                                | -                                       | -                                | No Change |
|         | At the end of the year   | 0   | 0.00                             | 45,313                                  | 0.22                             |           |



## Annexure “G” to the Board’s Report

| Sr. No.  | Particulars  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  | Reason    |
|----------|--|---|----------------------------------|---|----------------------------------|-----------|
|          |  | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |           |
| <b>3</b> | <b>Ms. Harsha Ashok Hinduja</b>  |   |                                  |   |                                  |           |
|          | At the beginning of the year   | 16,695                                    | 0.08                             | 16,695                                  | 0.08                             |           |
|          | Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | -   | -                                | -                                       | -                                | No Change |
|          | At the end of the year   | 0   | 0.00                             | 16,695                                  | 0.08                             |           |
| <b>4</b> | <b>Ms. Harsha Ashok Hinduja jointly with Mr. Ashok Parmanand Hinduja</b>   |   |                                  |   |                                  |           |
|          | At the beginning of the year   | 4,72,498                                  | 2.30                             | 4,72,498                                | 2.30                             |           |
|          | Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | -   | -                                | -                                       | -                                | No Change |
|          | At the end of the year   | 0   | 0.00                             | -                                       | 2.30                             |           |
| <b>5</b> | <b>Mr. Vinoo Srichand Hinduja</b>  |   |                                  |   |                                  |           |
|          | At the beginning of the year   | 61,065                                    | 0.30                             | 61,065                                  | 0.30                             |           |
|          | Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | -   | -                                | -                                       | -                                | No Change |
|          | At the end of the year   | 0   | 0.00                             | 61,065                                  | 0.30                             |           |
| <b>6</b> | <b>Mr. Ambika Ashok Hinduja</b>  |   |                                  |   |                                  |           |
|          | At the beginning of the year   | 1,77,242                                  | 0.86                             | 1,77,242                                | 0.86                             |           |
|          | Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | -   | -                                | -                                       | -                                | No Change |
|          | At the end of the year   | 0   | 0.00                             | 1,77,242                                | 0.86                             |           |
| <b>7</b> | <b>Mr. Shom Ashok Hinduja</b>  |   |                                  |   |                                  |           |
|          | At the beginning of the year   | 1,40,007                                  | 0.68                             | 1,40,007                                | 0.68                             |           |
|          | Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | -   | -                                | -                                       | -                                | No Change |
|          | At the end of the year   | 0   | 0.00                             | 1,40,007                                | 0.68                             |           |

## Annexure “G” to the Board’s Report

| Sr. No. | Particulars   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  | Reason    |
|---------|---|---|----------------------------------|---|----------------------------------|-----------|
|         |   | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |           |
| 8       | <b>Mr. Shanoo S Mukhi</b>   |   |                                  |   |                                  |           |
|         | At the beginning of the year  | 955                                       | 0.00                             | 955                                     | 0.00                             |           |
|         | Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)            | -   | -                                | -                                       | -                                | No Change |
|         | At the end of the year  | 0   | 0.00                             | 955                                     | 0.00                             |           |
| 9       | <b>Mr. A P Hinduja, Karta of MR. A.P. Hinduja (HUF)</b>   |   |                                  |   |                                  |           |
|         | At the beginning of the year  | 54,327                                    | 0.26                             | 54,327                                  | 0.26                             |           |
|         | Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)            | -   | -                                | -                                       | -                                | No Change |
|         | At the end of the year  | 0   | 0.00                             | 54,327                                  | 0.26                             |           |
| 10      | <b>Mr. Ashok P. Hinduja, Karta of Mr. S.P. Hinduja (HUF Bigger)</b>   |   |                                  |   |                                  |           |
|         | At the beginning of the year  | 5,32,483                                  | 2.59                             | 5,32,483                                | 2.59                             |           |
|         | Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)            | -   | -                                | -                                       | -                                | No Change |
|         | At the end of the year  | 0   | 0.00                             | 532483                                  | 2.59                             |           |
| 11      | <b>Mr. Hinduja Group Limited</b>  |   |                                  |   |                                  |           |
|         | At the beginning of the year  | 56,37,449                                 | 27.43                            | 56,37,449                               | 27.43                            |           |
|         | Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) 22-03-2018 | -   | -                                | -                                       | -                                | No Change |
|         | At the end of the year  | 0   | 0.00                             | 56,37,449                               | 27.43                            |           |
| 12      | <b>Hinduja Group Limited Jointly Hinduja Realty Ventures Limited (as the Demat Account Holder and Partners of Aasia Exports)</b>  |   |                                  |   |                                  |           |
|         | At the beginning of the year  | 29,13,123                                 | 14.17                            | 29,13,123                               | 14.17                            |           |
|         | Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) 05/10/2018 | -   | -                                | -                                       | -                                | No Change |
|         | At the end of the year  | 0   | 0.00                             | 29,13,123                               | 14.17                            |           |

## Annexure “G” to the Board’s Report

| Sr. No.   | Particulars  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  | Reason    |
|-----------|--|---|----------------------------------|---|----------------------------------|-----------|
|           |  | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |           |
| <b>13</b> | <b>Aasia Corporation LLP</b>   |   |                                  |   |                                  |           |
|           | At the beginning of the year   | 14,00,879                                 | 6.82                             | 14,00,879                               | 6.82                             |           |
|           | Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)<br>12-10-2018 | -   | -                                | -                                       | -                                | No Change |
|           | At the end of the year   |   |                                  | 14,00,879                               | 6.82                             |           |
| <b>14</b> | <b>Hinduja Properties Limited</b>  |   |                                  |   |                                  |           |
|           | At the beginning of the year   | 2,12,843                                  | 1.04                             | 212,843                                 | 1.04                             |           |
|           | Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)<br>12/10/2018 | -   | -                                | -                                       | -                                | No Change |
|           | At the end of the year   |   |                                  | 2,12,843                                | 1.04                             |           |
| <b>15</b> | <b>Hinduja Finance Limited</b>   |   |                                  |   |                                  |           |
|           | At the beginning of the year   | 1,00,000                                  | 0.49                             | 1,00,000                                | 0.49                             |           |
|           | Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)<br>12/10/2018 | -   | -                                | -                                       | -                                | No Change |
|           | At the end of the year   | 0   | 0.00                             | 1,00,000                                | 0.49                             |           |
| <b>16</b> | <b>Amas Mauritius Limited</b>  |   |                                  |   |                                  |           |
|           | At the beginning of the year   | 27,61,427                                 | 13.43                            | 27,61,427                               | 13.43                            |           |
|           | Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)               | -   | -                                | -                                       | -                                | No Change |
|           | At the end of the year   | 0   | 0.00                             | 27,61,427                               | 13.43                            |           |

## Annexure “G” to the Board’s Report

### (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sr. No | Shareholder’s Name   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  | Reason    |
|--------|--|---|----------------------------------|---|----------------------------------|-----------|
|        |  | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |           |
| 1      | <b>BRIDGE INDIA FUND</b>   |   |                                  |   |                                  |           |
|        | At the beginning of the year   | 8,74,147                                  | 4.25                             |   |                                  |           |
|        | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)  | -   | -                                | -                                       | -                                | No Change |
|        | At the End of the year (or on the date of separation, if separated during the year)  | 0   | 0.00                             | 8,74,147                                | 4.25                             |           |
| 2      | <b>MR. DILIPKUMAR LAKHI</b>  |   |                                  |   |                                  |           |
|        | At the beginning of the year   | 5,19,788                                  | 2.53                             |   |                                  |           |
|        | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): |   |                                  |   |                                  |           |
|        | 02.08.2019   | 7,000                                     | 0.03                             | 526,788                                 | 2.56                             | Purchase  |
|        | 09.08.2019   | 7,623                                     | 0.04                             | 5,34,411                                | 2.60                             | Purchase  |
|        | At the End of the year (or on the date of separation, if separated during the year)  |   |                                  | 5,34,411                                | 2.60                             |           |
| 3      | <b>MR. RANGA PRASAD N</b>  |   |                                  |   |                                  |           |
|        | At the beginning of the year   | 5,06,893                                  | 2.47                             |   |                                  |           |
|        | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): |   |                                  |   |                                  |           |
|        | 17.05.2019   | 40  | 0.00                             | 5,06,933                                | 2.47                             | Purchase  |
|        | 13.09.2019   | 710                                       | 0.00                             | 5,07,643                                | 2.47                             | Purchase  |
|        | 27.09.2019   | 1170                                      | 0.01                             | 5,08,813                                | 2.48                             | Purchase  |
|        | 04.10.2019   | 100                                       | 0.00                             | 5,08,913                                | 2.48                             | Purchase  |
|        | 18.20.2019   | 1,162                                     | 0.00                             | 5,10,075                                | 2.48                             | Purchase  |
|        | 15.11.2019   | 1,283                                     | 0.01                             | 5,11,358                                | 2.49                             | Purchase  |
|        | 22.11.2019   | 2,382                                     | 0.01                             | 5,13,740                                | 2.50                             | Purchase  |
|        | 29.11.2019   | 90  | 0.00                             | 5,13,830                                | 2.50                             | Purchase  |
|        | 06.12.2019   | 73  | 0.00                             | 5,13,903                                | 2.50                             | Purchase  |
|        | 13.12.2019   | 80  | 0.00                             | 5,13,983                                | 2.50                             | Purchase  |
|        | 20.12.2019   | 70  | 0.00                             | 5,14,053                                | 2.50                             | Purchase  |
|        | 27.12.2019   | 165                                       | 0.00                             | 5,14,218                                | 2.50                             | Purchase  |
|        | 10.01.2020   | 120                                       | 0.00                             | 5,14,338                                | 2.50                             | Purchase  |
|        | 17.01.2020   | 140                                       | 0.00                             | 5,14,478                                | 2.50                             | Purchase  |
|        | 14.02.2020   | 5,416                                     | 0.03                             | 5,19,894                                | 2.53                             | Purchase  |
|        | 21.02.2020   | 982                                       | 0.00                             | 5,20,876                                | 2.53                             | Purchase  |

## Annexure “G” to the Board’s Report

| Sr. No   | Shareholder’s Name   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  | Reason   |
|----------|--|---|----------------------------------|---|----------------------------------|----------|
|          |  | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |          |
|          | 28.02.2020   | 334                                       | 0.01                             | 5,21,210                                | 2.54                             | Purchase |
|          | 06.03.2020   | 791                                       | 0.00                             | 5,22,001                                | 2.54                             | Purchase |
|          | 31.03.2020   | 105                                       | 0.00                             | 5,22,106                                | 2.54                             | Purchase |
|          |  |   |                                  |   |                                  | Purchase |
|          | At the End of the year (or on the date of separation, if separated during the year)  |   |                                  | <b>5,22,106</b>                         | <b>2.54</b>                      |          |
| <b>4</b> | <b>MR. RANGA PRASAD NUTHAKKI</b>   |   |                                  |   |                                  |          |
|          | At the beginning of the year   | <b>496726</b>                             | <b>2.42</b>                      |   |                                  |          |
|          | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): |   |                                  |   |                                  |          |
|          | 17.05.2019   | 40  | 0.00                             | 496766                                  | 2.42                             | Purchase |
|          | 09.08.2019   | 90  | 0.00                             | 496856                                  | 2.42                             | Purchase |
|          | 13.09.2019   | 3306                                      | 0.01                             | 500162                                  | 2.43                             | Purchase |
|          | 27.09.2019   | 1624                                      | 0.01                             | 501786                                  | 2.44                             | Purchase |
|          | 30.09.2019   | 100                                       | 0.00                             | 501886                                  | 2.44                             | Purchase |
|          | 04.10.2019   | 100                                       | 0.00                             | 501986                                  | 2.44                             | Purchase |
|          | 11.10.2019   | 50  | 0.00                             | 502036                                  | 2.44                             | Purchase |
|          | 25.10.2019   | 153                                       | 0.00                             | 502189                                  | 2.44                             | Purchase |
|          | 20.12.2019   | 150                                       | 0.00                             | 502339                                  | 2.44                             | Purchase |
|          | 21.02.2019   | 453                                       | 0.01                             | 502792                                  | 2.45                             | Purchase |
|          | 28.02.2019   | 1738                                      | 0.00                             | 504530                                  | 2.45                             | Purchase |
|          | 06.03.2019   | 577                                       | 0.01                             | 505107                                  | 2.46                             | Purchase |
|          | 13.03.2019   | 100                                       | 0.00                             | 505207                                  | 2.46                             | Purchase |
|          | 20.03.2019   | 194                                       | 0.00                             | 505401                                  | 2.46                             | Purchase |
|          | At the End of the year (or on the date of separation, if separated during the year)  |   |                                  | <b>505401</b>                           | <b>2.46</b>                      |          |
| <b>5</b> | <b>RELIANCE VALUE SERVICES PRIVATE LIMITED</b>   |   |                                  |   |                                  |          |
|          | At the beginning of the year   | <b>375000</b>                             | <b>1.82</b>                      |   |                                  |          |
|          | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): |   |                                  |   |                                  |          |
|          | 23.08.2019   | -731                                      | 0.00                             | 374269                                  | 1.82                             | Sale     |
|          | At the End of the year (or on the date of separation, if separated during the year)  |   |                                  | <b>374269</b>                           | <b>1.82</b>                      |          |



## Annexure “G” to the Board’s Report

| Sr. No  | Shareholder’s Name   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  | Reason    |
|---|--|---|----------------------------------|---|----------------------------------|-----------|
|   |  | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |           |
| 6   | <b>VALLABH REALTORS PRIVATE LIMITED</b>  |   |                                  |   |                                  |           |
|   | At the beginning of the year   | 205600                                    | 1.00                             |   |                                  |           |
|   | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)  | -   | -                                | -                                       | -                                | No Change |
|   | At the End of the year (or on the date of separation, if separated during the year)  |   |                                  | 205600                                  | 1.00                             |           |
| 7   | <b>ELARA INDIA OPPORTUNITIES FUND LIMITED</b>  |   |                                  |   |                                  |           |
|   | At the beginning of the year   | 200000                                    | 0.97                             |   |                                  |           |
|   | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)  | -   | -                                | -                                       | -                                | No Change |
|   | At the End of the year (or on the date of separation, if separated during the year)  |   |                                  | 200000                                  | 0.97                             |           |
| 8   | <b>MR. BHAVESH DHIRESHBHAI SHAH</b>  |   |                                  |   |                                  |           |
|   | At the beginning of the year   | 176574                                    | 0.86                             |   |                                  |           |
|   | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): |   |                                  |   |                                  |           |
|   | 23.08.2019   | 1205                                      | 0.00                             | 177779                                  | 0.86                             | Purchase  |
|   | 27.09.2019   | 1135                                      | 0.01                             | 178914                                  | 0.87                             | Purchase  |
|   | At the End of the year (or on the date of separation, if separated during the year)  |   |                                  | 178914                                  | 0.87                             |           |
| 9   | <b>AVIATOR GLOBAL INVESTMENT FUND</b>  |   |                                  |   |                                  |           |
|   | At the beginning of the year   | 143881                                    | 0.70                             |   |                                  |           |
|   | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): |   |                                  |   |                                  |           |
|   | 20.09.2019   | 2590                                      | 0.01                             | 146471                                  | 0.71                             | Purchase  |
|   | 27.09.2019   | 2764                                      | 0.02                             | 149235                                  | 0.73                             | Purchase  |
| At the End of the year (or on the date of separation, if separated during the year) |  |   | 149235                           | 0.73                                    |                                  |           |
| 10  | <b>NEW LEAINA INVESTMENTS LIMITED</b>  |   |                                  |   |                                  |           |
|   | At the beginning of the year   | 0   | 0.00                             |   |                                  |           |
|   | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): |   |                                  |   |                                  |           |
| 05.04.2019  | 6671   | 0.03                                      | 6671                             | 0.03                                    | Purchase                         |           |

## Annexure “G” to the Board’s Report

| Sr. No    | Shareholder’s Name   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  | Reason   |
|-----------|--|---|----------------------------------|---|----------------------------------|----------|
|           |  | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |          |
|           | 12.04.2019   | 9131                                      | 0.05                             | 15802                                   | 0.08                             | Purchase |
|           | 19.04.2019   | 3447                                      | 0.01                             | 19249                                   | 0.09                             | Purchase |
|           | 26.04.2019   | 8066                                      | 0.04                             | 27315                                   | 0.13                             | Purchase |
|           | 03.05.2019   | 6262                                      | 0.03                             | 33577                                   | 0.16                             | Purchase |
|           | 10.05.2019   | 11373                                     | 0.06                             | 44950                                   | 0.22                             | Purchase |
|           | 17.05.2019   | 17365                                     | 0.08                             | 62315                                   | 0.30                             | Purchase |
|           | 24.05.2019   | 7800                                      | 0.04                             | 70115                                   | 0.34                             | Purchase |
|           | 31.05.2019   | 7292                                      | 0.04                             | 77407                                   | 0.38                             | Purchase |
|           | 07.06.2019   | 15000                                     | 0.07                             | 92407                                   | 0.45                             | Purchase |
|           | 30.08.2019   | 934                                       | 0.00                             | 93341                                   | 0.45                             | Purchase |
|           | 06.09.2019   | 13436                                     | 0.07                             | 106777                                  | 0.52                             | Purchase |
|           | 13.09.2019   | 6914                                      | 0.03                             | 113691                                  | 0.55                             | Purchase |
|           | 20.09.2019   | 2995                                      | 0.02                             | 116686                                  | 0.57                             | Purchase |
|           | At the End of the year (or on the date of separation, if separated during the year)  |   |                                  | <b>116686</b>                           | <b>0.57</b>                      |          |
| <b>11</b> | <b>MR. MANISH LAKHI</b>  |   |                                  |   |                                  |          |
|           | At the beginning of the year   | <b>75232</b>                              | <b>0.37</b>                      |   |                                  |          |
|           | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): |   |                                  |   |                                  |          |
|           | At the End of the year (or on the date of separation, if separated during the year)  |   |                                  | <b>75232</b>                            | <b>0.37</b>                      |          |
| <b>12</b> | <b>RITESH GIRDHARILAL LAKHI</b>  |   |                                  |   |                                  |          |
|           | At the beginning of the year   | <b>75000</b>                              | <b>0.36</b>                      |   |                                  |          |
|           | Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc):     |   |                                  |   |                                  |          |
|           | 26.07.2019   | 1378                                      | 0.01                             | 76378                                   | 0.37                             | Purchase |
|           | 02.08.2019   | 560                                       | 0.00                             | 76938                                   | 0.37                             | Purchase |
|           | 22.11.2019   | 1176                                      | 0.01                             | 78114                                   | 0.38                             | Purchase |
|           | 29.11.2019   | 13751                                     | 0.07                             | 91865                                   | 0.45                             | Purchase |
|           | 06.12.2019   | 1616                                      | 0.00                             | 93481                                   | 0.45                             | Purchase |
|           | 20.12.2019   | 579                                       | 0.01                             | 94060                                   | 0.46                             | Purchase |
|           | 27.12.2019   | 1161                                      | 0.00                             | 95221                                   | 0.46                             | Purchase |
|           | 03.01.2020   | 1028                                      | 0.01                             | 96249                                   | 0.47                             | Purchase |
|           | 10.01.2020   | 532                                       | 0.00                             | 96781                                   | 0.47                             | Purchase |
|           | 24.01.2020   | 461                                       | 0.00                             | 97242                                   | 0.47                             | Purchase |
|           | 31.01.2020   | 1529                                      | 0.01                             | 98771                                   | 0.48                             | Purchase |
|           | 07.02.2020   | 672                                       | 0.00                             | 99443                                   | 0.48                             | Purchase |
|           | 27.03.2020   | 6401                                      | 0.03                             | 105844                                  | 0.51                             | Purchase |
|           | 31.03.2020   | 100                                       | 0.01                             | 105944                                  | 0.52                             | Purchase |
|           | At the End of the year (or on the date of separation, if separated during the year)  |   |                                  | <b>105944</b>                           | <b>0.52</b>                      |          |

## Annexure “G” to the Board’s Report

| Sr. No | Shareholder’s Name   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  | Reason   |
|--------|--|---|----------------------------------|---|----------------------------------|----------|
|        |  | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |          |
| 13     | <b>KARUNA DILIPKUMAR LAKHI</b>   |   |                                  |   |                                  |          |
|        | At the beginning of the year   | 64026                                     | 0.31                             |   |                                  |          |
|        | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): |   |                                  |   |                                  |          |
|        | 06.12.2019   | 3767                                      | 0.02                             | 67793                                   | 0.33                             | Purchase |
|        | 13.12.2019   | 2000                                      | 0.01                             | 69793                                   | 0.34                             | Purchase |
|        | At the End of the year (or on the date of separation, if separated during the year)  |   |                                  | 69793                                   | 0.34                             |          |

## (v) Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | Name of Directors and Key Managerial Personnel  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|---|---|----------------------------------|---|----------------------------------|
|         |   | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |
| 1       | <b>Mr. Ashok P. Hinduja</b>   |   |                                  |   |                                  |
|         | At the beginning of the year  | 76,913                                    | 0.37                             | 76,913                                  | 0.37                             |
|         | Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | -   | -                                | -                                       | -                                |
|         | At the End of the year  | 0   | 0.00                             | 76,913                                  | 0.37                             |
| 2       | <b>Mr. Prashant Asher</b>   |   |                                  |   |                                  |
|         | At the beginning of the year  | 125                                       | 0.00                             | 125                                     | 0.00                             |
|         | Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | -   | -                                | -                                       | -                                |
|         | At the End of the year  | 125                                       | 0.00                             | 125                                     | 0.00                             |
| 3       | <b>Mr. Ashok Mansukhani</b>   |   |                                  |   |                                  |
|         | At the beginning of the year  | 500                                       | 0.00                             | 500                                     | 0.00                             |
|         | Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | -   | -                                | -                                       | -                                |
|         | At the End of the year  | 0   | 0.00                             | 500                                     | 0.00                             |

Note: None of the Directors and Key Managerial Personnel hold any shares in the Company except mentioned above.

## Annexure “G” to the Board’s Report

## V. INDEBTEDNESS

## Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹)

|  | Secured Loans<br>excluding deposits | Unsecured<br>Loans   | Deposits | Total<br>Indebtedness  |
|--|-------------------------------------|----------------------|----------|------------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                     |                      |          |                        |
| i) Principal Amount  | 11,253,556,185                      | 806,999,784          | -        | 12,060,555,969         |
| ii) Interest due but not paid                              | -                                   | -                    | -        | -                      |
| iii) Interest accrued but not due                          | 181,606,403                         | -                    | -        | 181,606,403            |
| <b>Total (i+ii+iii)</b>                                    | <b>11,435,162,588</b>               | <b>806,999,784</b>   | <b>-</b> | <b>12,242,162,372</b>  |
| <b>Change in Indebtedness during the financial year</b>    |                                     |                      |          |                        |
| <b>Addition on Merger</b>                                  |                                     |                      |          |                        |
| * Addition   | 451,636,106                         | 8,954,560,972        | -        | 9,406,197,078          |
| * Reduction  | (5,899,105,287)                     | (6,151,560,756)      | -        | (12,050,666,043)       |
| <b>Net Change</b>  | <b>(5,447,469,181)</b>              | <b>2,803,000,216</b> | <b>-</b> | <b>(2,644,468,965)</b> |
| <b>Indebtedness at the end of the financial year</b>       |                                     |                      |          |                        |
| i) Principal Amount  | 5,806,087,004                       | 3,610,000,000.00     | -        | 9,416,087,004          |
| ii) Interest due but not paid                              | -                                   | -                    | -        | -                      |
| iii) Interest accrued but not due                          | 81,386,447                          | 113,107,158.00       | -        | 194,493,605            |
| <b>Total (i+ii+iii)</b>                                    | <b>5,887,473,450</b>                | <b>3,723,107,158</b> | <b>-</b> | <b>9,610,580,609</b>   |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

(Amount in ₹)

| Sr. No. | Particulars of Remuneration   | Name of MD/WTD/<br>Manager<br>Mr. Ashok Mansukhani<br>(Managing Director)   | Total             |
|---------|---|---|-------------------|
| 1.      | Gross Salary  |   |                   |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 12,227,783  | 12,227,783        |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 333,717   | 333,717           |
|         | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | Nil   | Nil               |
| 2.      | Stock Option  | Nil   | Nil               |
| 3.      | Sweat Equity  | Nil   | Nil               |
| 4.      | Commission  | Nil   | Nil               |
|         | - as % of profit  | Nil   | Nil               |
|         | - others, specify   | Nil   | Nil               |
| 5.      | Others  | Nil   | Nil               |
|         | <b>Total (A)</b>  | <b>12,561,500</b>   | <b>12,561,500</b> |
|         | Ceiling as per the Act  | The remuneration paid is within the limits prescribed under Section 197 of the Companies Act, 2013 read with Schedule V of the Act. |                   |

## Annexure “G” to the Board’s Report

### B. Remuneration to other directors:

(Amount in ₹)

| Sr. No. | Particulars of Remuneration               | Name of Directors |                         |                    |                   | Total Amount     |
|---------|---|-------------------|-------------------------|--------------------|-------------------|------------------|
|         |   | Mr. Anil Harish   | Mr. Rajendra P. Chitale | Mr. Prashant Asher | Ms. Bhumika Batra |                  |
| 1       | Independent Directors                     |                   |                         |                    |                   |                  |
|         | Fee for attending board meetings          | 5,00,000          | 3,00,000                | 4,00,000           | 5,00,000          | 17,00,000        |
|         | Commission                                | Nil               | Nil                     | Nil                | Nil               | 0                |
|         | Others                                    | Nil               | Nil                     | Nil                | Nil               | 0                |
|         | Audit Committee                           | 5,00,000          | 3,00,000                | Nil                | 2,00,000          | 10,00,000        |
|         | Nomination and Remuneration Committee     | 1,00,000          | 50,000                  | 50,000             | Nil               | 2,00,000         |
|         | CSR Committee                             | Nil               | Nil                     | Nil                | Nil               | 0                |
|         | Separate Meeting of Independent Directors | 50,000            | Nil                     | 50,000             | 50,000            | 1,50,000         |
|         | Stakeholders Relationship Committee       | Nil               | Nil                     | 50,000             | 50,000            | 1,00,000         |
|         | <b>Total (1)</b>                          | <b>11,50,000</b>  | <b>6,50,000</b>         | <b>5,50,000</b>    | <b>8,00,000</b>   | <b>31,50,000</b> |

| Sr. No. | Particulars of Remuneration                | Name of Directors  |                      | Total Amount       |
|---------|--|--|----------------------|--------------------|
|         |  | Mr. Sudhanshu Tripathi   | Mr. Ashok P. Hinduja |                    |
| 2       | <b>Other Non-Executive Directors</b>       |  |                      |                    |
|         | Fee for attending board meetings           | 5,00,000   | 5,00,000             | 10,00,000          |
|         | Commission                                 | Nil  | Nil                  | 0                  |
|         | Others                                     | Nil  | Nil                  | 0                  |
|         | Audit Committee                            | 5,00,000   | Nil                  | 5,00,000           |
|         | Nomination and Remuneration Committee      | 1,00,000   | Nil                  | 1,00,000           |
|         | CSR Committee                              | Nil  | Nil                  | 0                  |
|         | Separate Meeting of Independent Directors  | Nil  | Nil                  | 0                  |
|         | Stakeholders Relationship Committee        | Nil  | Nil                  | 0                  |
|         | <b>Total (2)</b>                           | <b>11,00,000</b>   | <b>5,00,000</b>      | <b>16,00,000</b>   |
|         | <b>Total (B)=(1+2)</b>                     |  |                      | <b>47,50,000</b>   |
|         | <b>Total Managerial Remuneration (A+B)</b> |  |                      | <b>1,73,11,500</b> |
|         | <b>Overall Ceiling as per the Act</b>      | Sitting Fees paid is within the limits specified under the Companies Act, 2013 |                      |                    |



## Annexure “G” to the Board’s Report

## C. Remuneration to Key Managerial Personnel other than Managing Director, Whole-Time Directors and/or Manager:

(Amount in ₹)

| Sr. No. | Particulars of Remuneration   | Key Managerial Personnel   |                                      | Total            |
|---------|---|----------------------------|--------------------------------------|------------------|
|         |   | Mr. Amar Chintopanth (CFO) | Mr. Hasmukh Shah (Company Secretary) |                  |
| 1.      | Gross Salary  |                            |                                      |                  |
| a)      | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | Nil                        | 2,727,247                            | 2,727,247        |
| b)      | Value of perquisites u/s 17(2) Income-tax Act, 1961                             | Nil                        | Nil                                  | Nil              |
| c)      | Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | Nil                        | Nil                                  | Nil              |
| 2.      | Stock Option  | Nil                        | Nil                                  | Nil              |
| 3.      | Sweat Equity  | Nil                        | Nil                                  | Nil              |
| 4.      | Commission  |                            |                                      |                  |
|         | - as % of profit  | Nil                        | Nil                                  | Nil              |
|         | - others, specify   | Nil                        | Nil                                  | Nil              |
| 5.      | Others  | Nil                        | Nil                                  | Nil              |
|         | <b>Total</b>  | Nil                        | <b>2,727,247</b>                     | <b>2,727,247</b> |
|         | Ceiling as per the Act  |                            |                                      | Not Applicable   |

## VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made if any (give Details) |
|-------------------------------------|------------------------------|-------------------|--|------------------------------|-----------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |  |                              |                                   |
| Penalty                             |                              |                   | NIL  |                              |                                   |
| Punishment                          |                              |                   |  |                              |                                   |
| Compounding                         |                              |                   |  |                              |                                   |
| <b>B. DIRECTORS</b>                 |                              |                   |  |                              |                                   |
| Penalty                             |                              |                   | NIL  |                              |                                   |
| Punishment                          |                              |                   |  |                              |                                   |
| Compounding                         |                              |                   |  |                              |                                   |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |  |                              |                                   |
| Penalty                             |                              |                   | NIL  |                              |                                   |
| Punishment                          |                              |                   |  |                              |                                   |
| Compounding                         |                              |                   |  |                              |                                   |

## Annexure “H” to the Board’s Report

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2020

[Pursuant to section 204(l) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

**NXTDIGITAL LIMITED**

**(Formerly known as HINDUJA VENTURES LIMITED)**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NXTDIGITAL LIMITED (formerly known as Hinduja Ventures Limited)** (“the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of **NXTDIGITAL LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit,

I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **NXTDIGITAL LIMITED** for the financial year ended 31<sup>st</sup> March, 2020 according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (2) Foreign Exchange Management Act, 1999 (‘FEMA’) and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, overseas Direct Investment and External Commercial Borrowings;
- (3) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (4) The Depositories Act, 1996 and the Regulations and Bye- Laws framed there under;
- (5) The laws prescribed under the Securities and Exchange Board of India Act, 1992 to the extent applicable:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable)**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable)**; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable)**.
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## Annexure “H” to the Board’s Report

- (j) The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014;
  - (k) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003;
- (6) Other laws to the extent applicable to the Company as per the representations made by the Company;
- I have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued pursuant to section 118(10) of the Act, by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

### I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Proper notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meeting duly recorded and signed by the Chairman the decisions of the Board were unanimous and no dissenting views have been recorded.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period:

1. The Board of Directors at their meeting held on 27<sup>th</sup> August, 2019 had approved a Scheme of Arrangement between IndusInd Media and Communications Limited (Demerged Company) and Hinduja Ventures Limited (Resulting Company) and their respective shareholders.
2. A Special Resolution was passed at the Thirty- Fourth Annual General Meeting held on 18<sup>th</sup> September, 2019 by the Members of the Company for re-appointment of Mr. Anil Harish as an Independent Director of the Company for a period of five consecutive years from September 22, 2019 to September 21, 2024.
3. A Special Resolution was passed at the Thirty- Fourth Annual General Meeting held on 18<sup>th</sup> September, 2019 by the Members of the Company for re-appointment of Mr. Prashant Asher as an Independent Director of the Company for a period of five consecutive years from September 23, 2019 to September 22, 2024.
4. A Special Resolution was passed at the Thirty- Fourth Annual General Meeting held on 18<sup>th</sup> September, 2019 by the Members of the Company for ratification of payment of excess remuneration and remuneration for remaining term to Mr. Ashok Mansukhani as Managing Director and Key Managerial Personnel of the Company.
5. The Company has obtained approval of members through postal ballot by way of special resolution for change of name of the Company from “**HINDUJA VENTURES LIMITED**” to “**NXTDIGITAL LIMITED**” and consequent amendment to Memorandum of Association and Articles of Association and other documents of the Company on 23<sup>rd</sup> October, 2019.

**Rupal Dhiren Jhaveri**

FCS No: 5441

Certificate of Practice No: 4225

Place : Mumbai

**UDIN: F005441B000354438**

Date : 18<sup>th</sup> June 2020

*This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.*

## Annexure “H” to the Board’s Report

To,

The Members,

**NXTDIGITAL LIMITED**

**(Formerly known as HINDUJA VENTURES LIMITED)**

My report of even date is to be read along with this letter.

‘Annexure A’

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Rupal Dhiren Jhaveri**

FCS No: 5441

Certificate of Practice No: 4225

**UDIN: F005441B000354438**

Place : Mumbai

Date : 18<sup>th</sup> June 2020

## Annexure “I” to the Board’s Report

### ANNUAL CORPORATE SOCIAL RESPONSIBILITY (“CSR”) REPORT FY 2019-20

|   |  |  |
|---|--|--|
| 1 | A brief outline of the Company’s CSR Policy, including an overview of the project or programs proposed to be undertaken and a reference to the web link to the CSR Policy and projects of the programs | <p>NXTDIGITAL LIMITED (formerly known as Hinduja Ventures Limited) (hereinafter referred as NDL) allocates at least 2% of its Average Net Profits made during the three immediately preceding financial years for the planning and implementation of CSR.</p> <p>The Committee approves all the CSR initiatives which are reviewed periodically.</p> <p>Taking note of the importance of synergy and interdependence at various levels, NDL has adopted a strategy for working directly or in partnership, whichever appropriate.</p> <ul style="list-style-type: none"> <li>• Priority is given to Rural Development and Education.</li> <li>• However, specific programs might be expanded beyond this purview and upscaled.</li> <li>• All the CSR spends would be formulated based on need assessment using different quantitative and qualitative methods.</li> <li>• All the interventions would be adopted based on concurrent evaluations and knowledge management through process documentation.</li> <li>• Social Mobilization, advocacy at various levels, and appropriate policy changes form part of the interventions in each sector.</li> </ul> <p>The Company has framed a CSR policy in compliance with the provision of Section 135 of the Companies Act, 2013 and the same is placed on the Company’s website, and the web link for the same is <a href="http://nxtdigital.co.in/contents/static/uploads/inv/corporate_policies/CSR_Policy.pdf">http://nxtdigital.co.in/contents/static/uploads/inv/corporate_policies/CSR_Policy.pdf</a></p> |
| 2 | The Composition of the CSR committee   | <ol style="list-style-type: none"> <li>1. Mr. Anil Harish – Chairman (Independent Director)</li> <li>2. Mr. Prashant Asher – Member (Independent Director)</li> <li>3. Mr. Ashok Mansukhani – Member (Managing Director)</li> </ol>  |
| 3 | Average Net profit of the Company for the last three financial years   | ₹ 5819.59 Lakhs  |
| 4 | CSR expenditure (2% of the amount as in item no. 3)  | ₹ 116.39 Lakhs   |
| 5 | Details of CSR spend during the year:  |  |
|   | a) Total amount spend during the financial year 2019-20.   | ₹ 116.39 Lakhs   |
|   | b) Amount un-spent, if any   | Nil  |
|   | c) The manner in which the amount was spent during the financial year 2019-20  | The Company has paid to Hinduja Foundation (HF) towards Rural Development and Rural Educational Programme in the Jawahar Taluka, Palghar District, Maharashtra. The details are given overleaf.  |



## Annexure “I” to the Board’s Report

### The manner in which the amount spent during the financial year 2019-20:

| Sr. No | CSR project or activity identified   | Sector in which the Project is covered  | Projects or programs<br>(1) Local area or other<br>(2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs<br>Sub-heads:<br>(1) Direct expenditure on projects or programs.<br>(2) Overheads | Cumulative expenditure up to the reporting period | Amount spent: Direct or through implementing agency |
|--------|--|---|---|---|--|---|---|
| 1.     | Rural development and Rural Educational Programme in the Jawahar Taluka, Palghar District, Maharashtra | Promoting Education and Rural Development (Covered under clause no. (ii) and (x) respectively of Schedule VII of the Companies Act, 2013) | Jawahar Taluka, Palghar District, Maharashtra   | ₹ 116.39 Lakhs                                  | ₹ 116.39 Lakhs   | ₹ 116.39 Lakhs                                    | Implementing Agency- Hinduja Foundation             |

6. The Company has spent the prescribed amount towards CSR Activities.

7. Responsibility Statement:

The Implementation and monitoring of CSR Policy, comply with CSR objectives and policy of the Company.

Place : Mumbai

Date : September 04, 2020

**Anil Harish**

**Chairman, CSR Committee**

**Ashok Mansukhani**

**Managing Director**

## Annexure “J” to the Board’s Report

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- The percentage increase in remuneration of each Director, Chief Financial Officer (CFO) and Company Secretary (CS) during the financial year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

| Sr. No. | Name of the ^Director / Key Managerial Person (KMP) and Designation | Remuneration of Director /KMP for the financial year 2019-20 (₹ in lakhs) | % increase/ (decrease) in remuneration in the financial year 2019-20 | Ratio of remuneration of each Director to median remuneration of employees | Comparison of the Remuneration of the KMP against the performance of the Company                                    |
|---------|---|---|--|--|---|
| 1.      | Ashok Mansukhani (Managing Director)                                | 135.00  | Nil  | 47.27  | During the year, total income of the Company has increased by 65% and profit after tax has increased significantly. |
| 2.      | Amar Chintopanth (CFO)  | 111.67#   | Not Applicable*  | Not Applicable   |   |
| 3.      | Hasmukh Shah (CS)   | 30.10   | Nil  | Not Applicable   |   |

#In view of Demerger of Demerger of Media & Communications Business of IndusInd Media & Communications Limited into the Company.

\*No salary was paid in the last financial year 2018 - 19.

- The median remuneration of the employees of the Company during the financial year was ₹ **2.86 Lakhs**.
- The percentage decrease in the median remuneration of employees in the financial year.**  
In the financial year, the median remuneration of employees in comparison to the previous year **decreased by 58.79%**.
- The number of permanent employees on the roll of the Company.**  
There were 865 permanent employees on the rolls of the Company as on March 31, 2020.
- Average percentile increase/(decrease) made in the salaries of employees other than the managerial personnel in the financial year 2019-20 was **(71.88%)** and there is no percentile increase in the managerial remuneration for the same financial year.
- Affirmation that the remuneration is as per the remuneration policy of the Company.**

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

Note: The significant changes in the abovementioned percentages in comparison to the previous year is due to the Demerger of Media & Communications Business of IndusInd Media & Communications Limited into the Company with Appointed Date as October 01, 2019.

# Financial Statements

# Independent Auditor's Report

## TO THE MEMBERS OF

## NXTDIGITAL LIMITED (FORMERLY HINDUJA VENTURES LIMITED)

### REPORT ON THE AUDIT OF RESTATED STANDALONE FINANCIAL STATEMENTS

#### Opinion

1. We have audited the accompanying Restated Standalone financial statements of NxtDigital Limited (formerly Hinduja Ventures Limited) ("the Company"), in which is incorporated the effect of the Scheme of Arrangement between the Company and Indusind Media & Communications Limited and its respective shareholders ("the Scheme"), with effect from April 1, 2018, which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Restated 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, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit of the Restated Standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Restated Standalone 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 Restated Standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Restated Standalone financial statements .

#### Emphasis of Matter

4. We draw attention to Note 41 of the Restated Standalone financial statements regarding the financial statements of the Company for the year ended March 31, 2020 which were earlier approved by the Board of Directors at their meeting held on July 31, 2020 ("Previous Financial Statements") and were subject to revision by the Company so as to give effect to the Scheme of Arrangement between the Company and Indusind Media & Communications Limited and their respective shareholders ("the Scheme"), with effect from April 1, 2018. Those Previous Financial Statements were audited by us and our report dated July 31, 2020, addressed to the Members of the Company, expressed an unqualified opinion on those financial statements. Consequent to the Company obtaining the required approvals, the Previous Financial Statements are restated by the Company so as to give effect to the said Scheme of Arrangement.

Apart from the foregoing matter and as stated in paragraph above, the Restated Standalone financial statements do not take into account any events subsequent to the date on which the Previous Financial Statements referred to in paragraph above were earlier approved by the Board of Directors and reported upon by us as aforesaid.

Our opinion is not modified in respect of this matter.

#### Key Audit Matter

5. Key audit matters are those matter that, in our professional judgment, were of most significance in our audit of the Restated Standalone financial statements of the current period. This matter were addressed in the context of our audit of the Restated Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. We have determined the matter described below to be the key audit matter to be communicated in our report.

# Independent Auditor's Report

| Key Audit Matter   | Auditor's Response  |
|--|---|
| <p>A) <b>Discontinuation of Treasury and Investment segment operations consequent to sale of shares by the Company.</b></p> <p>During the year, substantial portion of pledged IndusInd Bank Limited (IBL) shares held by the Company were sold to settle the related borrowings. Further, the Company sold nearly 50% of its equity investments in Hinduja Leyland Finance Limited (HLFL). The loss on sale of shares classified as fair value through profit and loss (FVTPL) is R 28,580.22 lakhs while the loss on sale of shares classified as fair value through other comprehensive income (FVTOCI) is ₹ 24,477.97 lakhs.</p> <p>The sale of the Company's substantial investments (both fair valued through profit and loss account and fair valued through other comprehensive income) resulted in the decision to discontinue the Investment and Treasury segment operations.</p> <p>The fair value of balance investment in IBL and HLFL shares amounting to ₹ 164.77 lakhs and Rs.9,613 lakhs respectively as at March 31, 2020 is now reclassified from 'Non-Current financial assets' to 'Financial Assets Held for Sale'. The related borrowing as on March 31, 2020 is Nil.</p> <p>The sale of IBL shares and HLFL shares being a significant transaction during the year and the decision of discontinuance of the Investment and Treasury segment being a significant event of the year and also as it involves evaluation of the conditions that is required to be satisfied for classification of assets held for sale, fair valuation of assets less cost of disposal and consequential impairment, if any, identification of assets, liabilities, income and expenses to be included in continuing and discontinuing operations alongwith disclosure and presentation in the Restated Standalone Financial Statements are considered as key areas for our audit.</p> <p>Also refer note 12A and note 38 to the Restated Standalone Financial Statements.</p> | <p><b>Principal Audit Procedures</b></p> <p>We focussed our control and substantive testing procedures towards the discontinuing operations. Our audit procedures comprise;</p> <ul style="list-style-type: none"> <li>• Evaluated the design and implementation of relevant controls and the operating effectiveness of such internal controls which inter-alia include controls over sale of investments including the Company's process of recognition and fair valuation of investments held for sale at the year end.</li> <li>• Obtained the sales details and inspected the sale documents including Contract notes / Share purchase agreement for the sales transactions that occurred during the year to check the accuracy of the same.</li> <li>• Verified whether the profit / loss on sale of shares are calculated appropriately and disclosed correctly in the Restated Standalone Financial Statements.</li> <li>• Verified the no due certificates received from the lenders and release of the pledge shares.</li> <li>• Verified the accounting treatment and related presentation and disclosures in the Restated Standalone Financial Statements.</li> <li>• Obtained the Management Note for evaluation of discontinuing the Treasury and Investment operations. Reviewed the evaluation by the management of the conditions to be satisfied for classification of assets held for sale for appropriateness.</li> <li>• Tested the fair valuation of assets less cost of disposal.</li> <li>• Understood Management controls around identification of related revenue, expenses, assets and liabilities of the Discontinued Operations.</li> <li>• Analysed for current year and previous year segment information for disclosure of discontinued operations and management plan for disposal of financial assets held for sale.</li> <li>• Verified that the disclosure and presentation in the Restated Standalone Financial Statements is in accordance with Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations'.</li> </ul> |



# Independent Auditor’s Report

| Key Audit Matter   | Auditor’s Response   |
|--|--|
| <p><b>B) Revenue from installation, subscription, carriage and channel placement fees</b></p> <p>The Company earns revenue from installation, subscription, carriage and channel placement fees.</p> <p>We identified revenue recognition as a key audit matter as revenue being a key performance indicator its susceptible to management override of controls through the recording of manual journals in the accounting records and the override of IT systems to accelerate revenue recognition.</p> <p>Further, significant judgements is involved in determining timing and amount of revenue recognition for installation and carriage and channel placement fees.</p> <p>Also refer Note 21 to the Restated Standalone Financial Statements.</p> | <p><b>Principal Audit Procedures</b></p> <p>We focussed our audit procedures towards the revenue earned from installation, subscription, carriage and channel placement fees. Our audit procedures comprise;</p> <ul style="list-style-type: none"> <li>• Evaluated the design and implementation of relevant controls and the operating effectiveness of such internal controls which inter-alia include key internal controls over revenue recognition.</li> <li>• Tested profiled journal entries for management override of control.</li> <li>• Understand and assess the Management’s policy for revenue recognition and evaluated the same in accordance with the requirements of Ind AS 115 ‘Revenue from Contracts with Customers’</li> <li>• For selected samples, verified the terms of arrangement with the local cable operators and broadcasters to identify and understand the pricing and performance obligations under these contracts /arrangements and that revenue recognized was complete and was recorded in the appropriate period and at the correct value to check the accuracy of the same.</li> <li>• Involved our IT specialists and tested the General IT controls over the revenue billing and accounting systems.</li> </ul> |

# Independent Auditor's Report

| Key Audit Matter  | Auditor's Response  |
|---|---|
| <p><b>C) Merger of Media and Communication undertaking of Indusind Media &amp; Communications Limited (IMCL)</b></p> <p>The Scheme of amalgamation for merger of Media and Communication undertaking of Indusind Media &amp; Communications Limited, subsidiary company, with the Company, was approved by the Hon'ble National Company Law Tribunal (NCLT) Bench at Bombay vide its Order dated August 21, 2020 with effect from April 1, 2018.</p> <p>The merger of Media and Communication undertaking being a significant event of the year and also it involves, compliance with accounting alongwith presentation and disclosure requirements under Ind AS 103 'Business Combinations' in the Restated Standalone Financial Statements is considered as key areas for our audit.</p> <p>Also refer Note 41 to the Restated Standalone Financial Statements.</p> | <p><b>Principal Audit Procedures</b></p> <p>We focussed our control and substantive testing procedures towards the merger of Media and Communication undertaking of IMCL. Our audit procedures included:</p> <ul style="list-style-type: none"> <li>Examining the Scheme of Arrangement pursuant to which the merger was carried out along with the regulatory approvals required for the Scheme of Arrangement to take effect.</li> <li>Obtained an understanding of the deal structure and evaluated the appropriateness of the accounting treatment followed by the Company in this regard, with reference to the requirements of the accounting principles generally accepted in India, including Ind AS 103 'Business Combinations' and the accounting treatment approved by the Hon'ble NCLT under the Scheme.</li> <li>Evaluated the design and implementation of relevant controls and the operating effectiveness of such internal controls for the implementation of the accounting treatment under the Scheme.</li> <li>Verified the related presentation and disclosures in the Restated Standalone Financial Statements is in accordance with Ind AS 103 'Business Combinations'</li> <li>Evaluated if the restatement of the Previous Financial Statements was appropriate under the provisions of the Companies Act, 2013 and issuance of the audit report on the Restated Standalone Financial Statements were in accordance with the Standards on Auditing.</li> </ul> |

## Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Chairman's Message, Financial Highlights, Board's Report and Management Discussion and Analysis Report but does not include the Restated Standalone financial statements and our auditor's report thereon. The Chairman's Message, Financial Highlights, Board's Report and Management Discussion and Analysis Report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the Restated Standalone financial statements does not cover the other information and will not express any form of assurance conclusion thereon.
- In connection with our audit of the Restated Standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Restated Standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Chairman's Statement, Financial Highlights, Board's Report and Management Discussion and Analysis Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'

## Management's Responsibility for the Restated Standalone Financial Statements

- The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Restated Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the IndAS and other accounting principles generally accepted in India.
- 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

# Independent Auditor's Report

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 Restated Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

12. In preparing the Restated Standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
13. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibility for the Audit of the Restated Standalone Financial Statements

14. Our objectives are to obtain reasonable assurance about whether the Restated Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Restated Standalone financial statements.
15. 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 Restated Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal financial 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 Restated Standalone financial statements, including the disclosures, and whether the Restated Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
16. Materiality is the magnitude of misstatements in the Restated Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Restated Standalone 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 Restated Standalone financial statements.
17. 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.
18. 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.
19. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Restated Standalone financial statements of the current period and

are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

20. As required by Section 143 (3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Restated Standalone financial statements comply with the IndAS prescribed under section 133 of the Act.
- 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 are 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) 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, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- 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 Restated Standalone financial statements - Refer Note 42(a) to the Restated Standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

21. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For DELOITTE HASKINS & SELLS LLP**  
**Chartered Accountants**  
 (Firm's Registration No. 117366W/W-100018)

**Anjum A. Qazi**  
 Partner  
 (Membership No. 104968)  
**(UDIN: 20104968AAAAFK1582)**

Place: Mumbai

Date: 31 July, 2020 (6 September, 2020 as to effect the matter referred to in paragraph 4 section under 'Emphasis of Matter' section above of our report of even date)

# Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 19(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date on the restated standalone accounts of NxtDigital Limited (formerly Hinduja Ventures Limited) for the year ended March 31, 2020)

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

1. We have audited the internal financial controls over financial reporting of NxtDigital Limited (formerly Hinduja Ventures Limited) (“the Company”) as of March 31, 2020 in conjunction with our audit of the restated standalone IndAS financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

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

### Auditor’s Responsibility

3. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the restated standalone financial statements, whether due to fraud or error.
5. 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

6. 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.



# Annexure “A” to the Independent Auditor’s Report

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. 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**

8. In our opinion, to the best of our information and according to the explanations given to us, 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 criteria for internal financial control over financial reporting 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 DELOITTE HASKINS & SELLS LLP**  
**Chartered Accountants**  
(Firm’s Registration No. 117366W/W-100018)

**Anjum A. Qazi**  
Partner  
(Membership No. 104968)  
**(UDIN: 20104968AAAAFK1582)**

Place: Mumbai

Date: 31 July, 2020 (6 September, 2020 as to effect the matter referred to in paragraph 4 section under ‘Emphasis of Matter’ section above of our report of even date on the restated standalone accounts)

## Annexure “B” to the Independent Auditor’s Report

**(Referred to in paragraph 20 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date on the restated standalone accounts of NxtDigital Limited (formerly Hinduja Ventures Limited) for the year ended March 31, 2020)**

- (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 for Cable and Optical fibre network and Set Top Boxes installed at subscribers’ locations, detailed records for which as informed by the management is impractical to maintain considering the nature of such assets and the Company’s business.
  - b) As explained to us, all the fixed assets except for the set top boxes installed at subscribers’ locations have been physically verified by the management in a phased periodical manner (once in three years), which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.  
  
According to the information and explanations given to us, with respect to the Set Top Boxes installed at subscribers’ locations, management is of the view that due to the nature and location of set top boxes, it is not possible to physically verify these set top boxes. According to the information and explanations given to us, the management has verified its existence on the basis of ‘active user’ status in the system. Discrepancies if any, are appropriately dealt with in the books of accounts.
  - c) The Company does not have any immovable properties classified as fixed assets, and
- (ii) In our opinion and according to the information and explanations given to us, with respect to the inventory (Real estate), the physical verification of title deeds and site visits by the Management are at reasonable intervals and no material discrepancies were noticed on physical verification (Refer Note 31 to the restated standalone financial statements). With respect to inventory of network cable and equipment, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to Companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
- The terms and conditions of the grant of such loan are, in our opinion, prima facie, not prejudicial to the Company’s interest.
  - The schedule of payment of interest has been stipulated and receipts of interest have been regular as per stipulations. As regards the principal amount, it is repayable on demand;
  - In view of what is stated in item (b) above, the question of commenting on overdue amounts in respect of principal amount of loan given and recovery of interest thereon does not arise.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year 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 Companies Act, 2013 and the rules framed there under, are not applicable to the company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of Telecommunication activity. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have,

## Annexure “B” to the Independent Auditor’s Report

however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

- a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Goods and Services Tax, Wealth Tax, Service Tax, Custom duty, Excise duty, Value added tax, Cess, and other material statutory dues applicable to it with the appropriate authorities.
- b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Goods and Services Tax, Wealth Tax, Service Tax, Custom duty, Excise duty, Value added tax, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- c) There are no dues of Sales Tax, Goods and Services Tax, Service Tax, Custom duty, Excise duty, Value added tax and Cess which have not been deposited on account of any dispute. Details of dues towards Income tax, which have not been deposited as on March 31, 2020 on account of dispute are given below:

| Name of the Statute      | Nature of Dues | Forum where Dispute is pending       | Period to which the amount relates   | Amount involved (₹ in Lakh) | Amount unpaid (₹ in Lakh) |
|--------------------------|----------------|--------------------------------------|--|-----------------------------|---------------------------|
| The Income Tax Act, 1961 | Income tax     | High Court of Judicature at Bombay   | Assessment Years 1994-1995, 1995-1996, 1996 –1997 2000-2001 for the Assessment Years | 434.61                      | 200.35                    |
|                          |                | Commissioner of Income Tax (Appeals) | Assessment Year 2014-15 2015-16 2016-17  | 11,196.75                   | 4,048.45(+)               |
|                          |                | Assessing Officer (A.O.)             | Assessment Years 2008-2009 and 2009-2010   | 3,182.55                    | 35.14                     |
|                          |                |                                      | <b>Total</b>   | <b>14,813.91</b>            | <b>4,283.94</b>           |

| Name of Statute                              | Nature of Dues      | Forum where Dispute is Pending   | Period to which the Amount Relates | Amount Involved (₹ in lakh) | Amount Unpaid (₹ in lakh) |
|--|---------------------|--|------------------------------------|-----------------------------|---------------------------|
| The Maharashtra Entertainment Duty Act, 1923 | Entertainment Tax   | Revenue Ministry   | April 1998 to March 1999           | 23                          | 23                        |
|  |                     | Office of Tahsildar, Borivali  | May 2008 to July 2010              | 56                          | 56                        |
|  |                     | Office of Tahsildar, Borivali, Andheri, Kurla & Office of Collector, Mumbai City | April 2013 to June 2013            | 507                         | 507                       |
|  |                     | Office of Collector, Nashik  | April 2013 to July 2013            | 41                          | 41                        |
|  |                     | Office of Collector, Nagpur / Bombay High Court                                  | April 2013 to October 2014         | 1,261                       | 1,261                     |
|  |                     | Office of Collector, Mumbai Suburban District                                    | April 2009 to June 2015            | 26                          | 19                        |
| The UP Entertainment & Betting tax Act, 1979 | Entertainment Tax   | District Magistrate  | April 2013 to June 2017            | 108                         | 108                       |
| The AP Entertainment Duty Act, 1939          | Entertainment Tax   | Commercial Tax Officer   | April 2010 to March 2014           | 193                         | 193                       |
| Service Tax                                  | Service Tax – Delhi | CESTAT   | April 2006 to March 2007           | 53                          | 42                        |

| Name of Statute                                | Nature of Dues                      | Forum where Dispute is Pending | Period to which the Amount Relates | Amount Involved<br>(₹ in lakh) | Amount Unpaid<br>(₹ in lakh) |
|--|-------------------------------------|--------------------------------|------------------------------------|--------------------------------|------------------------------|
|  |                                     | CESTAT                         | January 2008 to September 2008     | 9                              | 2                            |
|  |                                     | CESTAT                         | October 2008 to June 2009          | 12                             | 3                            |
|  |                                     | CESTAT                         | April 2003 to December 2007        | 46                             | 46                           |
|  |                                     | CESTAT                         | July 2009 to December 2009         | 10                             | 3                            |
|  |                                     | CESTAT                         | January 2010 to December 2010      | 14                             | 4                            |
|  | Service Tax – Mumbai                | CESTAT                         | January 2011 to September 2011     | 14                             | 14                           |
|  | Service Tax                         | CESTAT                         | April 2011 to December 2014        | 9,554                          | 9,198                        |
| CESTAT   |                                     | January 2015 to June 2017      | 3,096                              | 2,978                          |                              |
| Customs Act, 1962                              | Customs Duty                        | CESTAT, Mumbai                 | April 2003 to March 2004           | 194                            | 194                          |
|  |                                     |                                | December 2015 to December 2016     | 929                            | 599                          |
| Local Body tax, Maharashtra                    | Local body tax                      | Municipal Commissioner         | 2013-14 & 2014-15                  | 45                             | -                            |
| West Bengal Value Added Tax Act                | Value Added tax – West Bengal       | Deputy commissioner            | April 2012 to March 2013           | 44                             | 44                           |
| Telangana State Value Added Tax Act, 2005      | Value Added tax – Hyderabad         | Deputy Commissioner – Appeals  | Nov 2015 to June 2017              | 477                            | 446                          |
|  | Value Added tax – Hyderabad-Penalty | Deputy Commissioner – Appeals  | Nov 2015 to June 2017              | 119                            | 89                           |
| Andhra Pradesh State Value Added Tax Act, 2005 | Value Added Tax                     | Deputy Commissioner – Appeals  | Nov 2015 to June 2017              | 397                            | 371                          |
|  | Value Added Tax-Vijaywada Penalty   | Deputy Commissioner – Appeals  | Nov 2015 to June 2017              | 99                             | 74                           |
|  | Value Added Tax-Penalty             | AP VAT Appellate Tribunal      | April 2016 to March 2017           | 66                             | 21                           |
| Karnataka Value Added Tax Act                  | Value Added Tax                     | Karnataka High Court           | 2011-12                            | 43                             | 43                           |
|  |                                     | Karnataka High Court           | 2012-13                            | 63                             | 63                           |
|  |                                     | CTO, Belgavi                   | 2015-16                            | 21                             | 21                           |
| UP Value Added Tax Act, 2008                   | Value Added Tax                     | CTO, Noida                     | 2016-17                            | 20                             | 20                           |
|  |                                     | Deputy Commissioner – Appeals  | April 2012 to March 2016           | 408                            | 408                          |
| Income tax Act, 1961                           | Tax & Interest                      | ITAT                           | AY 2011-12                         | 35                             | 35                           |
|  | Penalty                             | CIT(A)                         | AY 2014-15                         | 160                            | 128                          |
|  | Tax & Interest                      | CIT(A)                         | AY 2012-13                         | 168                            | -                            |
|  | Tax & Interest                      | CIT(A)                         | AY 2013-14                         | 359                            | -                            |
| Department of Telecommunications               | License Fees                        | TDSAT                          | FY 2010-11 to FY 2014-15           | 51,559                         | 51,559                       |

\* includes an amount of ₹ 156.76 lakh pertaining to IT / ITES business which is reimbursable by Hinduja Global Solutions Limited as stated in footnote to Note 42(vii) to the standalone financial statements.

The Company has paid following amount to respective authorities towards demand including under protest for various years with respect to Service tax - ₹ 518 lakh, Custom duty – ₹ 330 lakh, Value added tax – ₹ 312 lakh, Income tax –

₹ 32 lakh and Entertainment tax – ₹ 7 lakh.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans taken from bank and financial institutions. The Company has not taken loans or borrowings from government or has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For DELOITTE HASKINS & SELLS LLP**  
**Chartered Accountants**  
 (Firm's Registration No. 117366W/W-100018)

**Anjum A. Qazi**  
 Partner  
 (Membership No. 104968)  
**(UDIN: 20104968AAAAFK1582)**

Place: Mumbai

Date: 31 July, 2020 (6 September, 2020 as to effect the matter referred to in paragraph 4 section under 'Emphasis of Matter' section above of our report of even date on the restated standalone accounts).



# Balance Sheet

as at March 31, 2020

(₹ in Lakh)

| Particulars   | Note No. | As at March 31, 2020<br>(Refer note 1) | As at March 31, 2019<br>(Refer note 1) |
|---|----------|--|--|
| <b>ASSETS</b>   |          |  |  |
| <b>1) Non - Current Assets</b>  |          |  |  |
| a) Property, plant and equipment  | 2        | 72,676.34                              | 82,719.52                              |
| b) Capital work-in-progress   | 2A       | 1,312.00                               | 2,460.00                               |
| c) Right to use assets  | 3A       | 10,923.39                              | -                                      |
| d) Other intangible assets  | 3B       | 7,015.99                               | 6,397.24                               |
| e) Financial assets   |          |  |  |
| i) Investments  | 4A       | 34,857.15                              | 80,427.42                              |
| ii) Derivative  | 4C       | 45.00                                  | 712.00                                 |
| iii) Other financial assets   | 5A       | 368.89                                 | 706.42                                 |
| f) Income tax assets (net)  |          | 3,319.00                               | 3,020.00                               |
| g) Deferred tax assets (net)  | 28       | 8,610.86                               | -                                      |
| h) Other non-current assets   | 6A       | 4,899.35                               | 6,995.65                               |
| <b>Total Non-current Assets</b>   |          | <b>144,027.97</b>                      | <b>183,438.25</b>                      |
| <b>2) Current Assets</b>  |          |  |  |
| a) Inventories  | 7        | 4,187.06                               | 3,819.47                               |
| b) Financial assets   |          |  |  |
| i) Investments  | 4B       | -                                      | 46,626.59                              |
| ii) Trade receivables   | 8A       | 3,205.88                               | 7,839.77                               |
| iii) Derivative   | 8B       | 2,085.19                               | 0.80                                   |
| iv) Unbilled receivables  |          | 540.81                                 | -                                      |
| v) Cash and cash equivalents  | 9        | 1,364.94                               | 2,188.10                               |
| vi) Bank balances other than (v) above  | 10       | 8,815.18                               | 7,787.88                               |
| vii) Loans  | 11       | 5,482.67                               | 23.00                                  |
| viii) Other financial assets  | 5B       | 2,241.19                               | 601.92                                 |
| ix) Financials Assets classified as held for sale                                       | 12A      | 9,818.77                               | -                                      |
| c) current tax assets (net)   | 11A      | 983.67                                 | 400.11                                 |
| d) other current assets   | 6B       | 6,719.14                               | 8,616.12                               |
| <b>Total Current Assets</b>   |          | <b>45,444.50</b>                       | <b>77,903.76</b>                       |
| <b>Total Assets</b>   |          | <b>189,472.47</b>                      | <b>261,342.01</b>                      |
| <b>EQUITY AND LIABILITIES</b>   |          |  |  |
| <b>Equity</b>   |          |  |  |
| a) Equity share capital   | 13       | 2,055.55                               | 2,055.55                               |
| b) Shares pending issuance  | 13       | 349.57                                 | 349.57                                 |
| c) Other equity   | 14       | 27,221.01                              | 63,799.66                              |
| <b>Total Equity</b>   |          | <b>29,626.13</b>                       | <b>66,205.28</b>                       |
| <b>Liabilities</b>  |          |  |  |
| <b>1) Non-current Liabilities</b>   |          |  |  |
| a) Financial liabilities  |          |  |  |
| i) Borrowings   | 15A      | 28,645.84                              | 52,681.67                              |
| ii) Derivative  | 15C      | -                                      | 128.04                                 |
| iii) Lease liabilities  |          | 11,292.53                              | -                                      |
| b) Deferred income  | 15D      | 1,656.01                               | 9,064.40                               |
| c) Provisions   | 16A      | 531.83                                 | 400.12                                 |
| d) Deferred tax liabilities (net)   | 28       | -                                      | 14,073.36                              |
| <b>Total Non-current Liabilities</b>  |          | <b>42,126.21</b>                       | <b>76,347.09</b>                       |
| <b>2) Current Liabilities</b>   |          |  |  |
| a) Financial liabilities  |          |  |  |
| i) Borrowings   | 15B      | 39,507.45                              | 45,914.05                              |
| ii) Trade payables  | 17       |  |  |
| -Total outstanding dues of micro enterprises and small enterprises                      |          | 5.55                                   | 166.00                                 |
| -Total outstanding dues of creditors other than micro enterprises and small enterprises |          | 25,290.00                              | 21,117.14                              |
| iii) Derivative   | 18       | 45.00                                  | 936.35                                 |
| iv) Lease Liabilities   |          | 97.92                                  | -                                      |
| v) Other financial liabilities  | 19       | 45,254.46                              | 35,803.82                              |
| b) Provisions   | 16B      | 154.30                                 | 179.99                                 |
| c) Deferred income  | 20A      | 6,637.89                               | 12,952.06                              |
| d) Other current liabilities  | 20B      | 727.56                                 | 1,720.23                               |
| <b>Total Current Liabilities</b>  |          | <b>1,17,720.13</b>                     | <b>1,18,789.64</b>                     |
| <b>Total Liabilities</b>  |          | <b>1,59,846.34</b>                     | <b>1,95,136.73</b>                     |
| <b>Total Equity and Liabilities</b>   |          | <b>1,89,472.47</b>                     | <b>2,61,342.01</b>                     |

**Significant Accounting Policies**

1B

See accompanying notes to the Standalone Financial Statements

2-50

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins &amp; Sells LLP

Chartered Accountants

Firm's Registration No. 117366W/W-100018

Anil Harish

Director

DIN 00001685

Ashok Mansukhani

Managing Director

DIN 00143001

Anjum A. Qazi

Partner

Membership No. 104968

Hasmukh Shah

Company Secretary

FCS No. 2029

Amar Chintopanah

Chief Financial Officer

Place : Mumbai

Date : September 6, 2020

Place : Mumbai

Date : September 4, 2020

# Statement of Profit and Loss

for the year ended March 31, 2020

| Particulars  | Note No. | ₹ in Lakh                                      |  |
|--|----------|--|--|
|  |          | Year ended<br>March 31, 2020<br>(Refer note 1) | Year ended<br>March 31, 2019<br>(Refer note 1) |
| 1 Revenue from operations  | 21       | 81,374.01                                      | 59,792.32                                      |
| 2 Other income   | 22       | 15,589.31                                      | 2,066.46                                       |
| <b>3 Total Income (1+2)</b>  |          | <b>96,963.32</b>                               | <b>61,858.78</b>                               |
| <b>4 Expenses</b>  |          |  |  |
| i) Cost of materials consumed  |          | 1,515.00                                       | 1,000.00                                       |
| ii) Changes in inventories   | 23A      | (367.59)                                       | 174.85   |
| iii) Operational Expense   | 23B      | 38,545.91                                      | 48,808.09                                      |
| iv) Employee benefits expense  | 24       | 5,467.45                                       | 4,500.11                                       |
| v) Finance costs   | 25       | 11,549.24                                      | 10,521.33                                      |
| vi) Depreciation and amortisation expense  | 26       | 18,416.69                                      | 15,693.84                                      |
| vii) Other expenses  | 27       | 19,551.74                                      | 27,594.97                                      |
| <b>Total Expenses (4)</b>  |          | <b>94,678.45</b>                               | <b>108,293.19</b>                              |
| <b>5 Profit/loss before tax from continuing operations (3 - 4)</b>   |          | <b>2,284.87</b>                                | <b>(46,434.41)</b>                             |
| <b>6 Tax Expense:</b>  | 28       |  |  |
| i) Current tax   |          | -  | -  |
| ii) Deferred tax / (reversal)  |          | (10,421.81)                                    | 598.67   |
| <b>Total Tax Expenses/ Credit (6)</b>  |          | <b>(10,421.81)</b>                             | <b>598.67</b>                                  |
| <b>7 Profit/ (Loss) after tax from continuing operations (5 - 6)</b>   |          | <b>12,706.68</b>                               | <b>(47,033.08)</b>                             |
| <b>8 Loss from discontinued operations</b>   | 38       | <b>(32,799.06)</b>                             | <b>(6,969.88)</b>                              |
| 9 Tax Expense of discontinued operations   | 28       | (8,422.37)                                     | (3,043.20)                                     |
| 10 Loss after tax from discontinued operations (8 - 9)   |          | <b>(24,376.69)</b>                             | <b>(3,926.68)</b>                              |
| <b>11 Net Loss for the year (7 + 10)</b>   |          | <b>(11,670.01)</b>                             | <b>(50,959.76)</b>                             |
| <b>12 Other Comprehensive Income</b>   |          |  |  |
| <b>A. Items that not be reclassified to profit or loss (Discontinued Refer Note No. 38)</b>                    |          |  |  |
| a) Net Profit / (Loss) on fair valuation of equity instruments through other comprehensive income              |          | (3,743.46)                                     | 1,416.34                                       |
| b) Net Profit / (Loss) on sale of equity instruments through other comprehensive income                        |          | (24,477.97)                                    | 657.52   |
| c) Tax impact  | 28       | 3,802.86                                       | 331.09   |
| <b>B. Items that will not be reclassified to profit or loss (Continuing)</b>                                   |          |  |  |
| a) Re-measurement of defined benefit plans   |          | (122.14)                                       | (99.60)  |
| b) Tax impact  | 28       | (0.72)   | 1.26   |
| <b>C. Items that will be subsequently reclassified to the Statement of profit or loss</b>                      |          |  |  |
| Effective portion of gain / (loss) on hedging instrument in cash flow hedges                                   |          | 508.00   | (1,302.00)                                     |
| <b>Total Other Comprehensive Income/loss for the year</b>  |          | <b>(24,033.43)</b>                             | <b>1,004.11</b>                                |
| <b>13 Total Comprehensive Loss for the year (11 + 12)</b>  |          | <b>(35,703.44)</b>                             | <b>(49,955.65)</b>                             |
| <b>14 Earnings per equity share (for continuing operation):</b><br>(Face value of equity share of ₹ 10 each)   | 29       |  |  |
| Basic (₹)  |          | 61.82  | (228.81)                                       |
| Diluted (₹)  |          | 52.83  | (228.81)                                       |
| <b>15 Earnings per equity share (for discontinued operation):</b><br>(Face value of equity share of ₹ 10 each) | 29       |  |  |
| Basic (₹)  |          | (118.59)                                       | (19.10)  |
| Diluted (₹)  |          | (118.59)                                       | (19.10)  |
| <b>16 Earnings per equity share (for total operations):</b><br>(Face value of equity share of ₹ 10 each)       | 29       |  |  |
| Basic (₹)  |          | (56.77)  | (247.91)                                       |
| Diluted (₹)  |          | (56.77)  | (247.91)                                       |
| Significant Accounting Policies  | 1B       |  |  |
| See accompanying notes to the Standalone Financial Statements  | 2-50     |  |  |

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018

Anil Harish  
Director  
DIN 00001685

Ashok Mansukhani  
Managing Director  
DIN 00143001

Anjum A. Qazi  
Partner  
Membership No. 104968

Hasmukh Shah  
Company Secretary  
FCS No. 2029

Amar Chintopanth  
Chief Financial Officer

Place : Mumbai  
Date : September 6, 2020

Place : Mumbai  
Date : September 4, 2020

# Statement of Cash Flow

for the year ended March 31, 2020

(₹ in Lakh)

| Particulars  | Year ended<br>March 31, 2020<br>(Refer note 1) | Year ended<br>March 31, 2019<br>(Refer note 1) |
|--|--|--|
| <b>A Cash Flow from Operating Activities</b>   |  |  |
| Profit/(Loss) before tax from continuing operations  | 2,284.87                                       | (46,434.41)                                    |
| Loss before tax from discontinued operations   | (32,799.06)                                    | (6,969.88)                                     |
| <b>Adjustments for:</b>  |  |  |
| Depreciation and amortisation expense  | 18,416.69                                      | 15,693.84                                      |
| Net Loss on fair valuation and sale of investments measured at fair value through profit or loss | 16,642.89                                      | 15,777.26                                      |
| Finance costs  | 15,075.30                                      | 15,508.92                                      |
| Interest income  | (561.12)                                       | (1,356.15)                                     |
| Dividend income  | (341.29)                                       | (552.70)                                       |
| Unwinding of security deposits   | (9.71)   | (8.60)   |
| Amortisation of security deposits  | 9.76   | 9.00   |
| Sundry credit balances written back  | (1,424.16)                                     | (426.15)                                       |
| Fair valuation of derivatives  | (52.55)  | 94.00  |
| Provision for bad debts no longer required, written back   | -  | (161.48)                                       |
| Foreign currency fluctuations (net)  | 1,273.00                                       | (453.00)                                       |
| Bad debts written off  | 5,524.25                                       | 4,677.51                                       |
| Advances written off   | 840.60   | -  |
| Fair value gain on Leases (Ind AS 116)   | (668.01)                                       | -  |
| Effective portion of (loss) / gain on hedging instrument in cash flow hedges                     | 507.64   | (1,302.00)                                     |
| Property, plant and equipment written off  | -  | 44.00  |
| Net loss/(profit) on sale/discardment of property, plant and equipment                           | 0.20   | (0.25)   |
|  | 55,233.49                                      | 47,544.20                                      |
| <b>Operating Profit / (Loss) before working capital changes</b>                                  | <b>24,719.30</b>                               | <b>(5,860.08)</b>                              |
| Changes in working capital:  |  |  |
| (Increase)/ Decrease in trade receivables  | (942.70)                                       | (3,173.34)                                     |
| Movement of derivatives (net)  | (2,383.45)                                     | (535.63)                                       |
| (Increase)/ Decrease in inventories  | (368.00)                                       | 175.84   |
| (Increase)/ Decrease in unbilled revenue   | (534.00)                                       | -  |
| (Increase)/ Decrease in short term loans receivable  | (2,779.71)                                     | 3,193.31                                       |
| (Increase)/ Decrease in long term loans receivable   | 370.00   | 46.74  |
| (Increase)/ Decrease in other non-current financial assets                                       | (65.50)  | 22.25  |
| (Increase)/ Decrease in other current financial assets   | (1,570.54)                                     | 3,374.17                                       |
| (Increase)/ Decrease in income tax asset   | (300.00)                                       | 426.00   |
| (Increase)/ Decrease in other non-current assets   | 1,793.18                                       | (1,986.69)                                     |
| (Increase)/ Decrease in other current assets   | 1,890.94                                       | (5,054.72)                                     |
| (Decrease)/ Increase in trade payables   | 5,457.95                                       | 4,840.14                                       |
| (Decrease)/ Increase in Lease liability  | 11,935.18                                      | -  |
| (Decrease)/ Increase in provisions   | (50.33)  | 37.44  |
| (Increase)/ Decrease in deferred tax and MAT credit  | (9,500.00)                                     | 3,933.08                                       |
| (Decrease)/ Increase in deferred income  | (13,724.00)                                    | (5,121.84)                                     |
| (Decrease)/ Increase in other financial liabilities  | 10,443.35                                      | (4,209.68)                                     |
| (Decrease)/ Increase in other current liabilities  | (992.65)                                       | 711.00   |
|  | (1,320.29)                                     | (3,321.93)                                     |
| <b>Cash generated from / (used in) operations</b>  | <b>23,399.01</b>                               | <b>(9,182.02)</b>                              |
| Taxes paid net of refunds  | (8,662.32)                                     | 8,136.77                                       |
| <b>Net Cash generated from/(used in) Operating Activities (A)</b>                                | <b>32,061.33</b>                               | <b>(17,318.79)</b>                             |

# Statement of Cash Flow

for the year ended March 31, 2020

(₹ in Lakh)

| Particulars   | Year ended<br>March 31, 2020<br>(Refer note 1) | Year ended<br>March 31, 2019<br>(Refer note 1) |
|---|--|--|
| <b>B Cash Flow from Investing Activities</b>                        |  |  |
| Interest income received  | 511.40   | 1,394.78                                       |
| Dividend income received  | 341.29   | 552.70   |
| Payment towards purchase of property, plant and equipment           | (16,647.33)                                    | (11,795.23)                                    |
| (Increase)/ Decrease in other bank balances                         | (1,024.00)                                     | (1,031.44)                                     |
| Proceeds from sale of property, plant and equipment                 | 0.03   | 0.78   |
| Payment for purchase of investments                                 | (2,629.68)                                     | (47,046.42)                                    |
| Proceeds from sale of investments                                   | 40,143.16                                      | 60,825.34                                      |
|   | <b>18,694.87</b>                               | <b>2,900.51</b>                                |
| <b>Net Cash generated from Investing Activities (B)</b>             | <b>18,694.87</b>                               | <b>2,900.51</b>                                |
| <b>C Cash Flow from Financing Activities</b>                        |  |  |
| Reserves assumed on merger  | 4,026.41                                       | 51,707.36                                      |
| Net loans taken/ (repaid) during the year (net)                     | (35,483.99)                                    | (18,214.10)                                    |
| Interest paid   | (15,785.16)                                    | (15,798.95)                                    |
| Dividend paid (including unclaimed)                                 | (3,597.21)                                     | (3,599.94)                                     |
| Dividend distribution tax paid                                      | (739.42)                                       | (739.41)                                       |
|   | <b>(51,579.37)</b>                             | <b>13,354.96</b>                               |
| <b>Net Cash (used in) / generated from Financing Activities (C)</b> | <b>(51,579.37)</b>                             | <b>13,354.96</b>                               |
| <b>Net decrease in Cash and Cash Equivalents (A+B+C)</b>            | <b>(823.16)</b>                                | <b>(1,063.32)</b>                              |
| <b>Cash and cash equivalents at the beginning of the year</b>       | <b>2,188.10</b>                                | <b>3,251.42</b>                                |
| <b>Cash and cash equivalents at the end of the year</b>             | <b>1,364.94</b>                                | <b>2,188.10</b>                                |
| <b>Cash and cash equivalents comprises of:</b>                      |  |  |
| Cash on hand  | 13.34  | 11.10  |
| Cheques on hand   | 81.94  | 308.05   |
| Balance with banks  |  |  |
| - Current accounts  | 1,265.60                                       | 794.61   |
| - deposit accounts with original maturity of less than three months | 4.06   | 1,074.34                                       |
| <b>Total</b>  | <b>1,364.94</b>                                | <b>2,188.10</b>                                |

**Notes:**

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7 on Statement of Cash Flows.
- Previous year's figures have been regrouped / rearranged wherever necessary, to conform to figures of the current year.

Significant Accounting Policies 1B  
See accompanying notes to the Standalone Financial Statements 2-50

In terms of our report attached

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018

**Anjum A. Qazi**  
Partner  
Membership No. 104968

Place : Mumbai  
Date : September 6, 2020

For and on behalf of the Board of Directors

**Anil Harish**  
Director  
DIN 00001685

**Hasmukh Shah**  
Company Secretary  
FCS No. 2029

Place : Mumbai  
Date : September 4, 2020

**Ashok Mansukhani**  
Managing Director  
DIN 00143001

**Amar Chintopanth**  
Chief Financial Officer

# Statement of Changes in Equity

for the year ended March 31, 2020

## (A) Equity share capital

(₹ in Lakh)

| Particulars                                     | Amount   |
|---|----------|
| Balance as at April 01, 2018                    | 2,055.55 |
| Changes in equity share capital during the year | -        |
| Balance as at March 31, 2019                    | 2,055.55 |
| Changes in equity share capital during the year | -        |
| Balance as at March 31, 2020                    | 2,055.55 |

## (B) Shares pending issuance

(₹ in Lakh)

| Particulars                                | Amount |
|--|--------|
| Obligation to issue fixed number of shares |        |
| At April 1, 2018                           | 349.57 |
| Changes during the year                    | -      |
| At March 31, 2019                          | 349.57 |
| Changes during the year                    | -      |
| At March 31, 2020                          | 349.57 |

## (C) Other equity

(₹ in Lakh)

| Particulars   | Reserve and surplus |                    |                 |                   | Items of other comprehensive income                  | Total equity attributable to equity holders |
|---|---------------------|--------------------|-----------------|-------------------|--|---|
|   | Capital reserve     | Securities premium | General reserve | Retained earnings | Equity instrument through other comprehensive income |   |
| Balance as at April 1, 2018   | 6,929.99            | 670.58             | 24,755.54       | 105,491.00        | 63,609.00  | 201,456.11                                  |
| Add: Reserves assumed on merger (Refer no 41)                                     | (136,523.00)        | -                  | -               | 53,406.82         | (248.00)   | (83,364.17)                                 |
| Add: Loss for the year ended March 31, 2019                                       | -                   | -                  | -               | (50,959.76)       | -  | (50,959.76)                                 |
| Cash flow hedges  | -                   | -                  | -               | -                 | (1,302.00)   | (1,302.00)                                  |
| Less: Final dividend paid   | -                   | -                  | -               | (3,597.71)        | -  | (3,597.71)                                  |
| Less: Dividend distribution tax   | -                   | -                  | -               | (739.41)          | -  | (739.41)                                    |
| Add: Impact of fair valuation on investment stock                                 | -                   | -                  | -               | -                 | 2,073.86   | 2,073.86                                    |
| Add : Remeasurement loss on defined benefit obligations                           | -                   | -                  | -               | (99.60)           | -  | (99.60)                                     |
| Less: Income tax on above   | -                   | -                  | -               | 1.26              | 331.09   | 332.35                                      |
| Balance as at March 31, 2019  | (129,593.01)        | 670.58             | 24,755.54       | 103,502.61        | 64,463.95  | 63,799.66                                   |
| Add: Loss for the year ended March 31, 2020                                       | -                   | -                  | -               | (11,670.01)       | -  | (11,670.01)                                 |
| Less: Final dividend paid   | -                   | -                  | -               | (3,597.22)        | -  | (3,597.22)                                  |
| Less: Dividend distribution tax   | -                   | -                  | -               | (739.42)          | -  | (739.42)                                    |
| Less: Ind AS 116 impact including deferred tax                                    | -                   | -                  | -               | (5.09)            | -  | (5.09)                                      |
| Add: Impact of fair valuation and loss on sale of investment stock                | -                   | -                  | -               | -                 | (28,221.43)  | (28,221.43)                                 |
| Add: Effective portion of gain / (loss) on hedging instrument in cash flow hedges | -                   | -                  | -               | -                 | 508.00   | 508.00                                      |
| Add : Remeasurement loss on defined benefit obligations                           | -                   | -                  | -               | (122.14)          | -  | (122.14)                                    |
| Less: Income tax on above   | -                   | -                  | -               | (0.72)            | 3,802.86   | 3,802.14                                    |
| Add: Reserves assumed on merger   | -                   | -                  | -               | 3,466.51          | -  | 3,466.51                                    |
| Balance as at March 31, 2020  | (129,593.01)        | 670.58             | 24,755.54       | 90,834.51         | 40,553.38  | 27,221.01                                   |

Significant Accounting Policies

1B

See accompanying notes to the Standalone Financial Statements

2-50

In terms of our report attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018

**Anil Harish**  
Director  
DIN 00001685

**Ashok Mansukhani**  
Managing Director  
DIN 00143001

**Anjum A. Qazi**  
Partner  
Membership No. 104968

**Hasmukh Shah**  
Company Secretary  
FCS No. 2029

**Amar Chintopanth**  
Chief Financial Officer

Place : Mumbai  
Date : September 6, 2020

Place : Mumbai  
Date : September 4, 2020



## Notes to the financial statements for the year ended March 31, 2020

### 1 Significant Accounting Policies

#### 1. Corporate information

NXTDIGITAL LIMITED (formerly Hinduja Ventures Limited) (“the Company”) is a public limited company incorporated and domiciled in India and governed by the Companies Act, 2013 (“Act”). The Company’s registered office is situated at In Centre, 49/50, MIDC, Andheri East, Mumbai – 400 093, Maharashtra, India.

The main activities of the Company span over three segments namely Media and Communication and Investments and Treasury and others.

The management of the Company has decided during the year ended March 2020, to discontinue its Treasury and Investment segment operations. Accordingly, the related revenue of interest income, dividend income from treasury and investment operations for previous year has been reclassified from 'Other Operating Revenue' to 'Discontinuing operations'. The related Investments in the balance sheet is reclassified from 'Non-Current financial assets' to 'Assets Held for Sale'. The figures for this discontinued business have been disclosed as a separate segment as “Treasury and Investment Operation (Discontinued)” in the segment information.

The financial statements of the group for the year ended March 31, 2020 were earlier reviewed by audit committee and approved by the Board of Directors at their meeting held on July 31, 2020 and reported upon by the statutory auditors vide their report dated July 31, 2020. The said accounts did not include the effect of the scheme of arrangement for merger of Media and Communication undertaking of Indusind Media and Communications Limited (subsidiary company) into the Company, which were then pending for approval of the Honourable National Company Law Tribunal, Mumbai Bench (‘NCLT’), which the Company has since received on August 21, 2020. As a result, the Scheme has become effective on October 1, 2020. The Board of Directors have decided to update the accounts of the group for the year ended March 31, 2020 to incorporate the effect of the Scheme and accordingly these financial statements have been updated for giving consequential effect to the Scheme.

Based on the accounting prescribed in the NCLT Scheme which is in accordance with the accounting prescribed in Appendix C to Ind AS 103, the Group has used the pooling of interest method to account for the merger. Based on the requirements of Appendix C to Ind AS 103, the Company has restated the financial information appearing in these financial statements in respect of prior periods as if the merger had occurred from the beginning of the preceding period. Hence, while preparing restated consolidated Ind AS Financial Statement for the year ended March 31, 2020 merger of Media and Communication undertaking of Indusind Media & Communications Limited is restated from the beginning of the comparative period, viz., April 1, 2018.

#### 1A. Basis of Preparation

##### 1. Statement of compliance

The Standalone Financial Statements have been prepared in accordance with Indian Accounting Standard (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 as notified under Section 133 of the Companies Act, 2013 (“the Act”) and other relevant provisions of the Act and other accounting principles generally accepted in India.

##### 2. Functional and Presentation currency

The Standalone Financial Statements are presented in Indian Rupees (INR), which is also the Company’s functional currency. All amounts have been rounded-off to the nearest lakh, unless otherwise indicated.

##### 3. Basis of measurement

The Standalone Financial Statements have been prepared on the historical cost basis except certain financial instruments that are measured at fair values at the end of each reporting period as explained.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

## Notes to the financial statements for the year ended March 31, 2020

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

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

All assets and liabilities have been classified as current or non-current as per Company normal operating cycle and presented as per criteria set out in the Division II format of Schedule III to the Act. The Company has identified its operating cycle as twelve months.

### 1B. Significant Accounting Policies

The significant accounting policies are detailed below

#### 1B.1 Use of Estimates

The preparation of financial statements are in conformity with the recognition and measurement principles of Ind AS which requires management to make critical judgments, estimates and assumptions that affect the reporting of assets, liabilities, income and expenditure.

Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to the estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amount of assets and liabilities within the next financial year, is in respect of:

1. Useful lives of property, plant and equipment (refer note no.1B.6)
2. Impairment of property, plant and equipment as well as intangible assets (refer note no.1B.8)
3. Impairment of investments in subsidiaries (refer note no.1B.13)
4. Employee benefits (refer note no.1B.4 )
5. Expense Provisions & contingent liabilities (refer note no.1B.11 )
6. Valuation of deferred tax assets (refer note no.1B.5)
7. Leases (refer note no.1B.9)

#### 1B.2 Revenue recognition

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" which sets forth a single comprehensive model for recognising and reporting revenues.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those services in the normal course of business.

Revenue is measured at the fair value of the consideration received or receivable excluding taxes collected on behalf of the government and is reduced for estimated credit notes and other similar allowances.

To recognise revenues, we apply the following five step approach:

- (1) identify the contract with a customer,
- (2) identify the performance obligations in the contract,
- (3) determine the transaction price,
- (4) allocate the transaction price to the performance obligations in the contract and
- (5) recognise revenues when a performance obligation is satisfied.

#### Performance obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the client and is the unit of accounting in Ind AS 115.

The performance obligations of the Company are satisfied over time as services are rendered.

## Notes to the financial statements for the year ended March 31, 2020

### Determination of transaction price

Revenue is measured based on transaction price which includes variable consideration only to the extent it is probable that a significant reversal of revenues recognised will not occur when the uncertainty associated with the variable consideration is resolved. Revenues also exclude taxes collected from customers.

### Allocation of transaction price

A contract's transaction price is allocated to each distinct performance obligation and recognised as revenue when, or as, the performance obligation is satisfied. For contracts with multiple performance obligations, we allocate the contract's transaction price to each performance obligation based on the relative standalone selling price. The primary method used to estimate standalone selling price is the adjusted market assessment approach, under which the Company evaluates the price in that market that a customer is willing to pay for those services. While determining relative standalone selling price and identifying separate performance obligations require judgment, generally relative standalone selling prices and the separate performance obligations are readily identifiable as we sell those performance obligations unaccompanied by other performance obligations.

### Lease Income - Optic Fibre Cable

The policy for recognition of revenue from operating leases is described in 1B.9 below

### Installation revenue

Installation revenue on Set Top Boxes (STBs) is recognised over the estimated period of customer relationships. Revenue is recognised on satisfaction of performance obligation upon transfer of promised products or services in an amount that reflects the consideration which the Company expects to receive in exchange of those products and services. Installation revenue on Set Top Boxes (STBs) is deferred and is recognised over the estimated period of customer relationship. Amount billed for services as per contractual terms but not recognised as revenue, is shown as income received in advance under other deferred income. Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for providing services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional. Revenue in excess of invoicing are disclosed as contracts assets ("unbilled receivables") and invoicing in excess of revenues are disclosed as contract liabilities.

### Rendering of other services

Revenue from services is recognised when the services are rendered in accordance with the specific terms of contract and when collectability of the resulting receivable is reasonably assured.

### Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

### Dividend Income

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

### Other Income

Other income comprise of income from ancillary activities incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.

Accounting treatment of assets and liabilities arising in course of sale of goods and services is set out below:

### Trade receivable

Trade receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due)

### Contract balances

#### Contract Asset

A contract asset is right to consideration in exchange of services that the company has rendered to a customer when that right is conditioned on something other than passage of time. Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

## Notes to the financial statements for the year ended March 31, 2020

### Contract Liability

A contract liability is the obligation to render services to a customer for which the company has received consideration from the customer. If a customer pays consideration before the company renders services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company renders services as per the contract.

### 1B. 3 Borrowing costs

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

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

### 1B. 4 Employee benefits

Employee benefits include contributions to provident fund, employee state insurance scheme, gratuity fund, compensated absences, pension and post-employment medical benefits.

#### Retirement benefit costs and termination benefits

Payments to defined contribution plans i.e., Company's contribution to Government administered provident fund, superannuation fund and State plans namely Employees State Insurance and Employees' Pension Scheme other funds are determined under the relevant schemes and/ or statute and charged to the Statement of Profit and Loss in the period when the services are rendered by the employees entitling them to the contributions and the Company has no further obligation beyond making its contribution.

For defined benefit plans i.e. Company's liability towards gratuity (unfunded), other retirement/ terminations benefits and compensated absences, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Defined benefit costs are comprised of:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement.

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

Re-measurement of net defined benefit liability/ asset pertaining to gratuity comprise of actuarial gains/ losses (i.e. changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit or loss. Past service cost is recognised in statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

#### Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of salaries, performance incentives, annual leave, medical benefits and other short term benefits in the period the related service is rendered, at the undiscounted amount of the benefits expected to be paid in exchange for that service.

#### Long-term employee benefits

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

### 1B. 5 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax for the year are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

## Notes to the financial statements for the year ended March 31, 2020

### Current tax

Current tax is determined on taxable profits for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 including other applicable tax laws that have been enacted or substantively enacted.

Provisions for current income taxes and advance taxes paid in respect of the same jurisdiction are presented in the balance sheet after offsetting these balances on an assessment year basis.

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

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

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

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

## 1B. 6 Property, plant and equipment

### Cost

Property, plant and equipment held for use in the supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost (net of duty / tax credit availed) less accumulated depreciation / amortisation and accumulated impairment loss if any. Cost includes freight, duties, taxes, professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Set Top Boxes ('STBs') issued to customers are capitalized at moving average price on issuance / installation. Spares that do not meet the definition of property, plant and equipment and do not satisfy the criteria of Ind AS 16 are charged off to the Statement of profit and loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

The residual values and useful lives of Property, plant and equipment are reviewed at each financial year end, and changes, if any, are accounted prospectively.

### Capital work in progress

The Set Top Boxes ('STBs') which are not issued to customers are recorded as Capital work-in-progress at moving average price issued. Certain encoders and other plant and machinery not installed at the customer premises are categorised under Capital work-in-progress until installed and ready for intended use.

### Subsequent expenditure

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



## Notes to the financial statements for the year ended March 31, 2020

### Depreciation / amortisation

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives of the assets specified in Schedule II of the Companies Act, 2013, using the straight-line method. 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.

| Particulars            | Estimated Useful life |
|------------------------|-----------------------|
| Plant and machinery    | 18 years              |
| Office Equipment       | 5 years               |
| Computers              | 3 years               |
| Furniture and fixtures | 10 years              |
| Vehicles               | 8 years               |

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment.

### De-recognition

An item of property, plant and equipment is derecognized upon disposal or retired from active use 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 recognized in Statement of profit or loss in the year of occurrence.

## 1B. 7 Intangible assets

### Intangible assets acquired separately

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

### Useful lives of intangible asset

Estimated useful lives of the intangible asset, based on technical assessment carried out by the management, is as follows:

| Classes of Intangible Asset  | Useful life |
|------------------------------|-------------|
| Computer Software (Acquired) | 6 years     |
| Computer software            | 2-6 years   |
| Network rights               | 10 years    |
| Licence fees                 | 10 years    |

### De-recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

## 1B. 8 Impairment of tangible and intangible assets

At the end of each reporting period, the Company determines whether there is any indication that its assets have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount (i.e. higher of the fair value less costs of disposal and value in use) of such assets is estimated and impairment is recognized, if the carrying amount exceeds the recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

## Notes to the financial statements for the year ended March 31, 2020

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

### 1B. 9 Leases

Effective April 1, 2019, the Company adopted In AS 116 “Leases”, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). (Refer Note 34)

#### As Lessor

The Company's lease asset classes primarily consist of leases for Plant and Machinery – Optic Fibre Cable. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

Assets leased out under operating leases are capitalised. Rental income from operating lease is recognised on a straight-line basis over the lease term. Rental income, based on agreement, is recognised based on product of number of pairs of dark fibre assets leased out and length of dark fibre assets leased out (in kilometres) and the rate at which lease rent is charged per pair per kilometre of dark fibre assets including minimum guarantee lease rental.

Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

#### As Lessee

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

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

### 1B. 10 Inventory

Real Estate (Land) inventories are stated at lower of cost and net realisable value. Cost includes cost of land, registration charges, stamp duty, brokerage costs and incidental expenses. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

Inventory (network cable and equipment), consisting of cables, head-end equipment and other network items like modems etc., are valued at lower of cost and net realizable value. Cost includes all expenses incurred to bring the inventory to its present location and condition. Cost is determined on a weighted average basis.

## Notes to the financial statements for the year ended March 31, 2020

### 1B. 11 Provisions and Contingent Liabilities

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

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

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the financial statements.

Provisions and contingent liabilities are reviewed at each balance sheet date.

### 1B. 12 Non-current assets held for sale (Discontinued operation)

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations. The results of discontinued operations are presented separately in the statement of profit and loss.

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. The Management must be committed to the sale, which should be expected to qualify for recognition as completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Upon classification, non-current assets held for sale are measured at the lower of carrying amount and fair value less costs to sell and are presented separately from the other assets under 'Current Assets' in the balance sheet. Liabilities associated if any, with non-current assets classified as held for sale, are disclosed under 'Current liabilities' in the Balance Sheet.

### 1B. 13 financial instruments

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

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

#### Financial assets

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

#### After initial recognition

- (I) Financial assets (other than investments and derivative instruments) are subsequently measured at amortised cost using the effective interest method.

Effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an

## Notes to the financial statements for the year ended March 31, 2020

integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Investments in debt instruments that meet the following conditions are subsequently measured at amortised cost:

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

Interest Income on such debt instruments is recognised in profit or loss and is included in the “Revenue from Operations”.

Currently, the Company has not designated any debt instruments as fair value through other comprehensive income.

- (ii) Financial assets (i.e. derivative instruments and investments in instruments other than equity of subsidiaries and associates) are subsequently measured at fair value.

Such financial assets are measured at fair value at the end of each reporting period, with any gains (e.g. any dividend or interest earned on the financial asset) or losses arising on re-measurement recognised in profit or loss and included in the “Revenue from Operations”.

### Investments in equity instruments of subsidiaries and other equity instruments

The Company measures its investments in equity instruments of subsidiaries at cost less impairment, if any, in accordance with Ind AS 27.

All other equity investments are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For equity instruments other than held for trading, the Company has irrevocable option to present in OCI subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Where the Company classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

### Impairment of financial assets

A financial asset is regarded as credit impaired when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Company applies the expected credit loss model for recognising impairment loss (i.e. the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the Company expects to receive, discounted at the original effective interest rate) and credit risk exposure on the following financial assets;

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables - The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit losses at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows

### Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, it estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units' ('CGU') fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent to those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

## Notes to the financial statements for the year ended March 31, 2020

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 cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. For the purpose of assessing impairment of the cash inflows from other assets or Company's assets cash-generating units (CGU).

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The financial projections basis which the future cash flows have been estimated consider the increase in economic uncertainties due to COVID19. Reassessment of the discount rates, revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis.

### **De-recognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit and loss.

### **Financial liabilities and equity instruments**

#### **Classification as debt or equity**

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

#### **Equity instruments**

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

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

#### **Financial liabilities**

All financial liabilities (other than derivative instruments) are subsequently measured at amortised cost using the effective interest method. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the "Finance Costs".

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.

#### **De-recognition of financial liabilities**

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



## Notes to the financial statements for the year ended March 31, 2020

### 1B. 14 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term deposits (with an original maturity of three months or less) highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

### 1B. 15 Cash flow statement

Cash Flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing, and financing activities of the Company are segregated.

### 1B. 16 Earnings per share

Basic earnings per share is 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.

### 1B. 17 Segment Reporting

The Company determines segments based on the internal organisation and management structure of the Company and its system of internal financial reporting and the nature of its risks and its returns. The Board of Directors of the Company has been identified as Chief Operating Decision Maker (CODM). CODM evaluates the Company's performance, allocate resources based on analysis of various performance indicators of the Company for disclosing in the segment report. The accounting policies adopted for segment reporting are in line with the accounting policies of the company.

Segment revenue includes income directly identifiable with the segments.

Expenses that are directly identifiable with the segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments and expenses which relate to the operating activities of the segment but are impracticable to allocate to the segment, are included under "Unallocable corporate expenses".

Income which relates to the Company as a whole and not allocable to segments are included in Unallocable Income and netted off from Unallocable corporate expenses.

Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

### 1B. 18 Critical accounting judgments and key sources of estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires the Company's Management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognised in the financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates (accounted on a prospective basis) and recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods of the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the Management in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements and/or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## Notes to the financial statements for the year ended March 31, 2020

### (i) Taxation

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profit and all tax bases of assets and liabilities, the Company determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognised on closure of assessment or in the period in which they are agreed.

Deferred income tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilised.

### (ii) Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for the fair value measurements. In estimating the fair value of an asset or a liability, the Company used market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engaged third party qualified valuers to perform the valuations in order to determine the fair values based on the appropriate valuation techniques and inputs to fair value measurements.

### (iii) Estimation of defined benefit plans

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates, and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligation.

### (iv) Contingent liabilities

Contingent liabilities are not recognised in the financial statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs.

## 1B. 19 Foreign currency transactions

Foreign exchange transactions are recorded using the exchange rates which approximate to the rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date.

Any income or expense on account of exchange difference either on settlement or translation of monetary items is recognised in the Statement of profit and loss.

## 1B. 20 Changes in Accounting Standards and other recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

## Notes to the financial statements for the year ended March 31, 2020

### 2 Property, plant and equipment

(₹ in Lakh)

| Particulars  | Leasehold im-<br>provements | Plant and<br>equipment* | Set top<br>box   | Furniture and<br>fixtures | Vehicles      | Office<br>equip-<br>ments | Computers &<br>data process-<br>ing units | Total             |
|--|-----------------------------|-------------------------|------------------|---------------------------|---------------|---------------------------|---|-------------------|
| <b>I. Gross carrying amount</b>                    |                             |                         |                  |                           |               |                           |   |                   |
| Balance as at April 01, 2018                       | 339.00                      | 45,182.93               | 65,047.00        | 105.14                    | 223.64        | 149.89                    | 790.95                                    | 111,838.55        |
| Additions  | -                           | 748.00                  | 5,157.00         | -                         | -             | 15.22                     | 126.12                                    | 6,046.34          |
| Disposals  | -                           | 98.00                   | -                | -                         | -             | 0.78                      | -   | 98.78             |
| Balance as at April 01, 2019                       | 339.00                      | 45,832.93               | 70,204.00        | 105.14                    | 223.64        | 164.33                    | 917.07                                    | 117,786.11        |
| Additions  | -                           | 378.41                  | 4,080.84         | 4.92                      | 11.96         | 19.53                     | 138.29                                    | 4,633.96          |
| Disposals  | 0.31                        | 5.90                    | 1,154.67         | 1.03                      | 7.16          | 5.30                      | 83.37                                     | 1,257.74          |
| <b>Balance as at March 31, 2020</b>                | <b>338.69</b>               | <b>46,205.44</b>        | <b>73,130.17</b> | <b>109.04</b>             | <b>228.44</b> | <b>178.56</b>             | <b>971.99</b>                             | <b>121,162.32</b> |
| <b>II. Accumulated depreciation and impairment</b> |                             |                         |                  |                           |               |                           |   |                   |
| Balance as at April 01, 2018                       | 185.85                      | 3,690.23                | 16,398.36        | 28.19                     | 73.81         | 75.28                     | 422.15                                    | 20,873.88         |
| Depreciation charge during the year                | 91.37                       | 3,329.99                | 10,555.00        | 14.52                     | 51.20         | 28.54                     | 163.08                                    | 14,233.70         |
| Disposals  | -                           | 40.74                   | -                | -                         | -             | 0.25                      | -   | 40.99             |
| Balance as at April 01, 2019                       | 277.22                      | 6,979.47                | 26,953.36        | 42.71                     | 125.01        | 103.58                    | 585.23                                    | 35,066.59         |
| Depreciation charge during the year                | 61.10                       | 3,374.52                | 11,015.53        | 14.30                     | 29.96         | 27.09                     | 149.53                                    | 14,672.03         |
| Disposals  | 0.31                        | 3.54                    | 1,154.67         | 1.01                      | 4.64          | 5.23                      | 83.23                                     | 1,252.64          |
| <b>Balance as at March 31, 2020</b>                | <b>338.02</b>               | <b>10,350.45</b>        | <b>36,814.22</b> | <b>56.00</b>              | <b>150.33</b> | <b>125.44</b>             | <b>651.53</b>                             | <b>48,485.99</b>  |
| <b>III. Net carrying amount (I-II)</b>             |                             |                         |                  |                           |               |                           |   |                   |
| Net carrying amount as on April 01, 2019           | 61.78                       | 38,853.46               | 43,250.64        | 62.43                     | 98.63         | 60.75                     | 331.84                                    | 82,719.52         |
| <b>Net carrying amount as on March 31, 2020</b>    | <b>0.67</b>                 | <b>35,854.99</b>        | <b>36,315.95</b> | <b>53.04</b>              | <b>78.11</b>  | <b>53.13</b>              | <b>320.45</b>                             | <b>72,676.34</b>  |

\* Certain plant and equipment are given on operating leases where the Company is lessor.

#### Note:

- Some of the assets like routers, coders included in plant and machinery are given on operating lease to OneOTT Entertainment Limited.
- Details of property, plant & equipment hypothecated:  
First charge over all movable and immovable assets secured for borrowing (refer note no. 39)

(₹ in Lakh)

| Particulars | Total |
|-------------|-------|
|-------------|-------|

### 2A Capital work-in-progress

|                                     |                 |
|-------------------------------------|-----------------|
| <b>Balance as at 1 April 2018</b>   | 1,484.00        |
| Additions                           | 6,733.00        |
| Assets charged to consumption       | (882.00)        |
| Assets capitalised during the year  | (4,875.00)      |
| <b>Balance as at 31 March 2019*</b> | <b>2,460.00</b> |
| Additions                           | 3,732.00        |
| Assets charged to consumption       | (786.00)        |
| Assets capitalised during the year  | (4,094.00)      |
| <b>Balance as at 31 March 2020*</b> | <b>1,312.00</b> |

\*Includes assets in transit of ₹ 515 lakhs (31 March 2019 : 1,301 lakhs)

## Notes to the financial statements for the year ended March 31, 2020

### 3A Right to use assets

Reconciliation of carrying amount (₹ in Lakh)

| Particulars                                | Total            |
|--|------------------|
| <b>Gross carrying value</b>                |                  |
| Balance as at 1 April 2019                 | -                |
| Additions                                  | 16,579.01        |
| Disposals/ discarded/ written off          | 5,324.95         |
| <b>Balance as at 31 March 2020</b>         | <b>11,254.06</b> |
| <b>Accumulated amortisation</b>            |                  |
| Balance as at 1 April 2019                 | -                |
| Charge for the year                        | 2,133.00         |
| Disposals                                  | 1,802.33         |
| <b>Balance as at 31 March 2020</b>         | <b>330.67</b>    |
| <b>Net carrying value At 31 March 2020</b> | <b>10,923.39</b> |

- The Company incurred ₹ 858 lakhs for the year ended 31 March 2020 towards expenses relating to short-term leases and leases of low value assets. The total cash outflow for leases is ₹ 4,188 lakhs for the year ended 31 March 2020, including cash outflow of short-term leases and leases of low value assets.
- The Company's leases comprise of lease of transponder for providing services to its customers.
- Interest on lease liabilities is ₹ 526 lakhs for the year ended 31 March 2020.
- During the current year, there is a termination of lease with Thaicom Public Company Limited (Thaicom) who provided satellite transponder service. This has resulted into gain of ₹ 668 lakhs (refer note no. 34)

### 3B Other intangible assets

(₹ in Lakh)

| Particulars  | Network Rights  | Computer software | License Fee     | Total            |
|--|-----------------|-------------------|-----------------|------------------|
| <b>I. Gross carrying amount</b>                    |                 |                   |                 |                  |
| Balance as at April 1, 2018                        | 3,695.00        | 3,725.65          | 1,751.00        | 9,171.65         |
| Additions  | -               | 1,274.00          | 21.00           | 1,295.00         |
| Disposals  | -               | -                 | -               | -                |
| Balance as at April 01, 2019                       | 3,695.00        | 4,999.65          | 1,772.00        | 10,466.65        |
| Additions  | 1,116.97        | 1,121.07          | -               | 2,238.04         |
| Disposals  | 14.18           | 28.05             | -               | 42.23            |
| <b>Balance as at March 31, 2020</b>                | <b>4,797.80</b> | <b>6,092.66</b>   | <b>1,772.00</b> | <b>12,662.46</b> |
| <b>II. Accumulated amortisation and impairment</b> |                 |                   |                 |                  |
| Balance as at April 01, 2018                       | 1,126.00        | 1,206.71          | 275.00          | 2,607.71         |
| Amortisation charge during the year                | 489.00          | 872.70            | 100.00          | 1,461.70         |
| Disposals  | -               | -                 | -               | -                |
| Balance as at April 01, 2019                       | 1,615.00        | 2,079.41          | 375.00          | 4,069.41         |
| Amortisation charge during the year                | 438.86          | 1,070.65          | 102.14          | 1,611.66         |
| Disposals  | 14.18           | 20.92             | -               | 35.10            |
| <b>Balance as at March 31, 2020</b>                | <b>2,040.18</b> | <b>3,129.14</b>   | <b>477.14</b>   | <b>5,646.47</b>  |
| <b>III. Net carrying amount (I-II)</b>             |                 |                   |                 |                  |
| Net carrying amount as on April 01, 2019           | 2,080.00        | 2,920.24          | 1,397.00        | 6,397.24         |
| <b>Net carrying amount as on March 31, 2020</b>    | <b>2,757.61</b> | <b>2,963.52</b>   | <b>1,294.86</b> | <b>7,015.99</b>  |

The estimated amortisation of material intangibles for the years subsequent to 31 March 2020 is as follows:

## Notes to the financial statements for the year ended March 31, 2020

| Year ending 31 March | Amounts in lakhs |
|----------------------|------------------|
| 2021                 | 730.00           |
| 2022                 | 707.00           |
| 2023                 | 452.00           |
| 2024                 | 452.00           |
| 2025                 | 392.00           |
| After 2025           | 556.00           |

**Notes:**

Details of intangibles hypothecated:

First charge over all intangible assets secured for borrowing (refer note no. 39)

| Particulars  | Face value<br>per share<br>in ₹ | (₹ in Lakh)             |                         |
|--|---------------------------------|-------------------------|-------------------------|
|  |                                 | As at March 31,<br>2020 | As at March 31,<br>2019 |
| <b>4A Investments (Non-current)</b>  |                                 |                         |                         |
| <b>Investments in equity instruments in subsidiary (at cost)</b>   |                                 |                         |                         |
| <b>A. Unquoted equity shares (fully paid up)</b>   |                                 |                         |                         |
| 15,09,34,830 (31 March 2019 : 15,09,34,830) shares of IndusInd Media and Communications Limited (Refer note no. 33 and 47)   | 10.00                           | 7,279.64                | 4,660.96                |
| 2,02,21,169 (31 March 2019: Nil) shares of OneOTT Intertainment Limited (refer note no. 44)  | 10.00                           | 27,199.51               | -                       |
| <b>B. Unquoted preference shares</b>   |                                 |                         |                         |
| Nil (31 March 2019: 26,700,000) 9% redeemable non-cumulative preference shares of OneOTT Intertainment Limited (formely known as Planet E-shop Holdings India Limited (refer note no. 44)              | 100.00                          | -                       | 14,327.59               |
| <b>C. Unquoted preference shares</b>   |                                 |                         |                         |
| (measured at fair value through profit and loss)   |                                 |                         |                         |
| Nil (31 March 2019: 5,00,000) 9% redeemable non-cumulative preference shares of OneOTT Intertainment Limited (formely known as Planet E-shop Holdings India Limited)                                   | 100.00                          | -                       | 238.70                  |
| 8,446,120 (31 March 2019: 8,446,120) 7% cumulative preference shares of In Entertainment (India) Limited (refer note no. 44)   | 10.00                           | 293.74                  | 264.56                  |
| <b>D. Unquoted investment in government securities</b>   |                                 |                         |                         |
| (measured at cost)   |                                 |                         |                         |
| National Savings Certificate at face value<br>(Lodged with Entertainment Department as security deposit. Investments are held in the joint names of some of the directors and officers of the Company) |                                 | 11.00                   | -                       |
| <b>Total</b>   |                                 | <b>34,784.70</b>        | <b>19,492.31</b>        |



## Notes to the financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Particulars  | Face value<br>per share<br>in ₹ | As at March 31,<br>2020 | As at March 31,<br>2019 |
|--|---------------------------------|-------------------------|-------------------------|
| <b>Other investments (Non-current)</b>   |                                 |                         |                         |
| <b>Investments in equity instruments at fair value through other comprehensive income:</b> |                                 |                         |                         |
| <b>A. Quoted equity shares (fully paid up)</b>   |                                 |                         |                         |
| 1,916 (31 March 2019 : 1,916) shares of GOCL Corporation Limited                           | 2.00                            | 2.43                    | 5.97                    |
| 1,916 (31 March 2019 : 1,916) shares of Gulf Oil Lubricants India Limited                  | 2.00                            | 9.86                    | 16.12                   |
| 7,900 (31 March 2019 : 19,15,196) shares of IndusInd Bank Limited @                        | 10.00                           | 27.75                   | 34,130.76               |
| 24,007 (31 March 2019 : 24,007) shares of VCK Capital Market Services Limited              | 10.00                           | 1.46                    | 1.46                    |
| 11,250 (31 March 2019: 11,250) equity shares of Gulf Oil Corporation Limited               | 2.00                            | 14.87                   | 34.62                   |
| 11,250 (31 March 2019: 11,250) equity shares of Gulf Oil Lubricant India Limited           | 2.00                            | 58.08                   | 92.27                   |
| Less: Reclassified as held for sale (Refer note no. 12A)                                   |                                 | (41.50)                 | -                       |
| <b>Total</b>   |                                 | <b>72.45</b>            | <b>34,281.20</b>        |
| <b>B. Unquoted equity shares (fully paid up)</b>   |                                 |                         |                         |
| 80,78,155 (31 March 2019 : 1,62,70,244) shares of Hinduja Leyland Finance Limited          | 10.00                           | 9,613.00                | 26,653.91               |
| Less: Reclassified as held for sale (Refer note no. 12A)                                   |                                 | (9,613.00)              | -                       |
| <b>Total</b>   |                                 | <b>-</b>                | <b>26,653.91</b>        |
| <b>Total other investments (non-current)</b>   |                                 | <b>72.45</b>            | <b>60,935.11</b>        |
| <b>Total (non-current)</b>   |                                 | <b>34,857.15</b>        | <b>80,427.42</b>        |
| <b>4B Other investments (Current)</b>  |                                 |                         |                         |
| <b>Investments in equity instruments at fair value through profit and loss:</b>            |                                 |                         |                         |
| <b>A. Quoted equity shares (fully paid up)</b>   |                                 |                         |                         |
| 46,902 (31 March 2019 : 26,16,385) shares of IndusInd Bank Limited #                       | 10.00                           | 164.77                  | 46,626.59               |
| Less: Reclassified as held for sale (Refer note no. 12A)                                   |                                 | (164.77)                | -                       |
| <b>Total other investments (current)</b>   |                                 | <b>-</b>                | <b>46,626.59</b>        |
| (a) Aggregate market value of quoted investments   |                                 | <b>72.45</b>            | <b>80,907.79</b>        |
| (b) Aggregate carrying amount of unquoted investments                                      |                                 | <b>34,784.70</b>        | <b>46,146.22</b>        |

@ 700 equity shares pledged for TDS certificates [March 31, 2019 : 1,530,086 equity shares pledged against loan availed]

# 16,782 equity shares pledged for TDS certificates [March 31, 2019 : 2,416,062 equity shares pledged against loan availed]

## Notes to the financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| <b>4C Derivatives (Non-current)</b>   |                         |                         |
| (Unsecured, considered good - measured at fair value through profit and loss)             |                         |                         |
| Interest rate swap used for hedging   | 45.00                   | 712.00                  |
| <b>Total</b>  | <b>45.00</b>            | <b>712.00</b>           |
| <b>5A Other financial assets (Non-current)</b>  |                         |                         |
| <b>Unsecured considered good - at amortised cost</b>                                      |                         |                         |
| Security deposits   |                         |                         |
| - to related parties (Refer note no. 33)  | 46.15                   | 46.15                   |
| - to others   | 191.76                  | 583.91                  |
| Other deposits  | 10.06                   | 21.38                   |
| Balances with banks in deposit accounts with original maturity of more than twelve months | 120.92                  | 55.48                   |
| <b>Total</b>  | <b>368.89</b>           | <b>706.42</b>           |
| <b>5B Other financial assets (Current)</b>  |                         |                         |
| <b>Unsecured considered good - at amortised cost</b>                                      |                         |                         |
| Interest accrued on inter-corporate deposits (Refer note no. 33)                          | 11.19                   | 1.63                    |
| Security deposits   | 96.35                   | 47.84                   |
| Other receivables   | 2,133.65                | 551.95                  |
| <b>Total</b>  | <b>2,241.19</b>         | <b>601.92</b>           |
| <b>6A Other non-current assets</b>  |                         |                         |
| Balance with government authorities   | 4,630.09                | 5,596.67                |
| Capital advances  |                         |                         |
| Unsecured considered good - at amortised cost   |                         |                         |
| - Towards purchase of network rights  | -                       | 1,117.48                |
| - Advance to suppliers considered good  | 200.29                  | 281.50                  |
| - Advance to suppliers considered doubtful  | -                       | 2,118.64                |
| Less: Allowance for bad and doubtful advances   | -                       | (2,118.64)              |
| Prepaid Expense   | 69.47                   | -                       |
| <b>Total</b>  | <b>4,899.35</b>         | <b>6,995.65</b>         |
| <b>6B Other current assets</b>  |                         |                         |
| Advance to vendors  |                         |                         |
| - Considered good   | 2,211.22                | 1,350.44                |
| - Considered doubtful   | -                       | 704.27                  |
| - Less: Allowance for bad and doubtful advances   | -                       | (704.27)                |
|   | <b>2,211.22</b>         | <b>1,350.44</b>         |
| Recoverable from statutory authorities  | 4,277.36                | 7,037.73                |
| Prepaid expenses  | 226.44                  | 225.33                  |
| Others  | 4.62                    | 2.62                    |
| <b>Total</b>  | <b>6,719.14</b>         | <b>8,616.12</b>         |

## Notes to the financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>7 Inventories</b>   |                         |                         |
| <b>(at cost or net realisable value, which ever is lower)</b>  |                         |                         |
| Land (Real Estate) (Refer note 31)   | 3,719.32                | 3,719.32                |
| Stock of network cable and equipments  | 349.74                  | 100.15                  |
| Media inventory  | 118.00                  | -                       |
| <b>Total</b>   | <b>4,187.06</b>         | <b>3,819.47</b>         |
| <b>8A Trade receivables (Current)</b>  |                         |                         |
| Unsecured, considered good   | 3,205.88                | 7,839.77                |
| Credit impaired  | 249.67                  | 4,344.31                |
| Less: Allowance for credit impairment  | (249.67)                | (4,344.31)              |
| <b>Total</b>   | <b>3,205.88</b>         | <b>7,839.77</b>         |
| The average credit period of receiving the trade receivables is 90 days. No interest is charged on outstanding balance of trade receivables.   |                         |                         |
| No trade receivables are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Nor any trade or other receivables are due from firms including limited liability partnerships (LLPs) or private companies respectively in which any director is a partner or a director or a member. |                         |                         |
| <b>8B Derivatives (Current)</b>  |                         |                         |
| (Unsecured, considered good)   |                         |                         |
| Interest rate swap used for hedging  | 2,047.44                | 0.80                    |
| Forward exchange contracts used for hedging  | 38.25                   | -                       |
| <b>Total</b>   | <b>2,085.19</b>         | <b>0.80</b>             |
| <b>9 Cash and cash equivalents</b>   |                         |                         |
| Balances with banks  |                         |                         |
| - in current accounts  | 1,265.60                | 794.61                  |
| - deposit accounts with original maturity of less than three months  | 4.06                    | 1,074.34                |
| Cheques on hand  | 81.94                   | 308.04                  |
| Cash on hand   | 13.34                   | 11.10                   |
| <b>Total</b>   | <b>1,364.94</b>         | <b>2,188.10</b>         |
| <b>10 Bank balances other than (v) above</b>   |                         |                         |
| Balances with banks  |                         |                         |
| - in unpaid dividend accounts  | 32.81                   | 29.81                   |
| - in deposit accounts  | 832.37                  | 3,138.07                |
| Escrow account **  | 7,950.00                | 4,620.00                |
| <b>Total</b>   | <b>8,815.18</b>         | <b>7,787.88</b>         |

Fixed deposits and other balances with banks earns interest at fixed rate or floating rates based on daily bank deposit rates.

\*under lien with banks and other parties for availment of buyers' credit and other loans

\*\* towards payable to foreign vendor, pending approval of Ministry of Information and Broadcasting, Department of Government of India.

## Notes to the financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| <b>11 Loans (current)</b>   |                         |                         |
| (Refer note no. 40)   |                         |                         |
| <b>Unsecured considered good</b>  |                         |                         |
| Loans to related parties (Refer note no. 33)  |                         |                         |
| - Inter corporate deposits  | 5,475.82                | 20.00                   |
| Advances to related parties (refer note no. 33)   |                         |                         |
| a) considered good  | 3.65                    | -                       |
| b) credit impaired  | 0.49                    | -                       |
| less: allowance for credit impairment   | (0.49)                  | -                       |
|   | <b>5,479.47</b>         | 20.00                   |
| Loans and advances to employees   | 2.70                    | 3.00                    |
| <b>Total</b>  | <b>5,482.67</b>         | 23.00                   |
| No loans are due by directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member. |                         |                         |
| <b>11A Current tax assets (current)</b>   |                         |                         |
| Advance tax & tax deducted at source (net of provision)   | 983.67                  | 400.11                  |
| <b>Total</b>  | <b>983.67</b>           | 400.11                  |

**12A Financials Assets classified as held for sale**

| Particulars  | Face value<br>per share<br>in ₹ | As at<br>March 31, 2020 |                       | As at<br>March 31, 2019 |                       |
|--|---------------------------------|-------------------------|-----------------------|-------------------------|-----------------------|
|  |                                 | Number of<br>shares     | Amount<br>(₹ in Lakh) | Number<br>of shares     | Amount<br>(₹ in Lakh) |
| <b>Investments in equity instruments at fair value through other comprehensive income:</b> |                                 |                         |                       |                         |                       |
| <b>A. Quoted equity shares (fully paid up)</b>   |                                 |                         |                       |                         |                       |
| GOCL Corporation Limited   | 2.00                            | 1,916                   | 2.43                  | -                       | -                     |
| Gulf Oil Lubricants India Limited  | 2.00                            | 1,916                   | 9.86                  | -                       | -                     |
| IndusInd Bank Limited @  | 10.00                           | 7,900                   | 27.75                 | -                       | -                     |
| VCK Capital Market Services Limited  | 10.00                           | 24,007                  | 1.46                  | -                       | -                     |
| <b>Total I</b>   |                                 |                         | <b>41.00</b>          |                         | -                     |
| <b>B. Unquoted equity shares (fully paid up)</b>   |                                 |                         |                       |                         |                       |
| Hinduja Leyland Finance Limited  | 10.00                           | 8,078,155               | 9,613.00              | -                       | -                     |
| <b>Total II</b>  |                                 |                         | <b>9,613.00</b>       |                         | -                     |
| <b>Investments in equity instruments at fair value through profit and loss:</b>            |                                 |                         |                       |                         |                       |
| <b>A. Quoted equity shares (fully paid up)</b>   |                                 |                         |                       |                         |                       |
| IndusInd Bank Limited #  | 10.00                           | 46,902                  | 164.77                | -                       | -                     |
| <b>Total III</b>   |                                 |                         | <b>164.77</b>         |                         | -                     |
| <b>Total investments - Held for Sale</b>   |                                 |                         | <b>9,818.77</b>       |                         | -                     |
| <b>Liabilities associated with Financial Assets classified as held for sale</b>            |                                 |                         | -                     |                         | -                     |
| <b>Net assets classified as held for sale</b>  |                                 |                         | <b>9,818.77</b>       |                         | -                     |

@ 700 equity shares pledged for TDS certificates

# 16,782 equity shares pledged for TDS certificates

## Notes to the financial statements for the year ended March 31, 2020

### Notes:

During the year, 99% of Company's holding in IndusInd Bank Limited (IBL) pledged shares were sold to settle the related borrowings. Further, the company sold nearly 50% of its investment in Hinduja Leyland Finance Limited (HLFL) shares. The sale of the Company's substantial investment (both fair valued through profit and loss account and fair valued through other comprehensive income) resulted in the decision to discontinue the Investment and Treasury segment operations.

Accordingly,

- The quoted pledged equity shares were offloaded through stock exchanges during the year. The balance of quoted equity shares, would be sold by the company on the stock exchange. Pledged shares have been released subsequent to the year end.
- After deliberations and approvals by the Board, 81,92,089 number of equity shares of Hinduja Leyland Finance Limited (HLFL) was sold vide a Share Purchase Agreement dated March 18, 2020, at a price of ₹ 119 per share, being the fair value of the shares. The buyer has also committed to purchase the balance 80,78,155 equity shares of HLFL.
- The Company has settled all the liabilities towards financial institutions relating to the Treasury and Investment Business Segment. The loans outstanding relating to this segment are NIL as on March 31, 2020.
- The loss on sale of both quoted and unquoted equity shares of ₹ 29,251.29 lakh and ₹ 28,221.43 lakh including the fair value changes for the outstanding shares as on March 31, 2020 has been recognised in profit or loss and other comprehensive income respectively for the year and classified under discontinued operations. (Refer note no. 38)
- The Company has reclassified all the balance related investments fair valued through profit and loss account and fair valued through other comprehensive income as Financial Assets held for sale as on March 31, 2020.
- Further, the previous year figures for discontinued operations has been presented as per the requirements of para 34 of Ind AS 105 which states that previous year figures need to be presented in accordance with the current years disclosures. (Refer note no. 38)

### 13 Equity share capital

| Name of Shareholder                   | As at<br>March 31, 2020  |                       | As at<br>March 31, 2019  |                       |
|---------------------------------------|--------------------------|-----------------------|--------------------------|-----------------------|
|                                       | Number of<br>shares held | Amount<br>(₹ in Lakh) | Number of<br>shares held | Amount<br>(₹ in Lakh) |
| <b>Authorised</b>                     |                          |                       |                          |                       |
| Equity shares of ₹ 10 each            | 87,000,000               | 8,700.00              | 87,000,000               | 8,700.00              |
| Preference Shares of ₹ 10 each        | 3,000,000                | 300.00                | 3,000,000                | 300.00                |
| 9.50% Preference Shares of ₹ 100 each | 1,000                    | 1.00                  | 1,000                    | 1.00                  |
| <b>Total</b>                          | <b>90,001,000</b>        | <b>9,001.00</b>       | <b>90,001,000</b>        | <b>9,001.00</b>       |
| <b>Issued, subscribed and paid up</b> |                          |                       |                          |                       |
| Equity shares of ₹10 each fully paid  | 20,555,503               | 2,055.55              | 20,555,503               | 2,055.55              |
| <b>Total</b>                          | <b>20,555,503</b>        | <b>2,055.55</b>       | <b>20,555,503</b>        | <b>2,055.55</b>       |

Pursuant to the Scheme of Arrangement (the 'scheme'), duly sanctioned by the National Company Law Tribunal vide Order dated 21 August 2020 with effect from the Appointed Date i.e., October 1, 2019, the Media and Communication undertaking of Indusind Media & Communications Limited (subsidiary company), stands transferred to the Company. In accordance with the scheme, the Company shall issue 10 fully paid up equity shares for every 125 shares held by the other shareholders of the subsidiary company. The Company's obligation to issue further shares amounting to ₹ 349.47 lakhs to other shareholders of subsidiary company is disclosed under "Shares pending issuance" under Equity.

#### **Rights, Preferences and Restrictions attached to equity shares including restrictions on the distribution of dividends and the repayment of capital:**

- i) Right to receive dividend as may be approved by the Board of Directors / Shareholders at the Annual General Meeting.
- ii) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.



## Notes to the financial statements for the year ended March 31, 2020

iii) Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak or e-vote and on a show of hands, has one vote if he is present and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the Company.

### ii) Reconciliation of number of shares outstanding at the beginning and at the end of the year:

| Particulars                                     | As at<br>March 31, 2020 |                       | As at<br>March 31, 2019 |                       |
|---|-------------------------|-----------------------|-------------------------|-----------------------|
|   | Number<br>of shares     | Amount<br>(₹ in Lakh) | Number of<br>shares     | Amount<br>(₹ in Lakh) |
| Shares outstanding at the beginning of the year | 20,555,503              | 2,055.55              | 20,555,503              | 2,055.55              |
| Add: Issued for acquisition of business         | -                       | -                     | -                       | -                     |
| Shares outstanding at the end of the year       | 20,555,503              | 2,055.55              | 20,555,503              | 2,055.55              |

### iii) Shares in the Company held by each shareholder holding more than 5% shares:

| Particulars            | As at<br>March 31, 2020 |                 | As at<br>March 31, 2019 |                 |
|------------------------|-------------------------|-----------------|-------------------------|-----------------|
|                        | Number<br>of shares     | % of<br>holding | Number of<br>shares     | % of<br>holding |
| Hinduja Group Limited* | 8,550,572               | 41.60%          | 8,550,572               | 41.60%          |
| Amas Mauritius Limited | 2,761,427               | 13.43%          | 2,761,427               | 13.43%          |
| Aasia Corporation LLP  | 1,400,879               | 6.82%           | 1,400,879               | 6.82%           |

\* including shares held jointly with Hinduja Realty Ventures Limited

## 14 Other equity

(₹ in Lakh)

| Particulars  | Capital Reserve     | Securities Premium | General Reserve  | Retained Earnings  | Reserve for equity instruments measured at fair value through other comprehensive income (FVTOCI) | Total            |
|--|---------------------|--------------------|------------------|--------------------|---|------------------|
| <b>Balance as at April 01, 2019</b>  | <b>(129,593.01)</b> | <b>670.58</b>      | <b>24,755.54</b> | <b>1,03,502.61</b> | <b>64,463.95</b>  | <b>63,799.67</b> |
| Add: Loss for the year ended March 31, 2020                                  | -                   | -                  | -                | (11,670.01)        | -   | (11,670.01)      |
| Less: Final Dividend paid  | -                   | -                  | -                | (3,597.22)         | 3,597.22  | (3,597.21)       |
| Less: Dividend Distribution Tax  | -                   | -                  | -                | (739.42)           | -   | (739.42)         |
| Less: Ind AS 116 impact including deferred tax                               | -                   | -                  | -                | (5.09)             | -   | (5.09)           |
| Add: Impact of fair valuation and loss on sale of investment stock           | -                   | -                  | -                | -                  | (28,221.43)   | (28,221.43)      |
| Effective portion of gain / (loss) on hedging instrument in cash flow hedges | -                   | -                  | -                | -                  | 508.00  | 508.00           |
| Add : Remeasurement gain on defined benefit obligations                      | -                   | -                  | -                | (122.14)           | -   | (122.14)         |
| Less: Income tax charge / Reversal on above                                  | -                   | -                  | -                | (0.72)             | 3,802.86  | 3,802.14         |
| Add: Reserves assumed on merger  | -                   | -                  | -                | 3,466.51           | -   | 3,466.51         |
| <b>Balance as at March 31, 2020</b>  | <b>(129,593.01)</b> | <b>670.58</b>      | <b>24,755.54</b> | <b>90,834.51</b>   | <b>40,553.38</b>  | <b>27,221.01</b> |

### Description of nature and purpose of reserves:

#### (i) Capital reserve:

Excess of net assets acquired over consideration paid / payable.

#### (ii) Securities premium:

This reserve represent the premium on issue of shares and can be utilised in accordance with the provision of the Companies Act, 2013.

## Notes to the financial statements for the year ended March 31, 2020

### (iii) Retained earnings:

This reserve represents the surplus of the statement of profit and loss. The amount can be distributed by the company as dividends to its equity shareholders and is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013.

### (iv) Reserve for equity instruments measured at fair value through other comprehensive income (FVTOCI):

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity.

### (v) Remeasurement gain / (loss) on defined benefit obligations:

The company has recognised remeasurement loss on defined benefit plans in other comprehensive income (OCI). These changes are accumulated within the OCI reserve within Other equity. The company transfers amounts from this reserve to retained earnings when the relevant obligations are derecognised.

| Particulars                         | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-------------------------------------|-------------------------|-------------------------|
| <b>15A Borrowings (non-current)</b> |                         |                         |
| <b>Secured</b>                      |                         |                         |
| <b>Term loans *</b>                 |                         |                         |
| - from bank (Refer note no. 39)     | 27,267.71               | 31,909.58               |
| <b>Buyers credit from banks*</b>    | 645.13                  | 20,772.09               |
| Other loans                         | 733.00                  | -                       |
| <b>Total</b>                        | <b>28,645.84</b>        | <b>52,681.67</b>        |

\* Nature of Security and terms of repayment of borrowings (Refer No 39):

| Particulars                                    | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>15B Borrowings (current)</b>                |                         |                         |
| <b>Secured</b>                                 |                         |                         |
| Loans repayable on demand from banks           |                         |                         |
| - Cash credit facility                         | 1,342.32                | 1,976.15                |
| - Working capital demand loan                  | 1,000.00                | 1,000.00                |
| Loans from other parties                       | -                       | 34,462.90               |
| <b>Unsecured considered good</b>               |                         |                         |
| Loans from related parties (Refer note no. 33) | 37,165.13               | 8,475.00                |
| <b>Total</b>                                   | <b>39,507.45</b>        | <b>45,914.05</b>        |

\* Nature of Security and terms of repayment of borrowings (Refer No 39):

### 15C Derivatives (Non-Current)

|                                     |          |               |
|-------------------------------------|----------|---------------|
| Interest rate swap used for hedging | -        | 128.04        |
| <b>Total</b>                        | <b>-</b> | <b>128.04</b> |

### 15D Deferred income

|                            |                 |                 |
|----------------------------|-----------------|-----------------|
| Income received in advance | 1,656.01        | 9,064.40        |
| <b>Total</b>               | <b>1,656.01</b> | <b>9,064.40</b> |

## Notes to the financial statements for the year ended March 31, 2020

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>16A Provisions (Non-current)</b>  |                         |                         |
| <b>Provision for employee benefits (refer note no. 37)</b>   |                         |                         |
| Provision for gratuity   | 7.25                    | 8.30                    |
| Provision for compensated absences   | 524.58                  | 391.82                  |
| <b>Total</b>   | <b>531.83</b>           | <b>400.12</b>           |
| <b>16B Provisions (Current)</b>  |                         |                         |
| <b>Provision for employee benefits (refer note no. 37)</b>   |                         |                         |
| Provision for gratuity   | 85.48                   | 106.76                  |
| Provision for compensated absences   | 68.82                   | 72.73                   |
| <b>Total</b>   | <b>154.30</b>           | <b>179.99</b>           |
| <b>17 Trade Payables (current)</b>   |                         |                         |
| Total outstanding dues of micro enterprises and small enterprises*   | 5.55                    | 166.00                  |
| Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note no. 33)   | 25,290.00               | 21,117.14               |
| <b>Total</b>   | <b>25,296.05</b>        | <b>21,283.14</b>        |
| <p>*Dues to Micro and Small Enterprises (MSE) have been determined to the extent such parties have been identified on the basis of information collected by management. Accordingly, there is no amount remaining unpaid at the end of the reporting period to MSE suppliers pertaining to principal and interest due there on.</p> <p>Trade Payables: The average credit period of the trade payables is 90 days. No interest is charged by the vendor on the outstanding balance of trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.</p> |                         |                         |
| <b>18 Derivatives (Current)</b>  |                         |                         |
| Interest rate swap used for hedging  | 44.89                   | 807.42                  |
| Forward exchange contracts used for hedging  | 0.11                    | 128.93                  |
| <b>Total</b>   | <b>45.00</b>            | <b>936.35</b>           |
| <b>19 Other financial liabilities (current)</b>  |                         |                         |
| Current maturities of long-term debt (Refer note no. 39)   |                         |                         |
| - term loans from bank   | 4,775.70                | 20,561.83               |
| - other loans  | 247.00                  | -                       |
| - buyers credit from banks   | 21,987.23               | 1,195.36                |
| Interest accrued but not due on borrowings   | 190.29                  | 1,057.86                |
| Unclaimed dividends #  | 32.81                   | 29.81                   |
| Book overdraft   | 12,896.54               | 6,836.57                |
| Payable on purchase of property, plant and equipments  | 3,988.85                | 5,181.18                |
| Trade deposits from customers  | -                       | 65.79                   |
| Temporary overdrawn book balances  | -                       | 218.00                  |
| Payable to IndusInd Media and Communications Limited   | 176.49                  | -                       |
| Salary payable   | 959.05                  | 656.92                  |
| <b>Total</b>   | <b>45,254.46</b>        | <b>35,803.82</b>        |

# There are no amounts due and outstanding to be credited to investor education and protection fund.

## Notes to the financial statements for the year ended March 31, 2020

### 20A Deferred income (Current)

|                            |                 |                  |
|----------------------------|-----------------|------------------|
| Income received in advance | 6,113.07        | 12,399.32        |
| Advance from customers     | 524.83          | 552.74           |
| <b>Total</b>               | <b>6,637.89</b> | <b>12,952.06</b> |

### 20B Other current liabilities

|                |               |                 |
|----------------|---------------|-----------------|
| Statutory dues | 727.56        | 1,720.23        |
| <b>Total</b>   | <b>727.56</b> | <b>1,720.23</b> |

### 21 Revenue from operations

#### Sale of services

|  |           |           |
|--|-----------|-----------|
| Lease income - optic fibre cable (Refer note no. 34 (b)) | 3,416.42  | 3,416.42  |
| Subscription - Direct /cable operator                    | 51,822.68 | 34,229.24 |
| Installation charges                                     | 16,292.90 | 11,238.84 |
| Channel placement fees                                   | 5,966.65  | 10,413.69 |
| LCN Incentive  | 3,674.99  | 294.00    |
| Other lease income                                       | 103.41    | 124.27    |

#### Other operating revenue

|   |       |       |
|---|-------|-------|
| Technical advisory fees                           | 56.79 | -     |
| Commission income                                 | 16.25 | 43.50 |
| Advertisement income                              | 8.93  | 32.36 |
| Interest income                                   |       |       |
| - on inter-corporate deposits (Refer note no. 33) | 15.49 | -     |

|              |                  |                  |
|--------------|------------------|------------------|
| <b>Total</b> | <b>81,374.01</b> | <b>59,792.32</b> |
|--------------|------------------|------------------|

While the Company believes strongly that it has a rich portfolio of services, the impact on future revenue streams could come from resource constraints or their services no-longer being availed by their customers due to prolonged lock-down situations and the customers postponing their discretionary spends due to change in priorities. The Company has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

The Company earns installation revenue on activation of set-top boxes ('STB') at customer premises, thus money is collected on or before installation of STB. In case of subscription income, the Company largely operates on limited customer base / geographies where the credit limit is less than a year. Also, channel placement / carriage income and LCN income from broadcasters have similar credit risks. The risk and reward for all streams of income is similar hence the Company does not disaggregate its revenues.

The following table provides a reconciliation of the revenue recognised in the statement of profit and loss with the contract price:

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| <b>Subscription revenue</b>                                 |                         |                         |
| Contracted price  | 51,995.68               | 33,662.24               |
| Add: Allocation of transaction price from bundled contracts | -                       | 478.00                  |
| Add: Deferred revenue adjustments                           | 317.00                  | 171.00                  |
| Less: Unbilled revenue adjustments                          | (162.00)                | -                       |
| Discounts to LCO's  | (328.00)                | (82.00)                 |
| Revenues recognised as per the Statement of profit and loss | <b>51,822.68</b>        | <b>34,229.24</b>        |

## Notes to the financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| <b>Installation revenue</b>   |                         |                         |
| Contracted price  | 3,017.54                | 5,620.00                |
| Less: Allocation of transaction price to subscription revenue for bundled contracts | -                       | (478.16)                |
| Add: Adjustment for deferral for installation revenue                               | 13,275.36               | 6,097.00                |
| Revenues recognised as per the Statement of profit and loss                         | <b>16,292.90</b>        | <b>11,238.84</b>        |
| <b>Channel placement fees</b>   |                         |                         |
| Contracted price  | 5,884.84                | 10,398.69               |
| Add: Adjustment for deferral for channel placement revenue revenue                  | 81.81                   | 15.00                   |
| Revenues recognised as per the Statement of profit and loss                         | <b>5,966.65</b>         | <b>10,413.69</b>        |

The table below discloses the movement in contract liabilities during the year:

|   | Advance billing  | Advance from customer |
|---|------------------|-----------------------|
| <b>Balance as at 1 April 2018</b>   | <b>26,673.00</b> | <b>469.00</b>         |
| Less: revenue recognised that was included in the contract liabilities at the beginning of the year | (11,239.00)      | (469.00)              |
| Add: invoices raised for which no revenue is recognised during the year                             | 6,029.00         | 553.00                |
| <b>Balance as at 31 March 2019</b>  | <b>21,463.00</b> | <b>553.00</b>         |
| Less: revenue recognised that was included in the contract liabilities at the beginning of the year | (17,423.00)      | (553.00)              |
| Add: invoices raised for which no revenue is recognised during the year                             | 3,728.00         | 524.00                |
| <b>Balance as at 31 March 2020</b>  | <b>7,768.00</b>  | <b>524.00</b>         |

The table below discloses the movement in contract assets during the year:

|   | Unbilled receivables |
|---|----------------------|
| <b>Balance as at 1 April 2018</b>   | <b>254.00</b>        |
| Less: Invoices issued in the current year that was included in contract assets in the beginning of the year | (254.00)             |
| Add: Revenue recognised in the current year for which no invoice is raised in the current year              | 710.00               |
| <b>Balance as at 31 March 2019</b>  | <b>710.00</b>        |
| Less: Invoices issued in the current year that was included in contract assets in the beginning of the year | (710.00)             |
| Add: Revenue recognised in the current year for which no invoice is raised in the current year              | 534.00               |
| <b>Balance as at 31 March 2020</b>  | <b>534.00</b>        |



## Notes to the financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>22 Other income</b>   |                         |                         |
| Interest income  |                         |                         |
| - on deposits with banks   | 190.17                  | 327.79                  |
| - income tax refund  | 149.36                  | 565.59                  |
| - other deposits   | 33.01                   | 51.44                   |
| Sundry credit balances no longer required written back                 | 1,423.64                | 426.34                  |
| Provision for doubtful debts no longer required written back (net)     | -                       | 161.48                  |
| Foreign currency fluctuations (net)                                    | -                       | 453.00                  |
| Bad debts recovered  | 306.15                  | -                       |
| Net gain on financial instruments at fair value through profit or loss | 12,608.40               | -                       |
| Sale of scrap  | 18.86                   | 45.06                   |
| Unwinding of security deposits   | 9.71                    | 8.60                    |
| Dividend income from   |                         |                         |
| - non-current investments  | -                       | 1.24                    |
| Fair valuation of derivatives  | 53.00                   | -                       |
| Lease termination (Ind AS 116)   | 668.01                  | -                       |
| Miscellaneous income   | 129.40                  | 26.42                   |
| <b>Total</b>   | <b>15,589.31</b>        | <b>2,066.46</b>         |
| <b>23A Changes in inventories</b>                                      |                         |                         |
| <b>Opening Stock</b>   |                         |                         |
| Land (Real Estate)   | 3,719.32                | 3,719.32                |
| Network Cable and Equipment  | 100.15                  | 275.00                  |
|  | <b>3,819.47</b>         | <b>3,994.32</b>         |
| <b>Less: Closing Stock</b>   |                         |                         |
| Land (Real Estate)   | (3,719.32)              | (3,719.32)              |
| Network Cable and Equipment  | (349.74)                | (100.15)                |
| Media inventory  | (118.00)                | -                       |
|  | <b>(4,187.06)</b>       | <b>(3,819.47)</b>       |
| <b>Total</b>   | <b>(367.59)</b>         | <b>174.85</b>           |
| <b>23B Operational expense</b>   |                         |                         |
| Subscription - pay channels*   | 33,682.88               | 41,290.94               |
| Transponder charges  | -                       | 2,328.44                |
| Lease rental - duct*   | 4,534.14                | 4,855.13                |
| Bandwidth charges*   | 202.88                  | 268.37                  |
| Link charges*  | 126.01                  | 65.71                   |
| <b>Total</b>   | <b>38,545.91</b>        | <b>48,808.09</b>        |
| *includes expenses recovered ₹ 1,076 lakhs (2019 : ₹ 2,359 lakhs)      |                         |                         |
| <b>24 Employee benefits expense</b>                                    |                         |                         |
| Salaries and wages   | 4,993.23                | 4,051.05                |
| Contribution to provident and other funds                              | 297.28                  | 290.92                  |
| Staff welfare expenses   | 125.43                  | 128.12                  |
| Gratuity expense (Refer note no. 37)                                   | 51.51                   | 30.02                   |
| <b>Total</b>   | <b>5,467.45</b>         | <b>4,500.11</b>         |

## Notes to the financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>25 Finance costs</b>  |                         |                         |
| Interest on:   |                         |                         |
| - Inter-corporate deposits (Refer note no. 33)                         | 3,372.59                | 1,077.36                |
| - term loans   | 4,573.17                | 6,839.69                |
| - other loans  | 2,403.26                | 1,815.92                |
| - delayed payment of taxes and others                                  | 84.77                   | 110.12                  |
| - Lease Liability (Refer note no. 34)                                  | 534.37                  | -                       |
| Other borrowing costs:   |                         |                         |
| - Amortisation of processing fees                                      | 569.88                  | 668.06                  |
| - Other finance costs  | 11.20                   | 10.18                   |
| <b>Total</b>   | <b>11,549.24</b>        | <b>10,521.33</b>        |
| <b>26 Depreciation and amortisation expense</b>                        |                         |                         |
| Property, plant and equipment  | 14,672.03               | 14,231.64               |
| Right to use assets (Refer note no. 3A and 34)                         | 2,133.00                | -                       |
| Other intangible assets  | 1,611.66                | 1,461.70                |
| <b>Total</b>   | <b>18,416.69</b>        | <b>15,693.84</b>        |
| <b>27 Other expenses</b>   |                         |                         |
| Rent (Refer note no. 34)   | 857.63                  | 1,012.62                |
| Repairs and maintenance  | 1,194.48                | 1,237.40                |
| Advertisement and publicity  | 95.36                   | 32.30                   |
| Director's sitting fees (Refer note no. 33)                            | 47.50                   | 44.50                   |
| Auditor's remuneration   |                         |                         |
| Statutory Auditor *  | 77.92                   | 42.35                   |
| Cost Auditor   | 0.58                    | 0.58                    |
| Legal and professional charges   | 1,180.55                | 925.87                  |
| Insurance  | 137.46                  | 83.31                   |
| Rates and taxes  | 73.57                   | 68.54                   |
| Corporate social responsibility (Refer note no. 30)                    | 116.39                  | 204.10                  |
| Contract - services  | 2,572.74                | 1,918.50                |
| Commission   | 1,958.21                | 1,281.52                |
| Power and fuel   | 858.20                  | 818.72                  |
| Royalty  | 400.20                  | 445.54                  |
| Travelling and conveyance  | 408.16                  | 418.09                  |
| Call centre charges  | 421.48                  | 297.67                  |
| Communication  | 286.93                  | 266.73                  |
| Bank charges   | 560.89                  | 423.76                  |
| Business promotion   | 127.18                  | 173.62                  |
| Security charges   | 130.62                  | 123.18                  |
| Software charges   | 209.59                  | 137.33                  |
| Fair valuation of derivatives  | -                       | 93.81                   |
| Printing and stationary  | 17.37                   | 55.71                   |
| Freight and transportation charges (net)                               | 47.44                   | 53.88                   |
| Foreign currency fluctuations (net)                                    | 1,273.00                | -                       |
| Net loss on financial instruments at fair value through profit or loss | -                       | 12,592.41               |
| Amortisation of security deposit                                       | 9.76                    | 8.58                    |

## Notes to the financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Property, plant and equipment written off  | -                       | 44.10                   |
| Advance written-off  | 840.60                  | -                       |
| Bad debts  | 5,524.25                | 4,677.51                |
| Miscellaneous expenses   | 124.40                  | 109.14                  |
| <b>Total</b>   | <b>19,551.75</b>        | <b>27,594.97</b>        |
| <b>* Statutory Auditor</b>   |                         |                         |
| <b>As auditor</b>  |                         |                         |
| Audit and limited review fee<br>(including ₹ 6.00 lakh (March 31, 2019 : ₹ NIL) for earlier years) | 36.20                   | 23.10                   |
| <b>In other capacity</b>   |                         |                         |
| Other services   | 39.50                   | 17.50                   |
| Reimbursement of expenses  | 1.82                    | 1.75                    |
| <b>Total</b>   | <b>77.92</b>            | <b>42.35</b>            |

### 28 Tax expense

#### (a) Amounts recognised in profit and loss

(₹ in Lakh)

| Particulars                                     | Year Ended<br>March 31, 2020 | Year Ended<br>March 31, 2019 |
|---|------------------------------|------------------------------|
| <b>Continuing operation:</b>                    |                              |                              |
| Current income tax                              | -                            | -                            |
| Deferred tax charge / (credit)                  | (10,421.81)                  | 598.67                       |
| <b>Discontinued operation:</b>                  |                              |                              |
| Current income tax                              | -                            | 8,225.95                     |
| Deferred tax charge / (credit)                  | (8,458.18)                   | (11,326.84)                  |
| Short provision for tax relating to prior years | 35.81                        | 57.69                        |
| <b>Tax expense / (credit) for the year</b>      | <b>(18,844.18)</b>           | <b>(2,444.53)</b>            |

#### (b) Amounts recognised in other comprehensive income (OCI)

(₹ in Lakh)

| Particulars                                | Year Ended<br>March 31, 2020 | Year Ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| <b>Continuing operation:</b>               |                              |                              |
| Current income tax (OCI)                   | -                            | -                            |
| Deferred Tax                               | 0.72                         | (1.26)                       |
| <b>Discontinued operation:</b>             |                              |                              |
| Current income tax (OCI)                   | -                            | 2,360.64                     |
| Deferred Tax                               | (3,802.86)                   | (2,691.73)                   |
| <b>Tax expense / (credit) for the year</b> | <b>(3,802.14)</b>            | <b>(332.35)</b>              |

## Notes to the financial statements for the year ended March 31, 2020

### (c) Reconciliation of effective tax rate

| (₹ in Lakh)  |                              |                              |
|--|------------------------------|------------------------------|
| Particulars  | Year Ended<br>March 31, 2020 | Year Ended<br>March 31, 2019 |
| <b>Loss before tax</b>   | <b>(42,858.87)</b>           | (39,332.38)                  |
| Tax using the Company's domestic tax rate (Current year 25.168% and Previous year 34.944%) | <b>(10,786.72)</b>           | (13,744.31)                  |
| <b>Tax effect of:</b>  |                              |                              |
| Expenses disallowed for tax purpose  | <b>451.12</b>                | 565.37                       |
| LTCG (OCI) adjusted against CYBL   | <b>2,125.67</b>              | -                            |
| Effect of Change in Rate   | <b>(2,721.49)</b>            | -                            |
| DTA created on Earlier year Timing Difference  | <b>(2,668.00)</b>            | -                            |
| DTA created on Earlier year losses   | <b>(9,770.47)</b>            | -                            |
| Additional deferred tax liability created on depreciation                                  | -                            | (53.11)                      |
| DTA Not created on Current year losses   | <b>4,489.87</b>              | 10,511.00                    |
| Others   | -                            | 218.81                       |
| Short provision for tax relating to prior years  | <b>35.81</b>                 | 57.69                        |
| <b>Income tax expense / (Reversal)</b>   | <b>(18,844.18)</b>           | <b>(2,444.53)</b>            |

### (d) The major components of deferred tax (liabilities) / assets arising on account of temporary differences are as follows:

| (₹ in Lakh)  |                              |                              |
|--|------------------------------|------------------------------|
| Particulars  | Year Ended<br>March 31, 2020 | Year Ended<br>March 31, 2019 |
| <b>Deferred tax assets:</b>  |                              |                              |
| Liabilities to be deducted for tax purposes when paid                                  | <b>172.69</b>                | 38.62                        |
| Derivative Liability   | <b>11.33</b>                 | -                            |
| Deferment of installation revenue & Straightlining of subscription expenses            | <b>2,087.41</b>              | -                            |
| Amalgamation Expenses  | <b>49.16</b>                 | -                            |
| Expected credit loss on trade receivable   | <b>62.96</b>                 | -                            |
| Gain / (Loss) on equity instrument designated as FVTPL                                 | <b>193.50</b>                | -                            |
| DTA on broughtforward Losses   | <b>10,623.54</b>             | -                            |
| Ind AS 116   | <b>117.55</b>                | -                            |
|  | <b>13,318.14</b>             | 38.62                        |
| <b>Deferred tax liabilities:</b>   |                              |                              |
| Excess of depreciation allowable as per income-tax laws over depreciation as per books | <b>3,445.02</b>              | 1,226.55                     |
| Gain / (Loss) on equity instrument designated as FVTPL                                 | -                            | 8,390.71                     |
| Gain / (Loss) on equity instrument designated as FVOCI                                 | <b>545.73</b>                | 4,348.60                     |
| Derivative Assets  | <b>536.25</b>                | -                            |
| Unamortised borrowing cost   | <b>180.28</b>                | 146.12                       |
|  | <b>4,707.28</b>              | 14,111.98                    |
| <b>Net deferred tax assets/ (liabilities)</b>  | <b>8,610.86</b>              | <b>(14,073.36)</b>           |

## Notes to the financial statements for the year ended March 31, 2020

### (e) Movement in deferred tax asset / (liabilities)

| Particulars  | As at April 01, 2019 | During the year 2019-20         |                              |  | As at March 31, 2020 |
|--|----------------------|---------------------------------|------------------------------|--|----------------------|
|  |                      | Recognised in Retained Earnings | Recognised in profit or loss | Recognised in other comprehensive income |                      |
| <b>Deferred tax asset / (liabilities)</b>                                    |                      |                                 |                              |  |                      |
| Liabilities to be deducted for tax purposes when paid                        | 38.62                | -                               | 134.79                       | (0.72)                                   | 172.69               |
| Ind AS 116   | -                    | 2.09                            | 115.46                       | -  | 117.55               |
| Property Plant and Equipments  | (1,226.55)           | -                               | (2,218.47)                   | -  | (3,445.02)           |
| DTA on broughtforward Losses   | -                    | -                               | 10,623.54                    | -  | 10,623.54            |
| Amalgamation Expenses  | -                    | -                               | 49.16                        | -  | 49.16                |
| Deferment of installation revenue & Straight-lining of subscription expenses | -                    | -                               | 2,087.41                     | -  | 2,087.41             |
| Expected credit loss on trade receivable                                     | -                    | -                               | 62.96                        | -  | 62.96                |
| Derivative Assets  | -                    | -                               | (524.92)                     | -  | (524.92)             |
| Gain / (Loss) on equity instrument designated as FVTPL                       | (8,390.71)           | -                               | 8,584.21                     | -  | 193.50               |
| Gain / (Loss) on equity instrument designated as FVOCI                       | (4,348.60)           | -                               | -                            | 3,802.86                                 | (545.74)             |
| Unamortised borrowing cost   | (146.12)             | -                               | (34.16)                      | -  | (180.28)             |
| <b>Net deferred tax asset / (liabilities)</b>                                | <b>(14,073.36)</b>   | <b>2.09</b>                     | <b>18,879.99</b>             | <b>3,802.14</b>                          | <b>8,610.86</b>      |

### Movement in deferred tax asset / (liabilities)

| Particulars  | As at April 01, 2018 | During the year 2018-19         |                              |  | As at March 31, 2019 |
|--|----------------------|---------------------------------|------------------------------|--|----------------------|
|  |                      | Recognised in Retained Earnings | Recognised in profit or loss | Recognised in other comprehensive income |                      |
| <b>Deferred tax asset / (liabilities)</b>  |                      |                                 |                              |  |                      |
| Liabilities to be deducted for tax purposes when paid                                  | 38.96                | -                               | (1.60)                       | 1.26                                     | 38.62                |
| Excess of depreciation allowable as per income-tax laws over depreciation as per books | (604.50)             | -                               | (622.05)                     | -  | (1,226.55)           |
| Gain / (Loss) on equity instrument designated as FVTPL                                 | (19,717.55)          | -                               | 11,326.84                    | -  | (8,390.71)           |
| Gain / (Loss) on equity instrument designated as FVOCI                                 | (7,040.33)           | -                               | -                            | 2,691.73                                 | (4,348.60)           |
| Unamortised borrowing cost   | (171.10)             | -                               | 24.98                        | -  | (146.12)             |
| <b>Net deferred tax asset / (liabilities)</b>  | <b>(27,494.52)</b>   | <b>-</b>                        | <b>10,728.17</b>             | <b>2,692.99</b>                          | <b>(14,073.36)</b>   |

**Note:** Deferred tax liabilities reversed during the year in profit or loss and other comprehensive income amounting to ₹ 8,458.18 lakh and ₹ 3,802.86 lakh respectively pertains to discontinued operations (refer note no. 38)

## Notes to the financial statements for the year ended March 31, 2020

### 29 Earnings per share ('EPS')

Basic and Diluted earning per share amount are calculated by dividing the loss for the year from continuing and discontinuing operations respectively by the weighted average number of equity shares outstanding during the year. For the total operations, Basic and Diluted earning per share amount are calculated by dividing the total loss for the year from total operations by the weighted average number of equity shares outstanding during the year.

(₹ in Lakh)

| Particulars  | Year Ended<br>March 31, 2020 | Year Ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| Loss after tax from continuing operations (₹ in Lakh)  | 12,706.68                    | (47,033.08)                  |
| Loss after tax from discontinued operations (₹ in Lakh)  | (24,376.69)                  | (3,926.68)                   |
| Loss after tax from total operations (₹ in Lakh)   | (11,670.01)                  | (50,959.76)                  |
| Weighted average number of shares outstanding during the year for basic and diluted EPS (Nos.) | 20,555,503                   | 20,555,503                   |
| Weighted average number of shares outstanding during the year for diluted EPS (Nos.)           | 24,051,069                   | 24,051,069                   |
| <b>Earnings per equity share (for continuing operation):</b>                                   |                              |                              |
| Basic (₹)  | 61.82                        | (228.81)                     |
| Diluted (₹)  | 52.83                        | (228.81)                     |
| <b>Earnings per equity share (for discontinued operation):</b>                                 |                              |                              |
| Basic (₹)  | (118.59)                     | (19.10)                      |
| Diluted (₹)  | (118.59)                     | (19.10)                      |
| <b>Earnings per equity share (for total operations):</b>                                       |                              |                              |
| Basic (₹)  | (56.77)                      | (247.91)                     |
| Diluted (₹)  | (56.77)                      | (247.91)                     |

### 30 Corporate Social Responsibility (CSR)

(₹ in Lakh)

| Particulars  | Year Ended<br>March 31, 2020 | Year Ended<br>March 31, 2020 |
|--|------------------------------|------------------------------|
| Gross amount required to be spent by the Company during the year for CSR | 116.39                       | 204 .10                      |
| <b>Total</b>   | <b>116.39</b>                | <b>204.10</b>                |

| Amount spent during the year ended March 31, 2020 | In Cash       | Yet to be paid<br>in cash | Total          |
|---|---------------|---------------------------|----------------|
| a. Construction / acquisition of any asset        | -             | -                         | -              |
| b. On purposes other than (a) above               | 116.39        | -                         | 116.39         |
| <b>Total</b>                                      | <b>116.39</b> | <b>-</b>                  | <b>116 .39</b> |
| Amount spent during the year ended March 31, 2019 | In Cash       | Yet to be paid in<br>cash | Total          |
| a. Construction / acquisition of any asset        | -             | -                         | -              |
| b. On purposes other than (a) above               | 204.10        | -                         | 204 .10        |
| <b>Total</b>                                      | <b>204.10</b> | <b>-</b>                  | <b>204 .10</b> |



## Notes to the financial statements for the year ended March 31, 2020

### 31 Litigations and claims

As a part of its real estate activity, the Company had acquired approximately 47 acres of land in Devanahalli Bengaluru from a party in terms of Agreement of Sale Deed dated 28.07.1995. However, as the said party, though in receipt of sale consideration did not fulfil its legal obligation to transfer the title in the name of the Company, the Company filed a suit for specific performance in the Civil Court in 2011. An order granting temporary injunction was passed on 11.03.2013 restraining the said party from alienating or in any way encumbering the land in Devanahalli. A criminal complaint was also filed at the Devanahalli Court on 10.11.2014 and subsequently, the Hon'ble High Court of Karnataka vide order dated 19.07.2019 has quashed the criminal complaint filed before the Court at Devanahalli and the proceedings is disposed of as such. The suit for Specific Performance in the Civil Court is pending. The Department of Revenue, Government of Karnataka, has also raised certain issues relating to the title of the land which are being addressed by the Company.

### 32 Details of traded goods under broad heads

(₹ in Lakh)

| Traded goods                          | Opening stock<br>(A) | Purchases<br>(B) | Sales<br>(C) | Closing stock<br>(D) |
|---------------------------------------|----------------------|------------------|--------------|----------------------|
| Stock of network cable and equipments | 100.15               | 250.00           | -            | 350.74               |
|                                       | (275.00)             | -                | (175.00)     | (100.00)             |
| Media inventory                       | -                    | 118.00           | -            | 118.00               |
|                                       | -                    | -                | -            | -                    |
| <b>Land</b>                           | <b>3,719.32</b>      | -                | -            | <b>3,719.32</b>      |
|                                       | (3,719.32)           | -                | -            | (3,719.32)           |

**Note: Figures in brackets are in relation to previous year.**

### 33 Related Party and their relationships

#### I. Individual having control:

- 1 Mr. Ashok P. Hinduja, Non-Executive Chairman, w.e.f. October 01, 2018  
(Executive Chairman upto September 30, 2018)
- 2 Mrs. Harsha A. Hinduja

#### II. Relatives of Individuals identified in (I) above:

- 1 Ms. Ambika A. Hinduja
- 2 Ms. Satya A. Hinduja
- 3 Mr. Shom A. Hinduja
- 4 Mr. Srichand P. Hinduja
- 5 Mr. Gopichand P. Hinduja
- 6 Mr. Prakash P. Hinduja

#### III. Subsidiaries

##### A) Direct Subsidiary

- 1 ONEOTT Intertainment Limited (Previously known as Planet E-Shop Holdings India Limited) (effective from October 1, 2019)
- 2 IndusInd Media & Communications Limited

##### B) Indirect Subsidiaries

- 1 Advance Multisystem Broadband Communications Limited (upto March 29, 2019)
- 2 Ajanta Sky Darshan Private Limited
- 3 Amaravara Indigital Media Services Private Limited (upto March 29, 2019)
- 4 Apna Incable Broadband Services Private Limited
- 5 Bhima Riddhi Infotainment Private Limited
- 6 Darpita Trading Company Private Limited
- 7 Gold Star Noida Network Private Limited

## Notes to the financial statements for the year ended March 31, 2020

- 8 Goldstar Infotainment Private Limited
- 9 IN Entertainment (India) Limited (effective from August 12, 2019)
- 10 One Mahanet Intertainment Private Limited (effective from August 12, 2019)
- 11 ONEOTT Intertainment Limited (Previously known as Planet E-Shop Holdings India Limited) (effective from August 12, 2019 till September 30, 2019)
- 11 RBL Digital Cable Network Private Limited
- 12 Sainath In Entertainment Private Limited
- 13 Sangli Media Services Private Limited
- 14 Sunny Infotainment Private Limited
- 15 United Mysore Network Private Limited
- 16 USN Networks Private Limited
- 17 Vinsat Digital Private Limited
- 18 Vistaar Telecommunication and Infrastructure Private Limited
- 19 United Mysore Network Private Limited

#### IV. Key Management Personnel

- 1 Mr. Ashok Mansukhani, Managing Director, w.e.f April 30, 2018 (Whole-Time Director upto April 29, 2018)
- 2 Mr. Amar Chintopanth, Chief Financial Officer
- 3 Mr. Has Mukh Shah, Company Secretary and Compliance Officer
- 4 Mr. Vynsley Fernandes, erstwhile Chief Executive Officer of IndusInd Media & Communications Limited

#### **Non-Executive Directors:**

- 1 Mr. Anil Harish : Independent Director
- 2 Mr. Rajendra P. Chitale : Independent Director (retired from September 21, 2019)
- 3 Mr. Prashant Asher : Independent Director
- 4 Ms. Bhumika Batra : Independent Director
- 5 Mr. Sudhanshu Tripathi : Non-Executive Director
- 6 Mr. Prakash Shah : Independent Director of Indusind Media and Communication and Grant Investrade Limited
- 7 Ms. Kanchan Chitale : Independent Director of Indusind Media and Communication and Grant Investrade Limited

#### V. Enterprises where common control exists

- 1 Ashok Leyland Defence Systems Ltd. (being the subsidiary of Aasia Enterprises LLP).
- 2 Aasia Advisory Services Limited
- 3 Aasia Business Venture Private Limited (Under process of striking off)
- 4 Aasia Corporation LLP
- 5 Aasia Enterprises LLP
- 6 Aasia Exports
- 7 Aasia Import Export Private Limited
- 8 Affina Company, Canada
- 9 APDL Estates Limited
- 10 Ashok Plywood Trading Company LLP
- 11 Bhima Riddhi Cable Net

## Notes to the financial statements for the year ended March 31, 2020

- 12 Bhima Riddhi Cable networks
- 13 C-Cubed B.V, Curacao
- 14 C-Cubed B.V, Netherlands
- 15 Customer Contact Centre Inc., Philippines
- 16 Cyqure India Pvt. Ltd. (100% owned by Aasia Enterprises LLP)
- 17 Extensya Investment Holdings Limited (w.e.f. November 25, 2015)
- 18 ONEOTT Intertainment India Limited (Previously known as Planet E-Shop Holdings India Limited) (upto August 11, 2019)
- 19 IN Entertainment (India) Limited (upto August 11, 2019)
- 20 One Mahanet Intertainment Private Limited (upto August 11, 2019)
- 21 HGA St. Lucia Ltd., Saint Lucia
- 22 HGS (USA), LLC
- 23 HGS Canada Holdings LLC, U S A
- 24 HGS Canada Inc., Canada
- 25 HGS Colibrium Inc
- 26 HGS EBOS LLC, U S A
- 27 HGS Extensya Cayman Limited (w.e.f. November 25, 2015)
- 28 HGS Extensya Holdings Limited (w.e.f. November 25, 2015)
- 29 HGS France, S.A.R.L
- 30 HGS Healthcare (previously RMT LLC., U S A)
- 31 HGS International Services Private Limited, India
- 32 HGS International, Mauritius
- 33 HGS Italy, S.A.R.L
- 34 HGS Mena FZ LLC, U S A
- 35 HGS Properties LLC, U S A
- 36 Hinduja E-ways Private Limited
- 37 Hinduja Energy (India) Limited
- 38 Hinduja Estate Developers
- 39 Hinduja Estate Private Limited
- 40 Hinduja Finanace Limited
- 41 Hinduja Global Solutions Europe Limited, U K
- 42 Hinduja Global Solutions Inc., U S A
- 43 Hinduja Global Solutions Limited
- 44 Hinduja Global Solutions UK Limited, U K
- 45 Hinduja Group Limited
- 46 Hinduja Healthcare Limited
- 47 Hinduja National Power Corporation Limited
- 48 Hinduja Properties Limited
- 49 Hinduja Realty Ventures Limited

## Notes to the financial statements for the year ended March 31, 2020

- 50 Impeccable Imagination LLP (previously known as Impeccable Imagination Private Limited)
- 51 IndusInd Communications Limited, Mauritius
- 52 Indusind Information Technology Limited
- 53 Juhu Beach Resorts Limited
- 54 Siddharth Textiles Private Limited
- 55 Skyways Properties Private Limited (Under process of striking off)
- 56 Tabula Rasa Music LLP
- 57 Team HGS Limited, Jamaica
- 58 The British Metal Corporation India Private Limited

### VI. Firm in which Director is a partner

- |                                      |   |
|--------------------------------------|---|
| 1 D M Harish & Co.                   | (Firm in which Mr. Anil Harish is a Partner)                        |
| 2 Crawford Bayley & Co.              | (Firm in which Ms. Bhumika Batra & Mr. Prashant Asher are partners) |
| 3 Castle Media Private Limited       | (Company in which Mr. Vynsley Fernandes is a shareholder)           |
| 4 Spyke Technologies Private Limited | (Company in which Mr. Vynsley Fernandes is a shareholder)           |

## Notes to the financial statements for the year ended March 31, 2020

The following details pertain to transactions carried out with the related parties in the ordinary course of business and balances outstanding at the year-end:

(₹ in Lakh)

| Nature of Transaction                    | Parties referred to in I & II above | Parties referred to in III above | Parties referred to in IV & VI above | Parties referred to in V above | Total         |
|--|-------------------------------------|----------------------------------|--------------------------------------|--------------------------------|---------------|
| <b>Subscription Income</b>               |                                     |                                  |                                      |                                |               |
| Sainath In Entertainment Private Limited | -                                   | -                                | -                                    | -                              | -             |
|  | -                                   | (169.23)                         | -                                    | -                              | (169.23)      |
| Ajanta Sky Darshan Private Limited       | -                                   | -                                | -                                    | -                              | -             |
|  | -                                   | (21.51)                          | -                                    | -                              | (21.51)       |
| Vinsat Digital Private Limited           | -                                   | 10.92                            | -                                    | -                              | 10.92         |
|  | -                                   | (12.71)                          | -                                    | -                              | (12.71)       |
| Bhima Riddhi Infotainment Pvt Ltd        | -                                   | 18.59                            | -                                    | -                              | 18.59         |
|  | -                                   | (19.28)                          | -                                    | -                              | (19.28)       |
| <b>Total</b>                             | -                                   | <b>29.51</b>                     | -                                    | -                              | <b>29.51</b>  |
|  | -                                   | (222.73)                         | -                                    | -                              | (222.73)      |
| <b>Installation Income</b>               |                                     |                                  |                                      |                                |               |
| Bhima Riddhi Infotainment Pvt Ltd        | -                                   | 186.70                           | -                                    | -                              | 186.70        |
|  | -                                   | (369.50)                         | -                                    | -                              | (369.50)      |
| Vinsat Digital Private Limited           | -                                   | 17.88                            | -                                    | -                              | 17.88         |
|  | -                                   | -                                | -                                    | -                              | -             |
| Spyke Technologies Pvt Ltd               | -                                   | -                                | 17.88                                | -                              | 17.88         |
|  | -                                   | -                                | (1.68)                               | -                              | (1.68)        |
| <b>Total</b>                             | -                                   | <b>204.58</b>                    | <b>17.88</b>                         | -                              | <b>222.45</b> |
|  | -                                   | (369.50)                         | (1.68)                               | -                              | (371.18)      |
| <b>Application charges (Income)</b>      |                                     |                                  |                                      |                                |               |
| Bhima Riddhi Infotainment Pvt Ltd        | -                                   | 3.93                             | -                                    | -                              | 3.93          |
|  | -                                   | (4.53)                           | -                                    | -                              | (4.53)        |
| <b>Link Charges</b>                      |                                     |                                  |                                      |                                |               |
| Sainath In Entertainment Private Limited | -                                   | 189.19                           | -                                    | -                              | 189.19        |
|  | -                                   | -                                | -                                    | -                              | -             |
| One OTT Intertainment India Limited      | -                                   | 101.83                           | -                                    | -                              | 101.83        |
|  | -                                   | -                                | -                                    | -                              | -             |
| <b>Total</b>                             | -                                   | <b>291.02</b>                    | -                                    | -                              | <b>291.02</b> |
|  | -                                   | -                                | -                                    | -                              | -             |
| <b>Channel placement income</b>          |                                     |                                  |                                      |                                |               |
| In Entertainment (India) Limited         | -                                   | 135.00                           | -                                    | -                              | 135.00        |
|  | -                                   | -                                | -                                    | -                              | -             |
| <b>Service charges recovered</b>         |                                     |                                  |                                      |                                |               |
| Hinduja Group Limited                    | -                                   | -                                | -                                    | -                              | -             |
|  | -                                   | -                                | -                                    | (1.09)                         | (1.09)        |
| Hinduja Global Solutions Limited         | -                                   | -                                | -                                    | -                              | -             |
|  | -                                   | -                                | -                                    | (46.37)                        | (46.37)       |
| <b>Total</b>                             | -                                   | -                                | -                                    | -                              | -             |
|  | -                                   | -                                | -                                    | (47.46)                        | (47.46)       |

## Notes to the financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Nature of Transaction                                 | Parties referred to in I & II above | Parties referred to in III above | Parties referred to in IV & VI above | Parties referred to in V above | Total      |
|---|-------------------------------------|----------------------------------|--------------------------------------|--------------------------------|------------|
| <b>Infrastructure income</b>                          |                                     |                                  |                                      |                                |            |
| In Entertainment (India) Limited                      | -                                   | -                                | -                                    | -                              | -          |
|   | -                                   | -                                | -                                    | (48.89)                        | (48.89)    |
| <b>Carriage income</b>                                |                                     |                                  |                                      |                                |            |
| In Entertainment (India) Limited                      | -                                   | -                                | -                                    | -                              | -          |
|   | -                                   | -                                | -                                    | (127.50)                       | (127.50)   |
| Advance Multisystem Broadband Communications Limited  | -                                   | -                                | -                                    | -                              | -          |
|   | -                                   | -                                | -                                    | (13.45)                        | (13.45)    |
| <b>Total</b>  | -                                   | -                                | -                                    | -                              | -          |
|   | -                                   | -                                | -                                    | (140.95)                       | (140.95)   |
| <b>Interest Income</b>                                |                                     |                                  |                                      |                                |            |
| Aasia Corporation LLP                                 | -                                   | -                                | -                                    | -                              | -          |
|   | -                                   | -                                | -                                    | (2.19)                         | (2.19)     |
| Hinduja Group Limited                                 | -                                   | -                                | -                                    | -                              | -          |
|   | -                                   | -                                | -                                    | (44.31)                        | (44.31)    |
| Hinduja Realty Ventures Limited                       | -                                   | -                                | -                                    | -                              | -          |
|   | -                                   | -                                | -                                    | 32.62                          | 32.62      |
|   | -                                   | -                                | -                                    | (34.07)                        | (34.07)    |
| IN Entertainment (India) Limited                      | -                                   | 36.04                            | -                                    | -                              | 36.04      |
|   | -                                   | -                                | -                                    | (7.98)                         | (7.98)     |
| <b>Total</b>  | -                                   | 36.04                            | -                                    | 32.62                          | 68.66      |
|   | -                                   | -                                | -                                    | 88.55                          | 88.55      |
| <b>Lease Income - OFC</b>                             |                                     |                                  |                                      |                                |            |
| ONEOTT Intertainment Limited                          | -                                   | 2,176.59                         | -                                    | 1,239.83                       | 3,416.42   |
|   | (-)                                 | (-)                              | (-)                                  | (3,416.42)                     | (3,416.42) |
| <b>Misc. income</b>                                   |                                     |                                  |                                      |                                |            |
| ONEOTT Intertainment Limited                          | -                                   | -                                | -                                    | 0.04                           | 0.04       |
|   | -                                   | -                                | -                                    | -                              | -          |
| Spyke Technologies Pvt Ltd                            | -                                   | -                                | 9.05                                 | -                              | 9.05       |
|   | -                                   | -                                | (0.85)                               | -                              | (0.85)     |
| <b>Total</b>  | -                                   | -                                | 9.05                                 | 0.04                           | 9.09       |
|   | -                                   | -                                | (0.85)                               | -                              | (0.85)     |
| <b>Reimbursement of Expenses from Other Companies</b> |                                     |                                  |                                      |                                |            |
| Hinduja Global Solutions Limited                      | -                                   | -                                | -                                    | 3.25                           | 3.25       |
|   | -                                   | -                                | -                                    | (9.88)                         | (9.88)     |
| One OTT Intertainment India Limited                   | -                                   | 122.75                           | -                                    | 355.36                         | 478.11     |
|   | -                                   | -                                | -                                    | -                              | -          |
| In Entertainment (India) Limited                      | -                                   | 13.88                            | -                                    | -                              | 13.88      |
|   | -                                   | -                                | -                                    | -                              | -          |
| <b>Total</b>  | -                                   | 136.63                           | -                                    | 358.61                         | 495.24     |
|   | -                                   | -                                | -                                    | (9.88)                         | (9.88)     |



## Notes to the financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Nature of Transaction                                      | Parties referred to in I & II above | Parties referred to in III above | Parties referred to in IV & VI above | Parties referred to in V above | Total    |
|--|-------------------------------------|----------------------------------|--------------------------------------|--------------------------------|----------|
| <b>Amount paid during the year</b>                         |                                     |                                  |                                      |                                |          |
| Bhima Riddhi Infotainment Private Limited                  | -                                   | -                                | -                                    | -                              | -        |
|  | -                                   | (4.99)                           | -                                    | -                              | (4.99)   |
| Gold star Noida Network Private Limited                    | -                                   | -                                | -                                    | -                              | -        |
|  | -                                   | (2.87)                           | -                                    | -                              | (2.87)   |
| USN Networks Private Limited                               | -                                   | -                                | -                                    | -                              | -        |
|  | -                                   | (0.65)                           | -                                    | -                              | (0.65)   |
| United Mysore Network Private Limited                      | -                                   | -                                | -                                    | -                              | -        |
|  | -                                   | (0.38)                           | -                                    | -                              | (0.38)   |
| Apna Incable Broadband Services Private Limited            | -                                   | -                                | -                                    | -                              | -        |
|  | -                                   | (0.30)                           | -                                    | -                              | (0.30)   |
| Sangli Media Services Private Limited                      | -                                   | -                                | -                                    | -                              | -        |
|  | -                                   | (0.27)                           | -                                    | -                              | (0.27)   |
| Sainath In Entertainment Private Limited                   | -                                   | -                                | -                                    | -                              | -        |
|  | -                                   | (35.73)                          | -                                    | -                              | (35.73)  |
| Gold Star Infotainment Private Limited                     | -                                   | -                                | -                                    | -                              | -        |
|  | -                                   | (0.28)                           | -                                    | -                              | (0.28)   |
| <b>Amount paid during the year</b>                         |                                     |                                  |                                      |                                |          |
| Ajanta Sky Darshan Private Limited                         | -                                   | -                                | -                                    | -                              | -        |
|  | -                                   | (32.26)                          | -                                    | -                              | (32.26)  |
| Sunny Infotainment Private Limited                         | -                                   | -                                | -                                    | -                              | -        |
|  | -                                   | (1.96)                           | -                                    | -                              | (1.96)   |
| Darpita Trading Company Private Limited                    | -                                   | -                                | -                                    | -                              | -        |
|  | -                                   | (731.29)                         | -                                    | -                              | (731.29) |
| RBL Digital Cable Network Private Limited                  | -                                   | -                                | -                                    | -                              | -        |
|  | -                                   | (0.48)                           | -                                    | -                              | (0.48)   |
| Vistaar Telecommunication & Infrastructure Private Limited | -                                   | -                                | -                                    | -                              | -        |
|  | -                                   | (0.40)                           | -                                    | -                              | (0.40)   |
| Advance Multisystem Broadband Communications Limited       | -                                   | -                                | -                                    | -                              | -        |
|  | -                                   | (90.14)                          | -                                    | -                              | (90.14)  |
| <b>Total</b>   | -                                   | -                                | -                                    | -                              | -        |
|  | -                                   | (901.97)                         | -                                    | -                              | (901.97) |
| <b>Amount received during the year</b>                     |                                     |                                  |                                      |                                |          |
| Bhima Riddhi Infotainment Private Limited                  | -                                   | -                                | -                                    | -                              | -        |
|  | -                                   | (835.46)                         | -                                    | -                              | (835.46) |
| Sangli Media Services Private Limited                      | -                                   | -                                | -                                    | -                              | -        |
|  | -                                   | (5.50)                           | -                                    | -                              | (5.50)   |
| Sainath In Entertainment Private Limited                   | -                                   | -                                | -                                    | -                              | -        |
|  | -                                   | (206.71)                         | -                                    | -                              | (206.71) |
| Ajanta Sky Darshan Private Limited                         | -                                   | -                                | -                                    | -                              | -        |
|  | -                                   | (58.43)                          | -                                    | -                              | (58.43)  |
| Darpita Trading Company Private Limited                    | -                                   | -                                | -                                    | -                              | -        |
|  | -                                   | (916.23)                         | -                                    | -                              | (916.23) |
| Vinsat Digital Private Limited                             | -                                   | -                                | -                                    | -                              | -        |
|  | -                                   | (2.51)                           | -                                    | -                              | (2.51)   |

## Notes to the financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Nature of Transaction                               | Parties referred to in I & II above | Parties referred to in III above | Parties referred to in IV & VI above | Parties referred to in V above | Total           |
|---|-------------------------------------|----------------------------------|--------------------------------------|--------------------------------|-----------------|
| <b>Total</b>  | -                                   | -                                | -                                    | -                              | -               |
|   | -                                   | (2,024.84)                       | -                                    | -                              | (2,024.84)      |
| <b>Reimbursement of Expenses to Other Companies</b> |                                     |                                  |                                      |                                |                 |
| Hinduja Group Limited                               | -                                   | -                                | -                                    | -                              | -               |
|   | -                                   | -                                | -                                    | (15.00)                        | (15.00)         |
| Hinduja Global Solutions Limited                    | -                                   | -                                | -                                    | 1.88                           | 1.88            |
|   | -                                   | -                                | -                                    | -                              | -               |
| Hinduja Realty Ventures Limited                     | -                                   | -                                | -                                    | 9.00                           | 9.00            |
|   | -                                   | -                                | -                                    | (9.00)                         | (9.00)          |
| IndusInd Media & Communications Limited             | -                                   | 2.50                             | -                                    | -                              | 2.50            |
|   | -                                   | (2.16)                           | -                                    | -                              | (2.16)          |
| IN Entertainment (India) Limited                    | -                                   | 4.31                             | -                                    | -                              | 4.31            |
|   | -                                   | -                                | -                                    | (3.94)                         | (3.94)          |
| ONEOTT Intertainment Limited                        | -                                   | -                                | -                                    | -                              | -               |
|   | -                                   | -                                | -                                    | (0.31)                         | (0.31)          |
| <b>Total</b>  | -                                   | <b>6.81</b>                      | -                                    | <b>10.88</b>                   | <b>17.69</b>    |
|   | -                                   | (2.16)                           | -                                    | (28.25)                        | (30.41)         |
| <b>Bandwidth expenses</b>                           |                                     |                                  |                                      |                                |                 |
| ONEOTT Intertainment Limited                        | -                                   | 123.63                           | -                                    | 351.84                         | 475.47          |
|   | -                                   | -                                | -                                    | (1,430.23)                     | (1,430.23)      |
| <b>Lease rent duct</b>                              |                                     |                                  |                                      |                                |                 |
| ONEOTT Intertainment Limited                        | -                                   | -                                | -                                    | 5.22                           | 5.22            |
|   | -                                   | -                                | -                                    | -                              | -               |
| <b>Network Operating Charges</b>                    |                                     |                                  |                                      |                                |                 |
| ONEOTT Intertainment Limited                        | -                                   | 2,720.00                         | -                                    | 1,360.00                       | 4,080.00        |
|   | -                                   | -                                | -                                    | -                              | -               |
| <b>Internet Expenses</b>                            |                                     |                                  |                                      |                                |                 |
| ONEOTT Intertainment Limited                        | -                                   | 11.50                            | -                                    | 16.39                          | 27.89           |
|   | -                                   | -                                | -                                    | -                              | -               |
| <b>Professional Fees</b>                            |                                     |                                  |                                      |                                |                 |
| D M Harish & Co.                                    | -                                   | -                                | 7.00                                 | -                              | 7.00            |
|   | -                                   | -                                | (10.00)                              | -                              | (10.00)         |
| Hinduja Group Limited                               | -                                   | -                                | -                                    | 302.70                         | 302.70          |
|   | -                                   | -                                | -                                    | (165.00)                       | (165.00)        |
| Hinduja Finance Limited (Refer note no. C)          | -                                   | -                                | -                                    | 79.10                          | 79.10           |
|   | -                                   | -                                | -                                    | (75.20)                        | (75.20)         |
| Hinduja Global Solutions Limited                    | -                                   | -                                | -                                    | 53.63                          | 53.63           |
|   | -                                   | -                                | -                                    | -                              | -               |
| Castle Media Private Limited                        | -                                   | -                                | 1,111.61                             | -                              | 1,111.61        |
|   | -                                   | -                                | (567.00)                             | -                              | (567.00)        |
| <b>Total</b>  | -                                   | -                                | <b>1,118.61</b>                      | <b>435.43</b>                  | <b>1,554.04</b> |
|   | -                                   | -                                | (577.00)                             | (240.20)                       | (817.20)        |
| <b>Legal Charges</b>                                |                                     |                                  |                                      |                                |                 |
| Crawford Bayleys & Co.                              | -                                   | -                                | 11.00                                | -                              | 11.00           |
|   | -                                   | -                                | (13.00)                              | -                              | (13.00)         |

## Notes to the financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Nature of Transaction                   | Parties referred to in I & II above | Parties referred to in III above | Parties referred to in IV & VI above | Parties referred to in V above | Total        |
|---|-------------------------------------|----------------------------------|--------------------------------------|--------------------------------|--------------|
| <b>Travel Exp. - Local</b>              |                                     |                                  |                                      |                                |              |
| Prakash Shah                            | -                                   | -                                | 4.84                                 | -                              | 4.84         |
|   | -                                   | -                                | -                                    | -                              | -            |
| Castle Media Private Limited            | -                                   | -                                | 0.34                                 | -                              | 0.34         |
|   | -                                   | -                                | (0.18)                               | -                              | (0.18)       |
| Spyke Technologies Pvt Ltd              | -                                   | -                                | 0.00                                 | -                              | 0.00         |
|   | -                                   | -                                | -                                    | -                              | -            |
| <b>Total</b>                            | -                                   | -                                | <b>5.18</b>                          | -                              | <b>5.18</b>  |
|   | -                                   | -                                | (0.18)                               | -                              | (0.18)       |
| <b>Rent</b>                             |                                     |                                  |                                      |                                |              |
| Hinduja Group Limited                   | -                                   | -                                | -                                    | 72.66                          | 72.66        |
|   | -                                   | -                                | -                                    | (88.02)                        | (88.02)      |
| IndusInd Media & Communications Limited | -                                   | 7.84                             | -                                    | -                              | 7.84         |
|   | -                                   | (8.31)                           | -                                    | -                              | (8.31)       |
| <b>Total</b>                            | -                                   | <b>7.84</b>                      | -                                    | <b>72.66</b>                   | <b>80.50</b> |
|   | -                                   | (8.31)                           | -                                    | (88.02)                        | (96.33)      |
| <b>Director Sitting Fees</b>            |                                     |                                  |                                      |                                |              |
| Mr. Ashok P. Hinduja                    | 5.00                                | -                                | -                                    | -                              | 5.00         |
|   | (2.00)                              | -                                | -                                    | -                              | (2.00)       |
| Mr. Anil Harish                         | -                                   | -                                | 11.50                                | -                              | 11.50        |
|   | -                                   | -                                | (9.00)                               | -                              | (9.00)       |
| Mr. Rajendra P. Chitale                 | -                                   | -                                | 6.50                                 | -                              | 6.50         |
|   | -                                   | -                                | (9.00)                               | -                              | (9.00)       |
| Mr. Prashant Asher                      | -                                   | -                                | 5.50                                 | -                              | 5.50         |
|   | -                                   | -                                | (6.00)                               | -                              | (6.00)       |
| Ms. Bhumika Batra                       | -                                   | -                                | 8.00                                 | -                              | 8.00         |
|   | -                                   | -                                | (5.50)                               | -                              | (5.50)       |
| Mr. Sudhanshu Tripathi                  | -                                   | -                                | 11.00                                | -                              | 11.00        |
|   | -                                   | -                                | (8.50)                               | -                              | (8.50)       |
| Mr. Prakash Shah                        | -                                   | -                                | -                                    | -                              | -            |
|   | -                                   | -                                | (2.00)                               | -                              | (2.00)       |
| Ms. Kanchan Chitale                     | -                                   | -                                | -                                    | -                              | -            |
|   | -                                   | -                                | (2.00)                               | -                              | (2.00)       |
| <b>Total</b>                            | <b>5.00</b>                         | -                                | <b>42.50</b>                         | -                              | <b>47.50</b> |
|   | (2.00)                              | -                                | (42.00)                              | -                              | (44.00)      |
| <b>Business promotion</b>               |                                     |                                  |                                      |                                |              |
| IN Entertainment (India) Limited        | -                                   | 16.14                            | -                                    | 1.36                           | 17.50        |
|   | -                                   | -                                | -                                    | (41.29)                        | (41.29)      |
| Castle Media Private Limited            | -                                   | -                                | -                                    | -                              | -            |
|   | -                                   | -                                | (0.63)                               | -                              | (0.63)       |
| <b>Total</b>                            | -                                   | <b>16.14</b>                     | -                                    | <b>1.36</b>                    | <b>17.50</b> |
|   | -                                   | -                                | (0.63)                               | (41.29)                        | (41.92)      |
| <b>Advertisement expenditure</b>        |                                     |                                  |                                      |                                |              |
| IN Entertainment (India) Limited        | -                                   | -                                | -                                    | -                              | -            |
|   | -                                   | -                                | -                                    | (1.00)                         | (1.00)       |

## Notes to the financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Nature of Transaction            | Parties referred to in I & II above | Parties referred to in III above | Parties referred to in IV & VI above | Parties referred to in V above | Total        |
|----------------------------------|-------------------------------------|----------------------------------|--------------------------------------|--------------------------------|--------------|
| <b>Maintenance expense</b>       |                                     |                                  |                                      |                                |              |
| IN Entertainment (India) Limited | -                                   | 2.83                             | -                                    | 1.00                           | 3.84         |
|                                  | -                                   | -                                | -                                    | (0.11)                         | (0.11)       |
| Spyke Technologies Pvt Ltd       | -                                   | -                                | 85.31                                | -                              | 85.31        |
|                                  | -                                   | -                                | (53.70)                              | -                              | (53.70)      |
| Prakash Shah                     | -                                   | -                                | 2.16                                 | -                              | 2.16         |
|                                  | -                                   | -                                | -                                    | -                              | -            |
| <b>Total</b>                     | -                                   | <b>2.83</b>                      | <b>87.47</b>                         | <b>1.00</b>                    | <b>91.31</b> |
|                                  | -                                   | -                                | (53.70)                              | (0.11)                         | (53.81)      |
| <b>Telephone expenses</b>        |                                     |                                  |                                      |                                |              |
| ONEOTT Intertainment Limited     | -                                   | 0.99                             | -                                    | 0.09                           | 1.08         |
|                                  | -                                   | -                                | -                                    | -                              | -            |
| <b>Royalty expense</b>           |                                     |                                  |                                      |                                |              |
| IN Entertainment (India) Limited | -                                   | -                                | -                                    | -                              | -            |
|                                  | -                                   | -                                | -                                    | (12.50)                        | (12.50)      |
| <b>Staff Welfare expenses</b>    |                                     |                                  |                                      |                                |              |
| IN Entertainment (India) Limited | -                                   | 13.42                            | -                                    | 0.33                           | 13.75        |
|                                  | -                                   | -                                | -                                    | (11.50)                        | (11.50)      |
| <b>ROC fees</b>                  |                                     |                                  |                                      |                                |              |
| IN Entertainment (India) Limited | -                                   | -                                | -                                    | 0.01                           | 0.01         |
|                                  | -                                   | -                                | -                                    | -                              | -            |
| <b>Rates &amp; Taxes</b>         |                                     |                                  |                                      |                                |              |
| Spyke Technologies Pvt Ltd       | -                                   | -                                | 0.01                                 | -                              | 0.01         |
|                                  | -                                   | -                                | -                                    | -                              | -            |
| <b>Freight Inward</b>            |                                     |                                  |                                      |                                |              |
| Spyke Technologies Pvt Ltd       | -                                   | -                                | 1.20                                 | -                              | 1.20         |
|                                  | -                                   | -                                | -                                    | -                              | -            |
| <b>Freight Outward</b>           |                                     |                                  |                                      |                                |              |
| Spyke Technologies Pvt Ltd       | -                                   | -                                | 19.26                                | -                              | 19.26        |
|                                  | -                                   | -                                | (19.26)                              | -                              | (19.26)      |
| <b>Insurance Expense</b>         |                                     |                                  |                                      |                                |              |
| Spyke Technologies Pvt Ltd       | -                                   | -                                | 0.24                                 | -                              | 0.24         |
|                                  | -                                   | -                                | -                                    | -                              | -            |
| ONEOTT Intertainment Limited     | -                                   | 0.10                             | -                                    | -                              | 0.10         |
|                                  | -                                   | -                                | -                                    | -                              | -            |
| <b>Total</b>                     | -                                   | <b>0.10</b>                      | <b>0.24</b>                          | -                              | <b>0.34</b>  |
|                                  | -                                   | -                                | -                                    | -                              | -            |
| <b>Printing &amp; Stationery</b> |                                     |                                  |                                      |                                |              |
| IN Entertainment (India) Limited | -                                   | -                                | -                                    | 0.07                           | 0.07         |
|                                  | -                                   | -                                | -                                    | -                              | -            |
| <b>Commission expenses</b>       |                                     |                                  |                                      |                                |              |
| IN Entertainment (India) Limited | -                                   | -                                | -                                    | 0.67                           | 0.67         |
|                                  | -                                   | -                                | -                                    | -                              | -            |
| ONEOTT Intertainment Limited     | -                                   | -                                | -                                    | -                              | -            |
|                                  | -                                   | -                                | -                                    | (3.81)                         | (3.81)       |

## Notes to the financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Nature of Transaction                  | Parties referred to in I & II above | Parties referred to in III above | Parties referred to in IV & VI above | Parties referred to in V above | Total           |
|--|-------------------------------------|----------------------------------|--------------------------------------|--------------------------------|-----------------|
| RBL Digital Cable Network              | -                                   | 1.81                             | -                                    | -                              | 1.81            |
|  | -                                   | -                                | -                                    | -                              | -               |
| <b>Total</b>                           | -                                   | <b>1.81</b>                      | -                                    | <b>0.67</b>                    | <b>2.49</b>     |
|  | -                                   | -                                | -                                    | (3.81)                         | (3.81)          |
| <b>Miscellaneous Expenses</b>          |                                     |                                  |                                      |                                |                 |
| IN Entertainment (India) Limited       | -                                   | -                                | -                                    | 0.01                           | 0.01            |
|  | -                                   | -                                | -                                    | (12.50)                        | (12.50)         |
| <b>Interest Expense</b>                |                                     |                                  |                                      |                                |                 |
| Hinduja Realty Ventures Limited        | -                                   | -                                | -                                    | 53.13                          | 53.13           |
|  | -                                   | -                                | -                                    | (316.12)                       | (316.12)        |
| IN Entertainment (India) Limited       | -                                   | 84.42                            | -                                    | 21.51                          | 105.93          |
|  | -                                   | -                                | -                                    | (32.31)                        | (32.31)         |
| Hinduja Group Limited                  | -                                   | -                                | -                                    | 1,071.04                       | 1,071.04        |
|  | -                                   | -                                | -                                    | (1.21)                         | (1.21)          |
| ONEOTT Intertainment Limited           | -                                   | -                                | -                                    | 3.51                           | 3.51            |
|  | -                                   | -                                | -                                    | (8.33)                         | (8.33)          |
| <b>Total</b>                           | -                                   | <b>84.42</b>                     | -                                    | <b>1,149.19</b>                | <b>1,233.61</b> |
|  | -                                   | -                                | -                                    | (357.97)                       | (357.97)        |
| <b>Sale of Fixed Assets</b>            |                                     |                                  |                                      |                                |                 |
| Vinsat Digital Private Limited         | -                                   | 9.36                             | -                                    | -                              | 9.36            |
|  | -                                   | -                                | -                                    | -                              | -               |
| <b>Purchase of Fixed Assets</b>        |                                     |                                  |                                      |                                |                 |
| IN Entertainment (India) Limited       | -                                   | 4.00                             | -                                    | 12.12                          | 16.12           |
|  | -                                   | -                                | -                                    | (17.86)                        | (17.86)         |
| Spyke Technologies Pvt Ltd             | -                                   | -                                | 66.08                                | -                              | 66.08           |
|  | -                                   | -                                | -                                    | -                              | -               |
| <b>Total</b>                           | -                                   | <b>4.00</b>                      | <b>66.08</b>                         | <b>12.12</b>                   | <b>82.21</b>    |
|  | -                                   | -                                | -                                    | (17.86)                        | (17.86)         |
| <b>Inventory</b>                       |                                     |                                  |                                      |                                |                 |
| IN Entertainment (India) Limited       | -                                   | 1.32                             | -                                    | -                              | 1.32            |
|  | -                                   | -                                | -                                    | -                              | -               |
| Spyke Technologies Pvt Ltd             | -                                   | -                                | 43.28                                | -                              | 43.28           |
|  | -                                   | -                                | -                                    | -                              | -               |
| <b>Total</b>                           | -                                   | <b>1.32</b>                      | <b>43.28</b>                         | -                              | <b>44.60</b>    |
|  | -                                   | -                                | -                                    | -                              | -               |
| <b>Purchase of Optical Fibre Cable</b> |                                     |                                  |                                      |                                |                 |
| ONEOTT Intertainment Limited           | -                                   | 29.24                            | -                                    | 28.02                          | 57.27           |
|  | -                                   | -                                | -                                    | (150.25)                       | (150.25)        |
| <b>Consumable</b>                      |                                     |                                  |                                      |                                |                 |
| IN Entertainment (India) Limited       | -                                   | 6.92                             | -                                    | 0.22                           | 7.14            |
|  | -                                   | -                                | -                                    | (1.75)                         | (1.75)          |
| Spyke Technologies Pvt Ltd             | -                                   | -                                | 0.21                                 | -                              | 0.21            |
|  | -                                   | -                                | -                                    | -                              | -               |
| <b>Total</b>                           | -                                   | <b>6.92</b>                      | <b>0.21</b>                          | <b>0.22</b>                    | <b>7.35</b>     |
|  | -                                   | -                                | -                                    | (1.75)                         | (1.75)          |

## Notes to the financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Nature of Transaction                    | Parties referred to in I & II above | Parties referred to in III above | Parties referred to in IV & VI above | Parties referred to in V above | Total           |
|--|-------------------------------------|----------------------------------|--------------------------------------|--------------------------------|-----------------|
| <b>Managerial Remuneration</b>           |                                     |                                  |                                      |                                |                 |
| Mr. Ashok Mansukhani (Refer note no. B)  | -                                   | -                                | 138.13                               | -                              | 138.13          |
|  | -                                   | -                                | (147.67)                             | -                              | (147.67)        |
| Mr. Amar Chintopanth                     | -                                   | -                                | 111.00                               | -                              | 111.00          |
|  | -                                   | -                                | (145.00)                             | -                              | (145.00)        |
| Mr. Vynsley Fernandes                    | -                                   | -                                | 332.00                               | -                              | 332.00          |
|  | -                                   | -                                | (211.00)                             | -                              | (211.00)        |
| <b>Total</b>                             | -                                   | -                                | <b>581.13</b>                        | -                              | <b>581.13</b>   |
|  | -                                   | -                                | (503.67)                             | -                              | (503.67)        |
| <b>Dividend Paid</b>                     |                                     |                                  |                                      |                                |                 |
| Mr. Ashok P. Hinduja                     | 116.15                              | -                                | -                                    | -                              | 116.15          |
|  | (116.15)                            | -                                | -                                    | -                              | (116.15)        |
| Mrs. Harsha A. Hinduja                   | 85.61                               | -                                | -                                    | -                              | 85.61           |
|  | (85.61)                             | -                                | -                                    | -                              | (85.61)         |
| Ms. Ambika A. Hinduja                    | 31.02                               | -                                | -                                    | -                              | 31.02           |
|  | (31.02)                             | -                                | -                                    | -                              | (31.02)         |
| Mr. Shom A. Hinduja                      | 24.50                               | -                                | -                                    | -                              | 24.50           |
|  | (24.50)                             | -                                | -                                    | -                              | (24.50)         |
| Mr. Ashok Mansukhani                     | -                                   | -                                | 0.09                                 | -                              | 0.09            |
|  | -                                   | -                                | (0.09)                               | -                              | (0.09)          |
| Mr. Prashant Asher                       | -                                   | -                                | 0.02                                 | -                              | 0.02            |
|  | -                                   | -                                | (0.02)                               | -                              | (0.02)          |
| Aasia Corporation LLP                    | -                                   | -                                | -                                    | 245.15                         | 245.15          |
|  | -                                   | -                                | -                                    | (245.15)                       | (245.15)        |
| Hinduja Group Limited (Refer note no. E) | -                                   | -                                | -                                    | 1,496.35                       | 1,496.35        |
|  | -                                   | -                                | -                                    | (1,520.85)                     | (1,520.85)      |
| Hinduja Properties Limited               | -                                   | -                                | -                                    | 37.25                          | 37.25           |
|  | -                                   | -                                | -                                    | (30.25)                        | (30.25)         |
| Hinduja Finance Limited                  | -                                   | -                                | -                                    | 17.50                          | 17.50           |
|  | -                                   | -                                | -                                    | (17.50)                        | (17.50)         |
| <b>Total</b>                             | <b>257.28</b>                       | -                                | <b>0.11</b>                          | <b>1,796.25</b>                | <b>2,053.64</b> |
|  | (257.28)                            | -                                | (0.11)                               | (1,813.75)                     | (2,071.14)      |
| <b>Inter-Corporate Deposits Given</b>    |                                     |                                  |                                      |                                |                 |
| Aasia Corporation LLP                    | -                                   | -                                | -                                    | -                              | -               |
|  | -                                   | -                                | -                                    | (2,000.00)                     | (2,000.00)      |
| Hinduja Realty Ventures Limited          | -                                   | -                                | -                                    | 3,100.00                       | 3,100.00        |
|  | -                                   | -                                | -                                    | (8,779.00)                     | (8,779.00)      |
| IndusInd Media & Communications Limited  | -                                   | (9,849.00)                       | -                                    | -                              | (9,849.00)      |
| IN Entertainment (India) Limited         | -                                   | 4,881.00                         | -                                    | -                              | 4,881.00        |
|  | -                                   | -                                | -                                    | (184.00)                       | (184.00)        |
| OneOTT Intertainment Limited             | -                                   | 565.00                           | -                                    | -                              | 565.00          |
|  | -                                   | -                                | -                                    | -                              | -               |
| Hinduja Group Limited                    | -                                   | -                                | -                                    | -                              | -               |
|  | -                                   | -                                | -                                    | (6,460.00)                     | (6,460.00)      |



## Notes to the financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Nature of Transaction                                      | Parties referred to in I & II above | Parties referred to in III above | Parties referred to in IV & VI above | Parties referred to in V above | Total            |
|--|-------------------------------------|----------------------------------|--------------------------------------|--------------------------------|------------------|
| <b>Total</b>   | -                                   | <b>5,446.00</b>                  | -                                    | <b>3,100.00</b>                | <b>8,546.00</b>  |
|  | -                                   | (9,849.00)                       | -                                    | (17,423.00)                    | (27,272.00)      |
| <b>Inter-Corporate Deposits Received Back</b>              |                                     |                                  |                                      |                                |                  |
| Aasia Corporation LLP                                      | -                                   | -                                | -                                    | -                              | -                |
|  | -                                   | -                                | -                                    | (2,000.00)                     | (2,000.00)       |
| Hinduja Group Limited                                      | -                                   | -                                | -                                    | -                              | -                |
|  | -                                   | -                                | -                                    | (13,810.00)                    | (13,810.00)      |
| Hinduja Realty Ventures Limited                            | -                                   | -                                | -                                    | 3,100.00                       | 3,100.00         |
|  | -                                   | -                                | -                                    | (8,657.00)                     | (8,657.00)       |
| IndusInd Media & Communications Limited (Refer note no. D) | -                                   | -                                | -                                    | -                              | -                |
|  | -                                   | (20,893.25)                      | -                                    | -                              | (20,893.25)      |
| IN Entertainment (India) Limited                           | -                                   | -                                | -                                    | -                              | -                |
|  | -                                   | -                                | -                                    | (485.00)                       | (485.00)         |
| <b>Total</b>   | -                                   | -                                | -                                    | <b>3,100.00</b>                | <b>3,100.00</b>  |
|  | -                                   | (20,893.25)                      | -                                    | (24,952.00)                    | (45,845.25)      |
| <b>Inter-Corporate Deposits Taken</b>                      |                                     |                                  |                                      |                                |                  |
| Hinduja Realty Ventures Limited                            | -                                   | -                                | -                                    | 3,934.00                       | 3,934.00         |
|  | -                                   | -                                | -                                    | (24,638.00)                    | (24,638.00)      |
| IndusInd Media & Communications Limited                    | -                                   | 6,790.00                         | -                                    | -                              | 6,790.00         |
|  | -                                   | -                                | -                                    | -                              | -                |
| IN Entertainment (India) Limited                           | -                                   | 2,145.00                         | -                                    | 955.00                         | 3,100.00         |
|  | -                                   | -                                | -                                    | (3,950.00)                     | (3,950.00)       |
| ONEOTT Intertainment Limited                               | -                                   | -                                | -                                    | 1,155.00                       | 1,155.00         |
|  | -                                   | -                                | -                                    | (815.00)                       | (815.00)         |
| Hinduja Group Limited                                      | -                                   | -                                | -                                    | 37,800.00                      | 37,800.00        |
|  | -                                   | -                                | -                                    | (1,000.00)                     | (1,000.00)       |
| <b>Total</b>   | -                                   | <b>8,935.00</b>                  | -                                    | <b>43,844.00</b>               | <b>52,779.00</b> |
|  | -                                   | -                                | -                                    | (30403.00)                     | (30403.00)       |
| <b>Inter-Corporate Deposits Repaid</b>                     |                                     |                                  |                                      |                                |                  |
| Hinduja Realty Ventures Limited                            | -                                   | -                                | -                                    | 10,934.00                      | 10,934.00        |
|  | -                                   | -                                | -                                    | (26,721.00)                    | (26,721.00)      |
| IndusInd Media & Communications Limited                    | -                                   | 6,790.00                         | -                                    | -                              | 6,790.00         |
|  | -                                   | -                                | -                                    | -                              | -                |
| IN Entertainment (India) Limited                           | -                                   | 2,550.00                         | -                                    | 955.00                         | 3,505.00         |
|  | -                                   | -                                | -                                    | (3,475.00)                     | (3,475.00)       |
| ONEOTT Intertainment Limited                               | -                                   | -                                | -                                    | 1,155.00                       | 1,155.00         |
|  | -                                   | -                                | -                                    | (815.00)                       | (815.00)         |
| Hinduja Group Limited                                      | -                                   | -                                | -                                    | 28,700.00                      | 28,700.00        |
|  | -                                   | -                                | -                                    | -                              | -                |
| <b>Total</b>   | -                                   | <b>9,340.00</b>                  | -                                    | <b>41,744.00</b>               | <b>51,084.00</b> |
|  | -                                   | -                                | -                                    | (31,011.00)                    | (31,011.00)      |
| <b>Purchase of / Conversion to Investments</b>             |                                     |                                  |                                      |                                |                  |

## Notes to the financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Nature of Transaction   | Parties referred to in I & II above | Parties referred to in III above | Parties referred to in IV & VI above | Parties referred to in V above | Total            |
|---|-------------------------------------|----------------------------------|--------------------------------------|--------------------------------|------------------|
| Purchase / Allotment of Equity Shares of IndusInd Media & Communications Limited (Refer note no. D) | -                                   | 2,618.68                         | -                                    | -                              | 2,618.68         |
|   | -                                   | (46,350.55)                      | -                                    | -                              | (46,350.55)      |
| <b>Outstanding Security Deposit</b>   |                                     |                                  |                                      |                                |                  |
| Hinduja Realty Ventures Limited   | -                                   | -                                | -                                    | 46.15                          | 46.15            |
|   | -                                   | -                                | -                                    | (46.15)                        | (46.15)          |
| <b>Inter Corporate Deposits Receivable as at the Year-end</b>                                       |                                     |                                  |                                      |                                |                  |
| IN Entertainment (India) Limited  | -                                   | 4,899.45                         | -                                    | -                              | 4,899.45         |
|   | -                                   | -                                | -                                    | -                              | -                |
| Hinduja Group Limited   | -                                   | -                                | -                                    | (20.00)                        | (20.00)          |
| ONEOTT Intertainment Limited  | -                                   | 574.75                           | -                                    | -                              | 574.75           |
|   | -                                   | -                                | -                                    | -                              | -                |
| <b>Total</b>  | -                                   | <b>5,474.20</b>                  | -                                    | -                              | <b>5,474.20</b>  |
|   | -                                   | -                                | -                                    | (20.00)                        | (20.00)          |
| <b>Inter Corporate Deposits Payable as at the Year-end</b>  |                                     |                                  |                                      |                                |                  |
| IN Entertainment (India) Limited  | -                                   | -                                | -                                    | -                              | -                |
|   | -                                   | -                                | -                                    | (463.45)                       | (463.45)         |
| Hinduja Realty Ventures Limited   | -                                   | -                                | -                                    | -                              | -                |
|   | -                                   | -                                | -                                    | (6,999.51)                     | (6,999.51)       |
| Hinduja Group Limited   | -                                   | -                                | -                                    | 10,419.27                      | 10,419.27        |
|   | -                                   | -                                | -                                    | (980.74)                       | (980.74)         |
| <b>Total</b>  | -                                   | -                                | -                                    | <b>10,419.27</b>               | <b>10,419.27</b> |
|   | -                                   | -                                | -                                    | (8,443.70)                     | (8,443.70)       |
| <b>Investments as at the Year-end</b>   |                                     |                                  |                                      |                                |                  |
| Equity shares of IndusInd Media & Communications Limited  | -                                   | 7279.64                          | -                                    | -                              | 7279.64          |
|   | -                                   | (14660.96)                       | -                                    | -                              | (14660.96)       |
| Equity shares of OneOTT Intertainment Limited   | -                                   | 27,199.51                        | -                                    | -                              | 27,199.51        |
|   | -                                   | -                                | -                                    | -                              | -                |
| Preference Shares of OneOTT Intertainment Limited   | -                                   | -                                | -                                    | -                              | -                |
|   | -                                   | -                                | -                                    | (14,566.29)                    | 14,566.29        |
| Preference Shares of IN Entertainment (India) Limited   | -                                   | 293.74                           | -                                    | -                              | 293.74           |
|   | -                                   | -                                | -                                    | (264.56)                       | (264.56)         |
| <b>Total</b>  | -                                   | <b>34,772.90</b>                 | -                                    | -                              | <b>34,772.90</b> |
|   | -                                   | (4,660.93)                       | -                                    | (14,830.85)                    | (194,91.81)      |
| <b>Trade Receivables as at the Year-end</b>   |                                     |                                  |                                      |                                |                  |
| ONEOTT Intertainment Limited  | -                                   | 307.48                           | -                                    | -                              | 307.48           |
|   | -                                   | -                                | -                                    | (809.44)                       | (809.44)         |
| IN Entertainment (India) Limited  | -                                   | -                                | -                                    | -                              | -                |
|   | -                                   | -                                | -                                    | (301.52)                       | (301.52)         |
| Spyke Technologies Pvt Ltd  | -                                   | -                                | 9.83                                 | -                              | 9.83             |
|   | -                                   | -                                | -                                    | -                              | -                |
| Bhima riddhi cable network  | -                                   | -                                | -                                    | -                              | -                |
|   | -                                   | (79.75)                          | -                                    | -                              | (79.75)          |

## Notes to the financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Nature of Transaction                                      | Parties referred to in I & II above | Parties referred to in III above | Parties referred to in IV & VI above | Parties referred to in V above | Total           |
|--|-------------------------------------|----------------------------------|--------------------------------------|--------------------------------|-----------------|
| Darпита Trading Co Pvt Ltd                                 | -                                   | -                                | -                                    | -                              | -               |
|  | -                                   | 1,235.13                         | -                                    | -                              | 1,235.13        |
| <b>Total</b>   | -                                   | <b>307.48</b>                    | <b>9.83</b>                          | -                              | <b>317.31</b>   |
|  | -                                   | 1,155.38                         | -                                    | (1,110.96)                     | (44.42)         |
| <b>Other Receivables as at the Year-end</b>                |                                     |                                  |                                      |                                |                 |
| Hinduja Global Solutions Limited                           | -                                   | -                                | -                                    | -                              | -               |
|  | -                                   | -                                | -                                    | (1.13)                         | (1.13)          |
| IN Entertainment (India) Limited                           | -                                   | 358.43                           | -                                    | -                              | 358.43          |
|  | -                                   | -                                | -                                    | -                              | -               |
| ONEOTT Intertainment Limited                               | -                                   | 1,733.19                         | -                                    | -                              | 1,733.19        |
|  | -                                   | -                                | -                                    | -                              | -               |
| <b>Total</b>   | -                                   | <b>2,091.61</b>                  | -                                    | -                              | <b>2,091.61</b> |
|  | -                                   | -                                | -                                    | (1.13)                         | (1.13)          |
| <b>Interest Receivable as at the Year-end</b>              |                                     |                                  |                                      |                                |                 |
| Hinduja Realty Ventures Limited                            | -                                   | -                                | -                                    | 3.42                           | 3.42            |
|  | -                                   | -                                | -                                    | (1.63)                         | (1.63)          |
| IndusInd Media & Communications Limited                    | -                                   | 33.95                            | -                                    | -                              | 33.95           |
|  | -                                   | -                                | -                                    | -                              | -               |
| IN Entertainment (India) Limited                           | -                                   | 13.94                            | -                                    | -                              | 13.94           |
|  | -                                   | -                                | -                                    | -                              | -               |
| <b>Total</b>   | -                                   | <b>47.89</b>                     | -                                    | <b>3.42</b>                    | <b>51.31</b>    |
|  | -                                   | -                                | -                                    | (1.63)                         | (1.63)          |
| <b>Advance to Related Parties as at the Year-end</b>       |                                     |                                  |                                      |                                |                 |
| USN Networks Private Limited                               | -                                   | -                                | -                                    | -                              | -               |
|  | -                                   | (1.67)                           | -                                    | -                              | (1.67)          |
| Gold star Noida Network Private Limited                    | -                                   | -                                | -                                    | -                              | -               |
|  | -                                   | (649.91)                         | -                                    | -                              | (649.91)        |
| United Mysore Network Private Limited                      | -                                   | -                                | -                                    | -                              | -               |
|  | -                                   | (1.27)                           | -                                    | -                              | (1.27)          |
| Apna Incable Broadband Services Private Limited            | -                                   | -                                | -                                    | -                              | -               |
|  | -                                   | (75.42)                          | -                                    | -                              | (75.42)         |
| Sangli Media Services Private Limited                      | -                                   | -                                | -                                    | -                              | -               |
|  | -                                   | (75.04)                          | -                                    | -                              | (75.04)         |
| Sainath In Entertainment Private Limited                   | -                                   | -                                | -                                    | -                              | -               |
|  | -                                   | (398.99)                         | -                                    | -                              | (398.99)        |
| Gold Star Infotainment Private Limited                     | -                                   | -                                | -                                    | -                              | -               |
|  | -                                   | (0.81)                           | -                                    | -                              | (0.81)          |
| Ajanta Sky Darshan Private Limited                         | -                                   | -                                | -                                    | -                              | -               |
|  | -                                   | (111.36)                         | -                                    | -                              | (111.36)        |
| Sunny Infotainment Private Limited                         | -                                   | -                                | -                                    | -                              | -               |
|  | -                                   | (79.54)                          | -                                    | -                              | (79.54)         |
| Vistaar Telecommunication & Infrastructure Private Limited | -                                   | -                                | -                                    | -                              | -               |
|  | -                                   | (116.09)                         | -                                    | -                              | (116.09)        |
| Advance Multisystem Broadband Communications Limited       | -                                   | -                                | -                                    | -                              | -               |
|  | -                                   | (348.64)                         | -                                    | -                              | (348.64)        |

## Notes to the financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Nature of Transaction                               | Parties referred to in I & II above | Parties referred to in III above | Parties referred to in IV & VI above | Parties referred to in V above | Total         |
|---|-------------------------------------|----------------------------------|--------------------------------------|--------------------------------|---------------|
| Vinsat Digital Private Limited                      | -                                   | -                                | -                                    | -                              | -             |
|   | -                                   | (31.08)                          | -                                    | -                              | (31.08)       |
| <b>Total</b>  | -                                   | -                                | -                                    | -                              | -             |
|   | -                                   | (1,889.82)                       | -                                    | -                              | (1,889.82)    |
| <b>Trade Payables as at the Year-end</b>            |                                     |                                  |                                      |                                |               |
| Mr. Ashok Mansukhani                                | -                                   | -                                | 1.35                                 | -                              | 1.35          |
|   | -                                   | -                                | -                                    | -                              | -             |
| Hinduja Realty Ventures Limited                     | -                                   | -                                | -                                    | (1.62)                         | (1.62)        |
|   | -                                   | -                                | -                                    | -                              | -             |
| Hinduja Group Limited                               | -                                   | -                                | -                                    | (15.48)                        | (15.48)       |
|   | -                                   | -                                | -                                    | -                              | -             |
| Hinduja Finance Limited                             | -                                   | -                                | -                                    | (10.80)                        | (10.80)       |
|   | -                                   | -                                | -                                    | -                              | -             |
| ONEOTT Intertainment Limited                        | -                                   | 13.60                            | -                                    | -                              | 13.60         |
|   | -                                   | -                                | -                                    | (13.60)                        | (13.60)       |
| Hinduja Global Solutions Limited                    | -                                   | -                                | -                                    | 6.75                           | 6.75          |
|   | -                                   | -                                | -                                    | -                              | -             |
| Spyke Technologies Pvt Ltd                          | -                                   | -                                | 62.67                                | -                              | 62.67         |
|   | -                                   | -                                | (77.90)                              | -                              | (77.90)       |
| Castle Media Private Limited                        | -                                   | -                                | 147.11                               | -                              | 147.11        |
|   | -                                   | -                                | (52.97)                              | -                              | (52.97)       |
| RBL digital Cable Netwrok                           | -                                   | -                                | -                                    | -                              | -             |
|   | -                                   | (2.09)                           | -                                    | -                              | (2.09)        |
| <b>Total</b>  | -                                   | <b>13.60</b>                     | <b>211.13</b>                        | <b>6.75</b>                    | <b>231.48</b> |
|   | -                                   | (2.09)                           | (130.87)                             | (41.50)                        | (174.46)      |
| <b>Employee benefits payable as at the Year-end</b> |                                     |                                  |                                      |                                |               |
| Mr. Vynsley Fernandes                               | -                                   | -                                | -                                    | -                              | -             |
|   | -                                   | -                                | (97.30)                              | -                              | (97.30)       |
| Mr. Amar Chintopanth                                | -                                   | -                                | -                                    | -                              | -             |
|   | -                                   | -                                | (39.16)                              | -                              | (39.16)       |
| <b>Total</b>  | -                                   | -                                | -                                    | -                              | -             |
|   | -                                   | -                                | (136.46)                             | -                              | (136.46)      |
| <b>Interest Payable as at the Year-end</b>          |                                     |                                  |                                      |                                |               |
| Hinduja Realty Ventures Limited                     | -                                   | -                                | -                                    | -                              | -             |
|   | -                                   | -                                | -                                    | (55.83)                        | (55.83)       |
| IN Entertainment (India) Limited                    | -                                   | 35.87                            | -                                    | -                              | 35.87         |
|   | -                                   | -                                | -                                    | -                              | -             |
| <b>Total</b>  | -                                   | <b>35.87</b>                     | -                                    | -                              | <b>35.87</b>  |
|   | -                                   | -                                | -                                    | (55.83)                        | (55.83)       |
| <b>Other Payable as at the Year-end</b>             |                                     |                                  |                                      |                                |               |
| RBL digital Cable Netwrok                           | -                                   | 8.45                             | -                                    | -                              | 8.45          |
|   | -                                   | -                                | -                                    | -                              | -             |
| OneOTT Intertainment Limited                        | -                                   | 229.58                           | -                                    | -                              | 229.58        |
|   | -                                   | -                                | -                                    | -                              | -             |
| IN Entertainment (India) Limited                    | -                                   | 4.14                             | -                                    | -                              | 4.14          |
|   | -                                   | -                                | -                                    | -                              | -             |

## Notes to the financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Nature of Transaction  | Parties referred to in I & II above | Parties referred to in III above | Parties referred to in IV & VI above | Parties referred to in V above | Total             |
|--|-------------------------------------|----------------------------------|--------------------------------------|--------------------------------|-------------------|
| IndusInd Media & Communications Limited                      | 176.49                              | -                                | -                                    | -                              | 176.49            |
|  | -                                   | -                                | -                                    | -                              | -                 |
| <b>Total</b>   | -                                   | <b>418.67</b>                    | -                                    | -                              | <b>418.67</b>     |
|  | -                                   | -                                | -                                    | -                              | -                 |
| <b>Comfort Letter / Shortfall / Non disposal Undertaking</b> |                                     |                                  |                                      |                                |                   |
| IndusInd Media & Communications Limited                      | -                                   | 131,900.00                       | -                                    | -                              | 131,900.00        |
|  | (-)                                 | (131,900.00)                     | (-)                                  | (-)                            | (131,900.00)      |
| <b>Total</b>   | -                                   | <b>131,900.00</b>                | -                                    | -                              | <b>131,900.00</b> |
|  | (-)                                 | (131,900.00)                     | (-)                                  | (-)                            | (131,900.00)      |

**Notes :**

- Figures in brackets () represent transactions in respect of previous year 2018-19 and balances are as on March 31, 2019 respectively.
- Includes other long term benefits amounting to ₹ 6.78 lakh (Previous Year ₹ 6.57 lakh).
- Includes ₹ NIL (Previous Year 37.10 lakh) under unamortised borrowing cost.
- Inter Corporate Deposits repaid during the previous year includes an amount of ₹ 16,889.25 lakh adjusted against the consideration towards subscription of equity shares.
- Including shares held jointly with Hinduja Realty Ventures Limited.

**34 Leases****Operating lease****(a) Company as lessee**

The Company has entered into cancellable leasing arrangement with its subsidiary and group company relating to office premises for a period of three years which are renewable on mutual consent. Lease rental of ₹ NIL [Previous Year - ₹ 96.33 lakh] has been included in 'Rent' - Refer note no. 27.

**Ind AS 116 "Leases" Initial Application:**

(₹ in Lakh)

| Particulars | As at<br>March 31, 2020 |
|-------------|-------------------------|
| Non-current | 11,292.53               |
| Current     | 97.92                   |
|             | <b>11,390.45</b>        |

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, using modified retrospective method, with the cumulative effect of initially applying the Standard, recognised on the date of initial application April 1, 2019. Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

This has resulted in recognising a right-of-use asset of ₹ 5460.17 lakh and a corresponding lease liability of ₹ 5960.35 lakh by adjusting retained earnings as at April 1, 2019. In the standalone financial statements for the current financial year ended March 31, 2020; the nature of expenses in respect of leases has changed from other expenses in previous periods to finance cost for interest accrued on lease liability and depreciation cost for the right-to-use asset disclosed in note no. 25 and note no. 26 respectively. The net impact in statement of profit and loss is not material.

## Notes to the financial statements for the year ended March 31, 2020

(i) **Movement in Lease Liabilities:**

(₹ in Lakh)

| Particulars                                     | As at<br>March 31, 2020 |
|---|-------------------------|
| Opening Balance                                 | -                       |
| Add: Addition made during the year              | 115.35                  |
| Add: Acquired due to merger (refer note no. 41) | 11,347.67               |
| Add: Finance cost accrued during the year       | 534.37                  |
| Less: Payment of Lease Liabilities              | (606.94)                |
| <b>Closing Balance</b>                          | <b>11,390.45</b>        |

(ii) **The contractual maturities of Lease liabilities are as under on undiscounted basis:**

(₹ in Lakh)

| Particulars   | As at<br>March 31, 2020 |
|---|-------------------------|
| Payable within one year                                   | 1,036.17                |
| Payable later than one year and not later than five years | 9,047.00                |
| Payable after five years                                  | 1,307.28                |

(iii)

(₹ in Lakh)

| Particulars   | As at<br>March 31, 2020 |
|---|-------------------------|
| Lease payments recognised for short term leases in Statement of Profit and Loss during the year 2019-20 | 857.63                  |

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(b) **Company as lessor**

The Company has entered into a cancellable leasing arrangement with Oneott Intertainment Limited (Previously known as Planet E-Shop Holdings India Limited), a group company, relating to lease of Dark Fibre Cable owned by the company extending upto a maximum of three years. The Company has recognised ₹ 3,416.42 lakh for the year ended March 31, 2020 [Previous year - ₹ 3,416.42 lakh] which has been included in note no 22 under 'Lease income - optic fibre cable'.



## Notes to the financial statements for the year ended March 31, 2020

### 35 Segmental reporting

#### Primary segment information

##### Business Segment

The Company's primary business segments are reflected based on principal business activities carried on by the Company which are as follows:

- 1) Treasury & Investment activities (Discontinued) : It includes trading of shares which the Company carries out on its own account, advancing of intercorporate loans and advances and sub-broking activities for shares, refer note no. 40.
- 2) Media & Entertainment activities include activities as Multi System Operator (MSO), HITS Operator and the commercial exploitation on Dark Fibre owned by the Company as a licensee under the Telecom regulations and also its strategic investments in a subsidiary operating as an Internet service provider.
- 3) Real Estate activities include real estate assets (Land) acquired for the purpose of development in future.

These segments are determined based on the internal organisation and management structure of the Company and its system of internal financial reporting and the nature of its risks and its returns. The Board of Directors of the Company has been identified as Chief Operating Decision Maker (CODM). CODM evaluates the Company's performance, allocate resources based on analysis of various performance indicators of the Company as disclosed for the above three segments.

#### Secondary Segment information

##### Geographical Segment

The Company's operations are based in India and therefore the Company has only one geographical segment - India and hence no separate information for geographic segment wise disclosure is required.

#### Segment accounting policies

Segment accounting policies are in line with accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

- (i) Segment revenue includes income directly identifiable with the segments.
- (ii) Expenses that are directly identifiable with the segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments and expenses which relate to the operating activities of the segment but are impracticable to allocate to the segment, are included under "Unallocable corporate expenses".
- (iii) Income which relates to the Company as a whole and not allocable to segments are included in Unallocable Income and netted off from Unallocable corporate expenses.
- (iv) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

## Notes to the financial statements for the year ended March 31, 2020

### Information about major customers

The Company's revenue includes ₹ 3,416.42 lakh (March 31, 2019 ₹ 3,416.42 lakh) which arose from its largest customers.

(₹ in Lakh)

| Sr. no. | Particulars                             | Media and Communications |             | Real Estate |          | Investments and Treasury (discontinued) |            | Total              |                    |
|---------|---|--------------------------|-------------|-------------|----------|---|------------|--------------------|--------------------|
|         |   | 2019-20                  | 2018-19     | 2019-20     | 2018-19  | 2019-20                                 | 2018-19    | 2019-20            | 2018-19            |
| 1       | Segment revenue                         | 96,961.17                | 61,602.66   | -           | -        | 373.91                                  | 597.84     | 97,335.08          | 62,300.50          |
|         | Add: Other income                       |                          |             |             |          |   |            | 2.15               | 156.16             |
|         |   |                          |             |             |          |   |            | 97,337.23          | 62,456.62          |
| 2       | Segment results                         | 6,355.80                 | (43,841.32) | (136.69)    | (166.81) | (32,799.06)                             | (6,969.88) | (26,579.95)        | (50,978.01)        |
|         | Less interest Expenses                  |                          |             |             |          |   |            | (2,390.45)         | (2,073.49)         |
|         | Less: Unallocated corporate expenses    |                          |             |             |          |   |            | (1543.79)          | (352.79)           |
|         | <b>Total Profit / (Loss) before tax</b> |                          |             |             |          |   |            | <b>(30,514.19)</b> | <b>(53,404.79)</b> |
| 3       | Capital employed                        |                          |             |             |          |   |            |                    |                    |
|         | Segment assets                          | 174,299.82               | 149,108.84  | 3,719.50    | 3,719.50 | 9,819.27                                | 107,521.62 | 187,838.59         | 260,349.96         |
|         | Add: Unallocated corporate assets       |                          |             |             |          |   |            | 1,633.88           | 992.05             |
|         | <b>Total assets</b>                     |                          |             |             |          |   |            | <b>189,472.47</b>  | <b>261,342.01</b>  |
|         | Segment liabilities                     | 130,737.70               | 138,210.77  | 9.56        | 17.61    | -                                       | 35,810.54  | 130,747.26         | 174,038.92         |
|         | Add: Unallocated corporate liabilities  |                          |             |             |          |   |            | 29,099.08          | 21,097.81          |
|         | <b>Total liabilities</b>                |                          |             |             |          |   |            | <b>159,846.34</b>  | <b>195,136.73</b>  |
|         | Segment capital employed                | 43,562.12                | 10,898.07   | 3,709.94    | 3,701.89 | 9,819.27                                | 71,711.08  | 57,091.33          | 86,311.04          |
|         | Add: Unallocated capital employed       |                          |             |             |          |   |            | (27,465.20)        | (20,105.76)        |
|         | <b>Total capital employed</b>           |                          |             |             |          |   |            | <b>29,626.13</b>   | <b>66,205.28</b>   |
| 4       | Capital expenditure                     | 5,718.80                 | 83,11.05    | -           | -        | 5.39                                    | 6.34       | 5,724.19           | 8,317.39           |
| 5       | Depreciation and amortisation           | 16,259.74                | 15,670.01   | -           | -        | 23.95                                   | 23.83      | 16,283.69          | 15,693.84          |

### 36 Financial instruments

#### (i) Categories of financial instruments and fair value hierarchy

Details as at March 31, 2020 are as follows:

(₹ in Lakh)

| Particulars               | Amortised cost#  | Fair value - hedging instruments | Fair value through other comprehensive income | Fair value through profit or loss | Total carrying value | Fair Value Hierarchy |
|---------------------------|------------------|----------------------------------|---|-----------------------------------|----------------------|----------------------|
| <b>Financial Assets</b>   |                  |                                  |   |                                   |                      |                      |
| Cash and cash equivalents | 1,364.94         | -                                | -   | -                                 | 1,364.94             | -                    |
| Other bank balances       | 8,815.18         | -                                | -   | -                                 | 8,815.18             | -                    |
| Trade receivables         | 3,205.88         | -                                | -   | -                                 | 3,205.88             | -                    |
| Loans                     | 5,482.67         | -                                | -   | -                                 | 5,482.67             | -                    |
| Investments*              | 34,784.70        | -                                | 113.45  | 164.77                            | 35,062.92            | Level 1              |
| Investments*              | -                | -                                | 9,613.00                                      | -                                 | 9,613.00             | Level 3              |
| Other financial assets    | 2,610.09         | -                                | -   | -                                 | 2,610.09             | -                    |
| <b>Total</b>              | <b>56,263.46</b> | <b>-</b>                         | <b>9,726.45</b>                               | <b>164.77</b>                     | <b>66,154.68</b>     |                      |

## Notes to the financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Particulars   | Amortised cost#   | Fair value - hedging instruments | Fair value through other comprehensive income | Fair value through profit or loss | Total carrying value | Fair Value Hierarchy |
|---|-------------------|----------------------------------|---|-----------------------------------|----------------------|----------------------|
| <b>Financial Liabilities</b>  |                   |                                  |   |                                   |                      |                      |
| Trade payables  | 25,295.12         | -                                | -   | -                                 | 25,295.12            | -                    |
| Borrowings (other than debt securities)   | 68,153.29         | -                                | -   | -                                 | 68,153.29            | -                    |
| Derivatives   | -                 | 45.00                            | -   | -                                 | 45.00                | Level 2              |
| Other financial liabilities   | 45,254.46         | -                                | -   | -                                 | 45,254.46            | -                    |
| <b>Total</b>  | <b>138,702.96</b> | <b>45.00</b>                     | -   | -                                 | <b>138,747.97</b>    |                      |
| # The Company considers that the carrying amounts of these financial instruments recognised in the financial statements approximates its fair values. |                   |                                  |   |                                   |                      |                      |
| *excludes investment in subsidiaries  |                   |                                  |   |                                   |                      |                      |

Details as at March 31, 2019 are as follows:

(₹ in Lakh)

| Particulars   | Amortised cost#    | Fair value - hedging instruments | Fair value through other comprehensive income | Fair value through profit or loss | Total carrying value | Fair Value Hierarchy |
|---|--------------------|----------------------------------|---|-----------------------------------|----------------------|----------------------|
| <b>Financial Assets</b>   |                    |                                  |   |                                   |                      |                      |
| Cash and cash equivalents   | 2,188.10           | -                                | -   | -                                 | 2,188.10             | -                    |
| Other bank balances   | 7,787.88           | -                                | -   | -                                 | 7,787.88             | -                    |
| Trade receivables   | 7,839.77           | -                                | -   | -                                 | 7,839.77             | -                    |
| Loans   | 23.00              | -                                | -   | -                                 | 23.00                | -                    |
| Investments*  | -                  | -                                | 34,281.20                                     | 46,626.59                         | 80,907.79            | Level 1              |
| Investments*  | -                  | -                                | 26,653.91                                     | -                                 | 26,653.91            | Level 3              |
| Other financial assets  | 1,308.33           | -                                | -   | -                                 | 1,308.33             | -                    |
| <b>Total</b>  | <b>19,147.09</b>   | -                                | <b>60,935.11</b>                              | <b>46,626.59</b>                  | <b>126,708.78</b>    |                      |
| <b>Financial Liabilities</b>  |                    |                                  |   |                                   |                      |                      |
| Trade payables  | 21,283.14          | -                                | -   | -                                 | 21,283.14            | -                    |
| Borrowings (other than debt securities)   | 98,595.72          | -                                | -   | -                                 | 98,595.72            | -                    |
| Derivatives   | -                  | 936.35                           | -   | -                                 | 936.35               | Level 2              |
| Other financial liabilities   | 35,803.82          | -                                | -   | -                                 | 35,803.82            | -                    |
| <b>Total</b>  | <b>1,55,682.67</b> | 936.35                           | -   | -                                 | <b>156,619.02</b>    |                      |
| # The Company considers that the carrying amounts of these financial instruments recognised in the financial statements approximates its fair values. |                    |                                  |   |                                   |                      |                      |
| *excludes investment in subsidiaries  |                    |                                  |   |                                   |                      |                      |

## Notes to the financial statements for the year ended March 31, 2020

### Valuation techniques and significant unobservable inputs

The following table show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

| Type        | Valuation technique           | Increase / decrease of 5% or so in the discount rate would result in decrease / increase in the fair value    | Valuation process  |
|-------------|-------------------------------|---|--|
| Investments | Discounted cash flow approach | Increase / decrease of 5% or so in the discount rate would result in decrease / increase in the fair value \$ | Company has referred the fair valuation report of external valuation consultant for certain equity instruments measured at FVTOCI. |

\$ holding all other variables constant

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

### Changes in level 3 items

| Particulars                                   | Investment in equity shares |
|---|-----------------------------|
| <b>As at March 31, 2019</b>                   | <b>26,653.91</b>            |
| Additions                                     | -                           |
| Disposals                                     | (9,748.59)                  |
| Loss recognised in other comprehensive income | (7,292.32)                  |
| <b>As at March 31, 2020</b>                   | <b>9,613.00</b>             |

### 36 Financial instruments - Financial risk management

The Company's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The Company's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Company. The Company's principal financial assets include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations. The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

#### i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. The carrying amounts of financial assets represent the maximum credit exposure.

##### Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. There is no expected credit loss on trade receivables due to shorter realisation period of upto 90 days and the customer being part of the same Hinduja Group.

##### Cash and cash equivalents and other bank balances

The Company held cash and cash equivalents and Other bank balances with credit worthy banks of ₹ 425.96 lakh as at March 31, 2020 (March 31, 2019: ₹ 506.29 lakh) respectively. The credit worthiness of such banks and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

##### Loans and other financial assets

Loans to group companies and Other financial assets including security deposits, etc are measured at amortised cost. Credit risk related to these financial assets are managed by monitoring the recoveries of such amounts on regular basis. The Company does not perceive any credit risk related to loan given to group companies since these will have an additional financial support from promoters as and when necessary.

## Notes to the financial statements for the year ended March 31, 2020

### Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any loss from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

### ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its financial liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

For the Company, liquidity risk arises from obligations on account of financial liabilities – (borrowings other than debt securities), trade payables and other financial liabilities.

#### Liquidity risk management

The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Company ensures that it has sufficient cash on demand to meet expected operational expenses for a month, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

#### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

| Particulars  | Carrying amount | Contractual cash flows |           |           |                   | Total     |
|--|-----------------|------------------------|-----------|-----------|-------------------|-----------|
|  |                 | Less than 12 months    | 1-2 years | 2-5 years | More than 5 years |           |
| <b>March 31, 2020</b>  |                 |                        |           |           |                   |           |
| <b>Non-derivative financial liabilities</b>  |                 |                        |           |           |                   |           |
| Trade payables   | 25,295.71       | 25,295.71              | -         | -         | -                 | 25,295.71 |
| Borrowings other than debt securities (excluding unamortised borrowing costs) (Refer Note No. 1) | 73,304.39       | 18,013.59              | 3,915.08  | 16,319.99 | 3,256.00          | 41,504.66 |
| Other financial liabilities  | 24,319.80       | 24,319.80              | -         | -         | -                 | 24,319.80 |
| <b>March 31, 2019</b>  |                 |                        |           |           |                   |           |
| <b>Non-derivative financial liabilities</b>  |                 |                        |           |           |                   |           |
| Trade payables   | 21,283.14       | 21,283.14              | -         | -         | -                 | 21,283.14 |
| Borrowings other than debt securities (excluding unamortised borrowing costs) (Refer Note No. 1) | 119,642.61      | 40,000.44              | 4,008.30  | 14,422.16 | 7,465.41          | 65,896.32 |
| Other financial liabilities  | 6,866.38        | 6,866.38               | -         | -         | -                 | 6,866.38  |

Note:-

1 As disclosed in note no. 41, the Company has secured bank loans that contain loan covenants. Under the agreement, the covenants are monitored on a regular basis by the management to ensure compliance.

The interest payments on variable interest rate borrowings as stated above, reflect market interest rates at the reporting date and these amounts may change as market interest rates change.

## Notes to the financial statements for the year ended March 31, 2020

### iii. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return, in foreign currency revenues and costs. The Company is domiciled in India and has its revenues and other transactions in its functional currency i.e. Rupees. Accordingly the Company is not exposed to any currency risk.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risks relates primarily to the Company's interest obligations on its borrowings. Borrowings issued at variable rates are exposed to fair value interest rate risk.

#### Exposure to interest rate risk

|                          | (₹ in Lakh)             |                         |
|--------------------------|-------------------------|-------------------------|
| Particulars              | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Variable rate borrowings | 68,153.29               | 98,595.72               |
| <b>Total Borrowings</b>  | <b>68,153.29</b>        | <b>98,595.72</b>        |

#### Interest rate sensitivity - variable rate borrowings

The below table mentions the impact of increase or decrease in the interest rates of variable rate borrowings on statement of profit and loss.

|                                   | (₹ in Lakh)                               |                              |
|-----------------------------------|---|------------------------------|
| Particulars                       | Impact on Statement of Profit and<br>Loss |                              |
|                                   | Year ended<br>March 31, 2019              | Year ended<br>March 31, 2018 |
| Interest Rate increase by 100bps* | 681.53                                    | 985.96                       |
| Interest Rate decrease by 100bps* | (681.53)                                  | (985.96)                     |

\* holding all other variables constant

#### Price risk

The Company's exposure to equity securities price risk arises from investments held by the Company and has been reclassified as financial assets held for sale in the balance sheet either at fair value through profit and loss (FVTPL) or fair value through other comprehensive income (FVTOCI). The majority of the Company's equity investments are unquoted (Refer note no. 12A). The financial assets are carried at fair value as at March 31, 2020 after considering the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19.

### iv. Capital Management

The Company establishes its capital structure considering the key objective of maximising the shareholder's return.

The Company's objectives when managing capital are to :

- a) safeguard their ability to continue as a going concern, so that they can continue to maintain investor, creditor and market confidence, better credit rating and to sustain future development of the business, and
- b) maintain an optimal capital structure (optimum mix of debt to equity) to reduce the cost of capital thus leading to achieving the Company's objective of maximizing shareholder's return.

The capital structure of the Company consists of net debt and total equity of the Company. The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure. The Company's management reviews the capital structure of the Company considering the cost of capital and the risks associated with each class of capital.



## Notes to the financial statements for the year ended March 31, 2020

The capital composition is as follows:

| Particulars           | (₹ in Lakh)             |                         |
|-----------------------|-------------------------|-------------------------|
|                       | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Gross Debt            | 68,153.29               | 98,595.72               |
| Less: Cash and Bank   | 10,180.12               | 9,975.98                |
| Net Debt (A)          | 57,973.17               | 88,619.74               |
| Equity (B)            | 29,626.13               | 66,205.28               |
| Gearing ratio (A / B) | 1.96                    | 1.34                    |

### 37 Employee benefits expense

The Company has classified various benefits provided to employees as under:

#### i. Defined contribution plan

- a) Provident fund
- b) State defined contribution plans
  - i Employer's contribution to employees' state insurance
  - ii Employer's contribution to Employees' Pension Scheme, 1995.

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| -Employer's contribution to provident fund<br>[Includes EDLI charges and employer's contribution to Employee's Pension Scheme, 1995] * | 297.18                       | 2,910.77                     |
| -Employer's contribution to employees' state insurance *   | 0.10                         | 0.15                         |

"\*\*included in contribution to employees provident and other funds - Refer note no. 24 of the Financial statements."

#### ii. Defined benefit plan

##### Contribution to Gratuity fund (unfunded scheme)

The Company has a defined benefit gratuity plan in India (unfunded). The company's defined benefit gratuity plan is a final salary plan for employees. Gratuity is paid from company as and when it becomes due and is paid as per company scheme for Gratuity.

The following table shows a reconciliation from the opening balance to the closing balance for the net defined benefit (assets) / liabilities and its components and the assumptions used to determine the same.

| Description   | (₹ in Lakh)    |                |
|---|----------------|----------------|
|   | March 31, 2020 | March 31, 2019 |
| <b>Changes in the present value of defined benefit obligation</b>                           |                |                |
| Balance at the beginning of the year  | 510.36         | 386.36         |
| Transfers*  | -              | -              |
| Interest cost   | 39.62          | 30.08          |
| Current service cost  | 42.89          | 34.93          |
| Actuarial (gain) / loss recognized in Other comprehensive income ('OCI')                    | -              | -              |
| - change in experience  | 69.31          | 89.58          |
| - change in demographic assumption  | 5.00           | -              |
| - change in financial assumption  | 44.83          | 1.02           |
| Benefits paid   | (94.48)        | (31.61)        |
| <b>Benefit obligation at the end of the year</b>  | <b>617.53</b>  | <b>510.36</b>  |
| * Represents liability discharged in respect of employees transferred from group companies. |                |                |

## Notes to the financial statements for the year ended March 31, 2020

| Description   | (₹ in Lakh)                                     |   |
|---|---|---|
|   | March 31, 2020                                  | March 31, 2019                                  |
| <b>Changes in the fair value of plan assets</b>                                       |   |   |
| Balance at beginning of the year  | 395.00  | 447.00  |
| Interest income   | 31.00   | 35.00   |
| Contributions paid to the fund  | 158.00  | 6.00  |
| Balance transferred on account of acquisitions / (demerger)                           | -   | (56.00)   |
| Benefits paid   | (56.00)   | (27.00)   |
| Return on plan assets excluding amounts included in interest income recognised in OCI | (3.00)  | (10.00)   |
| <b>Fair value of plan assets at the end of the year</b>                               | <b>525.00</b>                                   | <b>395.00</b>                                   |
| <b>(Assets) and liabilities recognised in the Balance sheet</b>                       |   |   |
| Present value of the defined benefit obligation at the end of the year                | 617.53  | 510.36  |
| Less: Fair value of plan assets at the end of the year                                | (525.00)  | (395.00)  |
| Net liability / (asset) recognised  | <b>92.53</b>                                    | <b>115.36</b>                                   |
| <b>Net interest cost for current period</b>   |   |   |
| Present value of benefit obligation at the beginning of the year                      | 651.36  | 503.36  |
| (Fair value of plan assets at the beginning of the year)                              | (525.00)  | (395.00)  |
| Net Liability / (Asset) at the beginning  | <b>126.36</b>                                   | <b>108.36</b>                                   |
| Interest Cost   | 39.62   | 5.08  |
| (Interest Income)   | (31.00)   | -   |
| Net interest cost for the current year  | <b>8.62</b>                                     | <b>5.08</b>                                     |
| <b>Expenses recognised in the Statement of profit and loss</b>                        |   |   |
| Current Service Cost  | 42.89   | 34.93   |
| Net interest (income) / expense   | 8.62  | (4.92)  |
| <b>Net gratuity cost recognised in the current year</b>                               | <b>51.51</b>                                    | <b>30.01</b>                                    |
| <b>Expenses recognised in the statement of other comprehensive income ('OCI')</b>     |   |   |
| Remeasurements of the net defined benefit liability / (asset)                         |   |   |
| Actuarial losses on obligation for the period   | 119.14  | 90.60   |
| Return on plan assets excluding interest income                                       | 3.00  | 9.00  |
|   | <b>122.14</b>                                   | <b>99.60</b>                                    |
| <b>Reconciliation of net (asset) / liability recognised:</b>                          |   |   |
| Net (asset) / liability recognised at the beginning of the year                       | 115.36  | (60.64)   |
| Company contributions   | (158.00)  | (6.00)  |
| Transfers*  | -   | 56.00   |
| Expenses recognised in other comprehensive income                                     | 122.14  | 100.60  |
| Expenses recognised in statement of profit and loss                                   | 51.51   | 30.01   |
| Benefits Paid   | (38.48)   | (4.61)  |
| <b>Net (asset) / liability recognised at the end of the year</b>                      | <b>92.53</b>                                    | <b>115.36</b>                                   |
| (included in note no. 16 of Provisions)   |   |   |
| <b>Actuarial assumptions</b>  | <b>March 31, 2020</b>                           | <b>March 31, 2019</b>                           |
| <b>Mortality rate</b>   | <b>Indian Assured Lives Mortality (2006-08)</b> | <b>Indian Assured Lives Mortality (2006-08)</b> |
| Discount rate (per annum)   | 6.87%   | 7.76%   |
| Expected rate of return on plan assets  | N.A   | N.A   |
| Future salary growth  | 6.00%   | 6.00%   |
| Rate of employee turnover (Attrition rate)  | 2.00%   | 2.00%   |

## Notes to the financial statements for the year ended March 31, 2020

### Sensitivity Analysis:

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the present value of obligation ('PVO') and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

| Particulars   | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Projected Benefit Obligation on Current assumptions     | 92.53          | 115.36         |
| Delta Effect of +1% Change in Rate of Discounting       | (0.92)         | (0.95)         |
| Delta Effect of -1% Change in Rate of Discounting       | 1.11           | 1.12           |
| Delta Effect of +1% Change in Rate of Salary Increase   | 1.11           | 1.13           |
| Delta Effect of -1% Change in Rate of Salary Increase   | (0.94)         | (0.97)         |
| Delta Effect of +1% Change in Rate of Employee Turnover | 0.08           | 0.09           |
| Delta Effect of -1% Change in Rate of Employee Turnover | (0.10)         | (0.11)         |

### Note:

Sensitivity for significant actuarial assumption is computed by varying one actuarial assumption used for the valuation of defined benefit obligation by one percentage, keeping all other assumptions constant. The methods and types of assumptions used in preparing the sensitivity analysis has not changed as compared to previous year.

### Projected Benefits Payable in Future Years From the Date of Reporting:

| Year                      | March 31, 2020 | March 31, 2019 |
|---------------------------|----------------|----------------|
| 1st Following Year        | 69.28          | 100.06         |
| 2nd Following Year        | 22.19          | 21.18          |
| 3rd Following Year        | 30.20          | 20.27          |
| 4th Following Year        | 33.21          | 26.28          |
| 5th Following Year        | 40.23          | 28.30          |
| Sum of Years 6 To 10      | 2.66           | 3.05           |
| Sum of Years 11 and above | 1,088.46       | 895.95         |

### Compensated absences

Provision in respect of Compensated absences / leave encashment benefits has been made based on actuarial valuation carried out by an independent actuary at the Balance sheet date using Projected Unit Credit method. The liability for leave encashment and compensated absences as at March 31, 2020 aggregates ₹ 207.42 lakh [Previous Year - ₹ 127.47 lakh].

## Notes to the financial statements for the year ended March 31, 2020

### 38 Discontinued operations:

#### a. Financial performance:

| Particulars   | (₹ in Lakh)             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Revenue from operations   | 373.91                  | 597.84                  |
| <b>Total Income</b>   | <b>373.91</b>           | <b>597.84</b>           |
| <b>Expenses</b>   |                         |                         |
| Net (Profit) / Loss on fair valuation of financial instruments at fair value through profit or loss | 671.07                  | 159.63                  |
| Net (Profit) / Loss on sale of financial instruments at fair value through profit or loss           | 28,580.22               | 2,371.90                |
| Employee benefits expense   | 123.77                  | 167.74                  |
| Finance costs   | 3,386.22                | 4,466.25                |
| Other expenses  | 411.69                  | 402.20                  |
| <b>Total Expenses</b>   | <b>33,172.97</b>        | <b>7,567.72</b>         |
| <b>Loss before tax</b>  | <b>(32,799.06)</b>      | <b>(6,969.88)</b>       |
| Current tax   | -                       | 8,225.95                |
| Deferred tax / (reversal)   | (8,458.18)              | (11,326.84)             |
| Short provision for tax relating to prior years   | 35.81                   | 57.69                   |
| <b>Loss after tax from discontinued operations</b>  | <b>(24,376.69)</b>      | <b>(3,926.68)</b>       |
| <b>Other comprehensive income</b>   |                         |                         |
| Net Profit / (Loss) on fair valuation of equity instruments through other comprehensive income      | (3,743.46)              | 1,416.34                |
| Net Profit / (Loss) on sale of equity instruments through other comprehensive income                | (24,477.97)             | 657.52                  |
| Current tax   | -                       | 2,360.64                |
| Deferred tax / (reversal)   | 3,802.86                | (2,691.73)              |
| <b>Other comprehensive income</b>   | <b>(24,418.57)</b>      | <b>2,404.95</b>         |
| <b>Total comprehensive income</b>   | <b>(48,795.26)</b>      | <b>(1,521.73)</b>       |

#### b. Cash flows

| Particulars                             | (₹ in Lakh)                  |                              |
|---|------------------------------|------------------------------|
|   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
| a. Cash flows from operating activities | (1,475.88)                   | (545.28)                     |
| b. Cash flows from investing activities | 40,515.07                    | 60,899.50                    |
| c. Cash flows from financing activities | (39,136.54)                  | (4,301.91)                   |

## Notes to the financial statements for the year ended March 31, 2020

### c. Analysis of assets and liabilities over which control was lost:

| Particulars  | (₹ in Lakh)             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Non-current Assets</b>  |                         |                         |
| Property, plant and equipment  | -                       | 84.36                   |
| Other intangible assets  | -                       | 0.24                    |
| Investments  | -                       | 60,808.22               |
| <b>Total Non-current Assets</b>  | <b>-</b>                | <b>60,892.82</b>        |
| <b>Current Assets</b>  |                         |                         |
| Investments  | -                       | 46,626.59               |
| Trade receivables  | -                       | 0.24                    |
| Other bank balances  | -                       | 0.35                    |
| Loans  | -                       | -                       |
| Other financial assets   | -                       | 1.63                    |
| Financials Assets classified as held for sale                            | 9,818.77                | -                       |
| <b>Total Current Assets</b>  | <b>9,818.77</b>         | <b>46,628.81</b>        |
| <b>Total Assets</b>  | <b>9,818.77</b>         | <b>107,521.63</b>       |
| <b>Liabilities</b>   |                         |                         |
| <b>Non-current Liabilities</b>   |                         |                         |
| Provisions   | -                       | 7.77                    |
| <b>Total Non-current Liabilities</b>                                     | <b>-</b>                | <b>7.77</b>             |
| <b>Current Liabilities</b>   |                         |                         |
| Borrowings   | -                       | 34,867.90               |
| Trade payables   | -                       | 10.80                   |
| Other financial liabilities  | -                       | 882.42                  |
| Liabilities associated with Financial Assets classified as held for sale | -                       | -                       |
| Provisions   | -                       | 41.65                   |
| <b>Total Current Liabilities</b>   | <b>-</b>                | <b>35,802.77</b>        |
| <b>Total Liabilities</b>   | <b>-</b>                | <b>35,810.54</b>        |

(Refer Note 12A to the standalone financial statements)

## Notes to the financial statements for the year ended March 31, 2020

### 39 Details of the outstanding principal (including unamortised borrowing cost), interest rate, security and repayment terms:

(₹ in Lakh)

| Particulars   | As at March 31, 2020 |                  |                    |   | As at March 31, 2019 |                  |                    |  |
|---|----------------------|------------------|--------------------|---|----------------------|------------------|--------------------|--|
|   | Non-current          | Current          | Interest Rate p.a. | Particulars of redemption / repayment                               | Non-current          | Current          | Interest Rate p.a. | Particulars of redemption / repayment      |
| <b>Secured</b>  |                      |                  |                    |   |                      |                  |                    |  |
| <b>From Bank</b>  |                      |                  |                    |   |                      |                  |                    |  |
| TL – 1  | 27,267.71            | 29,105.25        | Refer note 1 below | Repayable Between April 2018 to September 2025 (Refer note 3 below) | 31,909.58            | 24,733.34        | Refer note 1 below | Repayable Between April 2018 to March 2025 |
| <b>Sub-Total</b>  | <b>27,267.71</b>     | <b>29,105.25</b> |                    |   | <b>31,909.58</b>     | <b>24,733.34</b> |                    |  |
| <b>From Non-Banking Financial Institutions (Refer note no. 2 below)</b> |                      |                  |                    |   |                      |                  |                    |  |
| TL – 2  | -                    | -                | -                  | -   | -                    | 4,998.19         | 9.15%              | Repayable in June, 2019                    |
| TL – 3  | -                    | -                | -                  | -   | -                    | 9,986.36         | 10.00%             | Repayable in December, 2019                |
| TL – 4  | -                    | -                | -                  | -   | -                    | 7,497.29         | 9.15%              | Repayable in June, 2019                    |
| TL – 5  | -                    | -                | -                  | -   | -                    | 4,990.38         | 9.85%              | Repayable in March, 2020                   |
| TL – 6  | -                    | -                | -                  | -   | -                    | 4,494.01         | 10.95%             | Repayable in December, 2020*               |
| TL – 7  | -                    | -                | -                  | -   | -                    | 2,496.67         | 10.95%             | Repayable in November, 2020*               |
| <b>Sub-Total</b>  | <b>-</b>             | <b>-</b>         | <b>-</b>           | <b>-</b>  | <b>-</b>             | <b>34,462.90</b> | <b>-</b>           |  |
| <b>Unsecured</b>  |                      |                  |                    |   |                      |                  |                    |  |
| Inter corporate deposits  | -                    | 37,165.13        | 10.55% - 12.00%    | Repayable on demand   | -                    | 8,475.00         | 11.10%             | Repayable on demand                        |
| <b>Total</b>  | <b>27,267.71</b>     | <b>66,270.38</b> |                    |   | <b>31,909.58</b>     | <b>67,671.24</b> |                    |  |

\*Put / call Option at every 365 days interval from initial disbursement date.

Notes:

- TL-1- The Loan is repayable in 7 years in 28 quarterly instalments, for each tranche of disbursement. First repayment will commence from 4th month of the date of each tranche of disbursement. Interest rate 6 months MCLR and Yes Bank Limited shall reset the 6 months MCLR on 1st day of the month falling after six calendar months including the month in which drawdown has been made. First Charge on all current and movable assets (both present and future) and Escrow Account for collection of proceeds of lease rentals to be created in favour of Vistra ITCL India Ltd.
- TL-2 to TL-7 have been prepaid in full during the year ended March 31, 2020. Out of the total shares held as on March 31 2020, 17,482 equity shares pledged against TDS certificates [March 31, 2019: 3,946,148 equity shares pledged against loan availed].
- In line with the RBI Directive dated March 27, 2020 for moratorium of loan; the management has exercised option to defer the loan instalments for a period of Six months from the date it became due. Also, as per further RBI Directive dated May 22, 2020; the management has exercised option to defer the loan instalments for a period of further Six months from 1st moratorium.



## Notes to the financial statements for the year ended March 31, 2020

4

| Name of borrower and term loans from banks and financial institutions | Nature of security   | Particulars of redemption / repayment  |
|---|--|--|
| ICICI Bank  | Secured by pari passu hypothecation over all movable assets, current assets, receivables and all proceeds of the borrowers which have been deposited, credited and lying in bank accounts, investments assets instruments and securities.  | Applicable rate of interest is sum of I-base and spread -2.30% per annum for term loan and for cash credit I-base spread 2.50% per annum. Repayable in 20 equal quarterly instalments starting from 15 March 2015  |
| Axis Bank   | Secured by pari passu hypothecation on all current assets, movable fixed assets (present and future) and immovable properties.   | Applicable rate of interest is one year MCLR plus spread of 2.05% per annum for term loan and for cash credit three month MCLR and spread of 2.85% per annum. Repayable in 20 unequal quarterly instalments.   |
| Yes Bank  | <p>Term loan 1</p> <p>Secured by pari passu hypothecation on whole of current assets (present and future) and immovable properties.</p> <p>Term loan 2</p> <p>The management is in the process for creation of charges in the name of the Company and satisfaction of charges from transfer of HITS business from Grant Investrade Limited (now merged with HVL).</p>  | <p>Term loan 1</p> <p>Applicable rate of interest is 9.65% per annum (Yes bank base rate) + 2.35% per annum = 12.00% per annum. Repayment in 17 unequal quarterly instalments.</p> <p>Term loan 2</p> <p>Applicable rate of interest is 9.65% per annum (Yes bank base rate) + 2.35% per annum = 12.00% per annum. Repayment in fixed percentage starting from December 2016 to September 2022.</p> <p>Buyers credit</p> <p>Repayable between June 2019 to April 2021<br/>Letter of credit / Letter of Undertaking / Bank guarantee / Cash credit (LC / LoU / BG / CC)<br/>Applicable rate of interest for LC/LOU/BG Commission 1% per annum and cash credit base rate plus 2.5% per annum.</p> <p>Working capital</p> <p>loan, repayable on demand at 11.00% per annum.</p> |
| RBL Bank  | <p>First pari passu charge over all present and future fixed (movable and immovable) and current assets of the company (including all future additions to fixed assets in IMCL post the the appointed date and all additions to the fixed assets of the Headend in the Sky ('HITS') business, excluding exclusive charge of Yes Bank on future additions to fixed assets of the HITS business upto a maximum value of ₹ 5,000 lakhs).</p> <p>Second pari passu charge over all present and future fixed (movable and immovable), current assets and immovable property of the company.</p> | <p>Term loan 1, repayable in 14 quarterly installments at 11% per annum.</p> <p>Term loan 2, repayable in 14 equal quarterly installments at marginal cost of fund based lending rate ('MCLR').</p> <p>Buyers credit</p> <p>Repayable between April 2020 to May 2020"</p>  |

## Notes to the financial statements for the year ended March 31, 2020

### 40 Loans (current)

#### A Loans and advances in the nature of loans to subsidiaries and associates (pursuant to Clause 32 of the Listing Agreement with Stock Exchanges):

(₹ in Lakh)

| Name of the Company              | Relationship        | Balance        |                | Maximum balance outstanding |           |
|----------------------------------|---------------------|----------------|----------------|-----------------------------|-----------|
|                                  |                     | March 31, 2020 | March 31, 2019 | 2019-2020                   | 2018-2019 |
| IN Entertainment (India) Limited | Indirect Subsidiary | 3,590.00       | -              | 3,590.00                    | -         |

#### Notes:

- i) Loans and advances, in the nature of loans to subsidiaries as shown above are repayable on demand.
- ii) There are no other loans and advances in the nature of loans where there is no repayment schedule.
- iii) Loans and advances to employees and investment by such employees in the shares of the Company, if any, are excluded from the above disclosure.

#### B Details of loans given during the year in the form of Inter Corporate Deposits and the purpose for which the loan is proposed to be utilised by the recipient of the loan as required under Section 186 (4) of the Companies Act, 2013 are as under:

(₹ in Lakh)

| Name of the Company              | Loans given during the year | Loans given during the year | Loans repaid during the year | Loans repaid during the year | Terms and conditions  | Purpose / utilisation by the borrower |
|----------------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|---|---------------------------------------|
|                                  | 2019-2020                   | 2018-2019                   | 2019-2020                    | 2018-2019                    |   |                                       |
| Aasia Coporation LLP             | -                           | 2,000.00                    | -                            | 2,000.00                     | Loan is repayable on demand and the interest rate is 10.00% p.a.                            | To meet working capital requirement   |
| IN Entertainment (India) Limited | 3,590.00                    | 35.00                       | -                            | 311.00                       | Loan is repayable on demand and the interest rate is 11.10% p.a. (Previous Year 10.00% p.a) | To meet working capital requirement   |
| Hinduja Realty Ventures Limited  | 3,100.00                    | 8,300.00                    | 3,100.00                     | 8,300.00                     | Loan is repayable on demand and the interest rate is 11.00% p.a. (Previous Year 10.00% p.a) | To meet working capital requirement   |
| Hinduja Group Limited            | -                           | -                           | -                            | 7,350.00                     | Loan is repayable on demand and interest rate is 10.00% p.a.                                | To meet working capital requirement   |

## Notes to the financial statements for the year ended March 31, 2020

### 41 Business combination

#### (a) Merger of Media and Communication undertaking of Indusind Media & Communications Limited, subsidiary company

The Scheme of amalgamation for merger of Media and Communication undertaking of Indusind Media & Communications Limited, subsidiary company, with the Company, was approved by the Hon'ble National Company Law Tribunal (NCLT) Bench at Bombay vide its Order dated August 21, 2020 with effect from the appointed date ie October 1, 2019.

Based on the accounting prescribed in the NCLT Scheme which is in accordance with the accounting prescribed in Appendix C to Ind AS 103, the Company has used the pooling of interest method to account for the merger. The Company used carrying amounts as appearing in the standalone financial statement of the Company while applying the pooling of interest method. Based on the requirements of Appendix C to Ind AS 103, the Company has restated the financial information appearing in these financial statements in respect of prior periods as if the merger had occurred from the beginning of the preceding period. Hence, while preparing restated Ind AS Financial Statement for the year ended March 31, 2020 merger of Media and Communication undertaking of Indusind Media & Communications Limited is restated from the beginning of the comparative period, viz., April 1, 2018.

Pursuant to the above Scheme of Arrangement, as at 1 April 2018 the Company has assumed net liabilities and reserves of ₹ 5,352 lacs and ₹ 248 lacs respectively by canceling the proportionate investment in IMCL of ₹ 131,069 lacs and proposed fresh issue of fixed number of 3,495,566 equity shares (at par value) amounting to ₹ 350 Lakhs. The net debit balance of ₹ 136,523 lakhs on account of merger has been recognised to capital reserve.

#### (b) Details of assets and liabilities taken over :

| Particulars   | As at April 1, 2018 |
|---|---------------------|
| Property, plant and equipment (net of accumulated depreciation) | 67,225.52           |
| Capital work-in-progress  | 1,484.44            |
| Other intangible assets (net of accumulated depreciation)       | 6,565.41            |
| Non current investments   | 28,204.13           |
| Derivative  | 15.29               |
| Loans receivables   | 629.74              |
| Other financial assets  | 77.25               |
| Income tax assets (net)   | 3,446.00            |
| Other non-current assets  | 892.26              |
| <b>Current assets</b>   |                     |
| Inventories   | 275.84              |
| Trade receivable  | 8,657.23            |
| Investments   | 474.78              |
| Cash and cash equivalent  | 2,861.89            |
| Other Bank balances   | 6,394.93            |
| Loans receivables   | 3,264.31            |
| Other financial assets  | 3,898.02            |
| Other current assets  | 3,537.60            |
| <b>Total assets (A)</b>   | <b>137,904.65</b>   |
| <b>Non-current liabilities</b>                                  |                     |
| Borrowings  | 39,733.06           |
| Provisions  | 318.00              |

## Notes to the financial statements for the year ended March 31, 2020

| Particulars  | As at April 1, 2018 |
|--|---------------------|
| Deferred income  | 15,525.04           |
| <b>Current liabilities</b>   |                     |
| Borrowings   | 22,678.86           |
| Trade payables   | 18,512.04           |
| Derivatives  | 808.92              |
| Other financial liabilities (including temporary book overdraft of INR 2,489)                                      | 33,337.69           |
| <b>Deferred income</b>   | 11,612.79           |
| Provisions   | 35.83               |
| Other current liabilities  | 694.72              |
| <b>Total liabilities (B)</b>   | <b>143,256.95</b>   |
| <b>Equity instruments transferred through other comprehensive income</b>   | <b>248.00</b>       |
| Net assets acquired at the values appearing in the consolidated financial statements of the Company (C) = (A-B)    | <b>(5,352.30)</b>   |
| Reduction in the value of investments in Indusind Media & Communications Limited (D)                               | 131,069.00          |
| Obligation to issue fixed number of shares to remaining shareholders of Indusind Media & Communication Limited (E) | 349.57              |
| <b>Capital reserves assumed on merger</b>  | <b>136,523</b>      |

#### 42 Contingent liabilities and commitments (to the extent not provided for)

| S. No. | Particulars  | 31 March<br>2020 | 31 March<br>2019 |
|--------|--|------------------|------------------|
| a      | Claims against the company not acknowledged as debts relating to:  |                  |                  |
|        | Entertainment tax (refer note (i) below)   | 2,193.00         | 2,193.00         |
|        | Cable Television Related Cases   | 234.16           | 191.00           |
|        | Service tax  | 12,794.00        | 12,794.00        |
|        | Income tax (refer note (viii) below)   | 5,768.90         | 5,672.52         |
|        | Sales Tax and Value Added Tax  | 1,747.00         | 1,659.00         |
|        | Custom Duty  | 1,670.00         | 1,177.00         |
|        | Local Body Tax   | 45.00            | 45.00            |
|        | License fee (Department of Telecommunication) (refer note (iv) below)  | 51,559.00        | 50,775.00        |
|        | Goods and Service Tax  | 101.99           | -                |
| b      | Guarantees/counter guarantees given by the company to:   |                  |                  |
|        | Bank guarantees given to various authorities   | 198.00           | 433.00           |
|        | Custom authorities   | 347.00           | 347.00           |
|        | <b>Other commitments</b>   |                  |                  |
| c.     | Contracts remaining to be executed on capital account and not provided for   | 3,706.91         | 3,932.00         |
| d.     | Letter of Credit ('LC') issued by bankers and outstanding as on reporting date for import/purchase of equipment and services | 907.98           | 1,176.00         |
| e.     | Uncalled Amount on Investment in equity share of Indusind Media and Communication (Refer Note (ix) below)                    | -                | 2618.68          |
| f.     | Co-borrower with customer for loan availed from Hinduja Leyland Finance Limited  | 200.00           | 200.00           |
| g.     | Provident fund   | 409.00           | 409.00           |

## Notes to the financial statements for the year ended March 31, 2020

Relevant notes:

### i Entertainment tax ('ET') material disputes are given below:

Entertainment tax on Local cable operator (LCO) Points (Maharashtra)

The Government of Maharashtra issued Resolution No. - ENT2013/PK59/T-1 ('GR') dated 7 March 2013 for payment of ET on franchisee points by Multi System Operator (MSO). Accordingly, the ET authorities issued demand notices of ₹ 1,809 lakhs relating to Mumbai, Nagpur and Nashik as under:

| S. No | Period                      | Notice Issued by              | City   | 31 March<br>2020 | 31 March<br>2019 |
|-------|-----------------------------|-------------------------------|--------|------------------|------------------|
| a.    | April 2013 – September 2013 | District Collector/ Tahsildar | Mumbai | 507.08           | 507.08           |
| b.    | April 2013 – June 2013      | Office of District Collector  | Nagpur | 181.14           | 181.14           |
| c.    | April 2013 - July 2013      | Office of District Collector  | Nashik | 41.35            | 41.35            |
| d.    | July 2013 – October 2014    | Office of District Collector  | Nagpur | 1,079.92         | 1,079.92         |
|       |                             |                               |        | <b>1,809.49</b>  | 1,809.49         |

In response to the demand notice issued by the ET authorities in Nagpur, the Company has filed a writ petition with Hon'ble High Court of Bombay (Nagpur Bench) challenging the order of Collector and the validity of GR. The matter shifted to Bombay Bench for Consolidation with writ filed by other MSO's and local cable operator ('LCO') associations in Mumbai and Nashik for similar demand order issued. In the interim, for writ filed by the Company before Nagpur Bench, the Hon'ble High Court of Bombay has stayed any recovery proceeding against the Company and in all writ petitions, Hon'ble High Court of Bombay has directed the LCOs to deposit the ET directly to the Entertainment tax authorities or through the Hon'ble High Court of Bombay. Based on the Orders of the Court, collectors in Mumbai have started to collect the Entertainment tax from the LCO's.

The Government of Maharashtra has vide an Ordinance dated 10 February 2014 amended the Maharashtra Entertainment Duty Act, 1923 and the said ordinance was replaced with an Act and amendments passed by the ordinance become part of the Maharashtra Entertainment Duty Act, 1923 vide amendment dated 25 July 2014. The constitutional validity of the Ordinance and the Amendments has been challenged by another MSO and a LCO federation in Maharashtra before the Hon'ble High Court of Bombay. The Company has amended its writ petitions filed before Hon'ble High Court of Bombay.

Based on the above facts, the Company is of the opinion that liability for payment of ET on LCO points for the period April 2013 to June 2017 is not required to be provided in its books as the amount of entertainment tax payable is not ascertainable by the company at this stage and it is not payable by the Company.

### ii. Order from Service tax authorities for reversal of Cenvat Credit on Counter-veiling duty ('CVD') paid on import of Set-top boxes ('STB')

Effective November 2012, Digital Access System (DAS) was introduced in the broadcasting industry in India, in a phased manner, pursuant to which the Company had paid CVD on imported STB's. The Company issues STBs to end subscribers through LCOs (in some cases directly to subscribers) on payment of activation charges. These STBs are not sold to customers and continue to be asset of the Company. STB's are used for providing output service i.e. Cable operator service. The Company has claimed input credit of CVD paid on import against the output liability on Cable operator services under Rule 3 of CENVAT Credit Rules, 2004. The Service Tax Authorities had issued two show cause notice for the period April 2010 to December 2014 and January 2015 to June 2017, denying the claim of the Company for providing Cable operator services for LCO Points, contending STBs are not necessary for providing said services, thus CVD paid on such STBs cannot be availed as input credit under Cenvat Credit Rules, 2004. The matter was heard by Commissioner of the Service Tax during the current year and an Order was passed confirming the demand in both the show cause notices along with penalty amounting to ₹ 12,653 lakhs. In response to the Order, the Company has filed an appeal with the Central Excise and Appellate Tribunal (CESTAT) in April 2019. Based on the above facts, the Company is of the opinion that it still remains the owner of STBs and such STBs have direct nexus with providing of Cable operator services and is thus eligible for input credit and accordingly does not require to make any provisions in the books.

### iii. Value added tax (VAT) material disputes are given below :

The Company had paid service tax on the activation fees of set top boxes (STB). The VAT authorities in the state of Telangana, Uttar Pradesh and Andhra Pradesh passed orders respectively treating the transaction as transfer of Right to use/ Deemed sale and levied VAT. The Company has filed appeal with respective Appellate authorities.

## Notes to the financial statements for the year ended March 31, 2020

The Company is of the opinion that it still remains the owner of STBs. Though physical control of STB is passed on to the end subscriber effective control remains with the Company hence the transaction is not required to be taxed as transfer of Right to use/ Deemed sale. Accordingly the Company is of the opinion that it does not require to make any provisions in the books for the said demand.

#### iv. License fee demand notice from Department of Telecommunication :

The Company received notices during the financial year 2017-2018 from the Department of Telecommunication (DOT) towards alleged revenue loss due to license fees payable on Internet Service Provider (ISP) business along with interest and penalty thereon, for the period 2010-2011 to 2014-2015, aggregating to ₹ 50,775.24 lakhs, under the License No. 820-5/2002-LR dated 16 May 2002 (hereinafter referred to as ISP License) and Unified License bearing No. 821-52/2013-DS for ISP Category A for PAN India. During the said period from 2010-15, the ISP business was with the company was got transferred to ONEOTT Intertainment Limited on 1 April 2015. DOT demand on the Company was stayed by TDSAT vide order dated 20 December 2017 and the said stay has not been vacated as on the date of balance sheet.

Further, based on an indemnity given by the Company to OneOTT, a sum of ₹ 784 lakhs towards alleged license fees payable by OneOTT for the period starting from Mar 2018 till Mar 2020, along with applicable interest, penalty and interest on penalty thereon, is reimbursable by the Company to ONEOTT.

During the current year, in a similar matter, TDSAT vide its order dated 18 October 2019 has set aside the impugned demands and directed DoT to issue directives for maintaining level playing field for all operators. Further, in matters of certain telecom companies relating to 'AGR', the Hon'ble Supreme Court vide its order dated 24 October 2019 upheld DoT's appeal thereby determining what constitutes AGR for the purposes of license fee calculation.

On 5 December 2019, in light of the Hon'ble Supreme Court's judgement, DOT decided to re-examine all demand orders raised and asked all license holders to submit comprehensive representations of the issues involved. The Company have filed representations at appropriate authorities denying the alleged liabilities. Based on an independent legal expert opinion, IMCL and OIL continue to believe that the demands will not be upheld and therefore disclose these as Contingent Liabilities.

#### v. Custom Duty on Activation Fee

The Company had received Show cause notice from the Directorate of Revenue Intelligence (DRI), Mumbai for evasion of Custom Duty on payment of activation fees to Nagra Vision SA and inadvertent claim of Exemption for payment of Special Additional Duty pursuant to Notification No. 21/2012 dated 17 March 2012. The Additional Director General DRI (Adjudication) vide its order dated 28 February 2018 rejected the submissions made by the Company and passed the order confirming a demand of ₹ 927 Lakhs (including penalty and redemption fine). The Company has filed an Appeal before the CESTAT, Mumbai in June 2018. Based on the contention that the amount paid to Nagra Vision SA is towards activation fees and not licence fees, the Company expects that the outcome of the matter will be favorable to the Company on the basis of the Appeal and hence has included the demand as above under contingent liabilities. In addition to above order, during the current year, Company has received a new Show Cause Notice on similar issue for Cable and HITS Division. The reply has already been filed by the Company.

#### vi. Provident Fund

In February 2019, the Hon'ble Supreme Court of India vide its judgment and subsequent review petition of August 2019 has ruled in respect of compensation for the purpose of Provident Fund contribution under the Employee's Provident Fund Act. The Company has assessed possible outcomes of the judgment on determination of provident fund contributions and based on the Company's current evaluation of the judgment, it is not probable that certain allowances paid by the Company will be subject to payment of provident fund. The Company will continue to monitor and evaluate its position based on future events and developments.

vii. The Company has proceedings pending with the Income tax, Service tax authorities, Customs tax authorities, Sales tax authorities and Local body tax authorities. The Company has reviewed all its pending proceedings and has adequately provided where provisions are required and disclosed as contingent liabilities where applicable and quantifiable, in these standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on these standalone financial statements.

viii. In addition to above, the Company has received income tax demand pertaining to IT/ITES business aggregating ₹ 7,144.66 Lakh in respect of period prior to October 1, 2006 which is reimbursable to the Company by Hinduja Global Solutions Limited pursuant to the Scheme of Arrangement and Reconstruction for demerger of IT/ITES business from the Company sanctioned by High Court of Judicature of Bombay and made effective on March 7, 2007. In this regard, the Company had received ₹ 5,550.00 Lakh from



## Notes to the financial statements for the year ended March 31, 2020

Hinduja Global Solutions Limited to discharge part payment of disputed income tax dues pertaining to IT/ITES business. Out of this amount, the Company has received refund of ₹ Nil including interest of ₹ Nil (March 31, 2019 - 1,940.00 Lakh including interest of ₹ 490.00 Lakh) during the year and the net outstanding amount as at March 31, 2020 of ₹ 1,868.99 lakh (March 31, 2019 of ₹ 1,868.99 Lakh). Company has already received a Favourable order from the Hon'ble Bombay High Court. In view of Management and based on the legal advice obtained, the Company has a strong case to succeed.

The honourable Supreme Court of India has admitted a special leave petition (SLP) against section 10A matter under Income Tax Act, 1961 and the contingent liability as disclosed above for the financial year ended March 31, 2020 is recomputed considering all the open assessment years.

- ix. Uncalled amount of ₹ 5.00/- per share (including premium of ₹ 3.00/- per share) in respect of final call against issue of equity shares of ₹ 10 each at a premium of ₹ 90 per share by IndusInd Media & Communications Limited on a rights basis. (Refer note no. 47)
  - x. The Company has given an undertaking to three banks (i.e. Yes Bank Ltd., Axis Bank Ltd. and RBL Bank Ltd.) to retain shareholding to the extent of 51% in the subsidiary viz. IndusInd Media & Communications Limited (IMCL) until all the amounts outstanding under various Facility Agreements entered into by IMCL with the said banks are repaid in full by IMCL.
- 43 In the last quarter of the financial year, COVID-19 was declared a global pandemic and the Government of India announced a country wide lockdown which still continues across large swathes of the country with some variations. In this nation-wide lock-down, the Company has continued to operate and provide its services to its customers, which has been declared as an essential service, without much disruption. The Company has evaluated the carrying value of the assets, recoverability of trade receivable and liquidity position and have concluded that no material adjustments required at this stage in the financial statement.
- 44 The Company held 2,67,00,000, 9% Redeemable Preference Shares in OneOTT Intertainment Limited (OIL), aggregating to ₹ 26,700 lakhs and 5,00,000 9% Redeemable Preference Shares in OIL, aggregating to ₹ 500 lakhs. The Board of Directors of both OIL and the Company agreed to amend the terms of these Redeemable Preference Shares, to convert them into Compulsorily Convertible Preference Shares.

Further, during the year these shares were then converted into Equity shares at a value arrived at based on a valuation carried out by an independent third party valuation firm. Based on this valuation these shares were converted into 2,02,21,169 Equity Shares of ₹ 10 each at a premium of ₹ 124.51 per share. The converted shares were allotted to the Company on August 12, 2019.

Upon completion of allotment of Equity Shares on August 12, 2019 effected by conversion, OIL has become a subsidiary of the Company. "

### 45 Disaggregate Revenue

The table below presents disaggregated revenues from contracts with customers by offerings. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

#### Revenue from contracts with customers (net of indirect taxes) based on offerings:

| Particulars          | ₹ in Lakh)                   |                              |
|----------------------|------------------------------|------------------------------|
|                      | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
| • Sub-broking income | -                            | 9.27                         |
| <b>Total</b>         | <b>-</b>                     | <b>9.27</b>                  |

The above is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108 (Refer note no. 35 on operating segment disclosure).

## Notes to the financial statements for the year ended March 31, 2020

### 46 Dividend remitted in foreign currency

| Particulars                         | (₹ in Lakh)                  |                              |
|-------------------------------------|------------------------------|------------------------------|
|                                     | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
| Amount remitted (₹ in Lakh)         | 486.55                       | 486.55                       |
| Dividend related to financial year  | 2018-19                      | 2017-18                      |
| Number of non-resident shareholders | 13                           | 13                           |
| Number of shares                    | 2,780,312                    | 2,780,312                    |

- 47** The rights issue by Indusind Media & Communications Limited (IMCL) was subscribed during the previous financial year by the Company. During the current financial year, the company received final call notice against the uncalled amount of ₹ 5.00/- per share (including premium of ₹ 3.00/- per share) in respect of final call and accordingly paid ₹ 2,618.68 lakh @ ₹ 5.00/- per share (including premium of ₹ 3.00/- per share). The percentage holding of the Company in equity share capital of IMCL as on March 31, 2020 is 77.55%.
- 48** Government of India, Ministry of Corporate Affairs, office of registrar of Companies, Maharashtra has issued fresh certificate of incorporation dated 25th October, 2019 consequent upon change of name of the Company from "HINDUJA VENTURES LIMITED" to "NXTDIGITAL LIMITED".
- 49** The Taxation Laws (Amendment) Ordinance, 2019 has inserted a new section 115BAA of the Income Tax Act, 1961 ("Act") which gives an option to a Domestic Company to consider a concessional tax rate of 25.168% (effective tax rate). Further, the Company which has exercised the option to pay tax under the new section 115BAA will not be liable to pay minimum alternate tax (MAT) u/s 115JB and also forego the accumulated MAT Credit. After evaluating the options, the Company has decided to adopt the new Section 115BAA and avail the benefit of concessional rate of tax.
- 50** The Board of Directors at its meeting held on July 31, 2020 have recommended a dividend of ₹ 5/- per share (on par value of ₹ 10.00/- each per equity share) for the year ended March 31, 2020, to be approved by the Shareholders in the ensuing Annual General Meeting of the Company.

For and on behalf of the Board of Directors

**Anil Harish**  
Director  
DIN 00001685

**Ashok Mansukhani**  
Managing Director  
DIN 00143001

**Hasmukh Shah**  
Company Secretary  
FCS No. 2029

**Amar Chintopanth**  
Chief Financial Officer

Place : Mumbai  
Date : September 4, 2020

# Independent Auditor's Report

## TO THE MEMBERS OF

### NXTDIGITAL LIMITED (FORMERLY HINDUJA VENTURES LIMITED)

#### Report on the Audit of the Restated Consolidated Financial Statements

##### Opinion

1. We have audited the accompanying Restated Consolidated financial statements of Nxtdigital Limited (Formerly Hinduja Ventures Limited) ("the Parent" / "the Holding Company") in which is incorporated the effect of the Scheme of Arrangement between the Company and Indusind Media & Communications Limited, and its respective shareholders ("the Scheme"), with an appointed date of October 1, 2019 and its subsidiaries (the Parent/Holding Company and its subsidiaries together referred to as "the Group") which comprise the Restated Consolidated Balance Sheet as at March 31, 2020, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Cash flows and the Restated Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information
2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid Restated Consolidated 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 ('IndAS') and other accounting principles generally accepted in India, of the Restated Consolidated state of affairs of the Group as at March 31, 2020, and their Restated Consolidated loss, their Restated Consolidated total comprehensive loss, their Restated Consolidated cash flows and their Restated Consolidated changes in equity for the year ended on that date.

##### Basis of Opinion

3. We conducted our audit of the Restated Consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Restated Consolidated Financial Statements section of our report. We are independent of the Group 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 Restated Consolidated 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the Restated Consolidated financial statements.

##### Emphasis of Matter

4. We draw attention to Note 1 of the Restated Consolidated financial statements regarding the financial statements of the Company for the year ended March 31, 2020 which were earlier approved by the Board of Directors at their meeting held on July 31, 2020 ("Previous Financial Statements") and were subject to revision by the Company so as to give effect to the Scheme of Arrangement between the Company and Indusind Media & Communications Limited and their respective shareholders ("the Scheme"), with effect from the appointed date October 1, 2019. Those Previous Financial Statements were audited by us and our report dated July 31, 2020, addressed to the Members of the Company, expressed an unqualified opinion on those financial statements. Consequent to the Company obtaining the required approvals, the Previous Financial Statements are restated by the Company to give effect to the said Scheme of Arrangement.

Apart from the foregoing matter and as stated in paragraph above, the Restated Consolidated financial statements do not take into account any events subsequent to the date on which the Previous Financial Statements referred to in paragraph above were earlier approved by the Board of Directors and reported upon by us as aforesaid.

Our opinion is not modified in respect of this matter.

##### Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Restated Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Restated Consolidated 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 the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter   | Auditor's Response  |
|--|---|
| <p><b>A) Discontinuation of Treasury and Investment segment operations consequent to sale of shares by the Company.</b></p> <p>During the year, substantial portion of pledged IndusInd Bank Limited (IBL) shares held by the Company were sold to settle the related borrowings. Further, the Company sold nearly 50% of its equity investments in Hinduja Leyland Finance Limited (HLFL). The loss on sale of shares classified as fair value through profit and loss (FVTPL) is ₹ 28,580.22 lakhs while the loss on sale of shares classified as fair value through other comprehensive income (FVTOCI) is ₹ 24,477.97 lakhs.</p> <p>The sale of the Company's substantial investments (both fair valued through profit and loss account and fair valued through other comprehensive income) resulted in the decision to discontinue the Investment and Treasury segment operations.</p> <p>The fair value of balance investment in IBL and HLFL shares amounting to ₹ 164.77 lakhs and Rs.9,613 lakhs respectively as at March 31, 2020 is now reclassified from 'Non-Current financial assets' to 'Financial Assets Held for Sale'. The related borrowing as on March 31, 2020 is Nil.</p> <p>The sale of IBL shares and HLFL shares being a significant transaction during the year and the decision of discontinuance of the Investment and Treasury segment being a significant event of the year and also as it involves evaluation of the conditions that is required to be satisfied for classification of assets held for sale, fair valuation of assets less cost of disposal and consequential impairment, if any, identification of continuing and discontinuing operations alongwith disclosure and presentation in the Restated Consolidated Financial Statements are considered as key areas for our audit.</p> <p>Also refer note 17 and note 49 to the Restated Consolidated Financial Statements.</p> | <p><b>Principal Audit Procedures</b></p> <p>We focussed our control and substantive testing procedures towards the discontinuing operations. Our audit procedures comprise;</p> <ul style="list-style-type: none"> <li>• Evaluated the design and implementation of relevant controls and the operating effectiveness of such internal controls which inter-alia include controls over sale of investments including the Company's process of recognition and fair valuation of investments held for sale at the year end.</li> <li>• Obtained the sales details and inspected the sale documents including Contract notes / Share purchase agreement for the sales transactions that occurred during the year to check the accuracy of the same.</li> <li>• Verified whether the profit / loss on sale of shares are calculated appropriately and disclosed correctly in the Restated Consolidated Financial Statements.</li> <li>• Verified the no due certificates received from the lenders and release of the pledge shares.</li> <li>• Verified the accounting treatment and related presentation and disclosures in the Restated Consolidated Financial Statements.</li> <li>• Obtained the Management Note for evaluation of discontinuing the Treasury and Investment operations. Reviewed the evaluation by the management of the conditions to be satisfied for classification of assets held for sale for appropriateness.</li> <li>• Tested the fair valuation of assets less cost of disposal.</li> <li>• Understood Management controls around identification of related revenue, expenses, assets and liabilities of the Discontinued Operations.</li> <li>• Analysed for current year and previous year segment information for disclosure of discontinued operations and management plan for disposal of financial assets held for sale.</li> <li>• Verified that the disclosure and presentation in the Restated Consolidated Financial Statements is in accordance with Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations'.</li> </ul> |

| Key Audit Matter  | Auditor's Response  |
|---|---|
| <p><b>B) Revenue from installation, subscription, carriage and channel placement fees.</b></p> <p>The Group earns revenue from installation, subscription, carriage and channel placement fees.</p> <p>We identified revenue recognition as a key audit matter as revenue being a key performance indicator its susceptible to management override of controls through the recording of manual journals in the accounting records and the override of IT systems to accelerate revenue recognition.</p> <p>Further, significant judgements is involved in determining timing and amount of revenue recognition for installation and carriage and channel placement fees.</p> <p>Also refer Note 29 to the Restated Consolidated Financial Statements.</p>   | <p><b>Principal Audit Procedures</b></p> <p>We focussed our audit procedures towards the revenue earned from installation, subscription, carriage and channel placement fees. Our audit procedures comprise;</p> <ul style="list-style-type: none"> <li>• Evaluated the design and implementation of relevant controls and the operating effectiveness of such internal controls which inter-alia include key internal controls over revenue recognition</li> <li>• Tested profiled journal entries for management override of control.</li> <li>• Understood and assessed the Management's policy for revenue recognition and evaluated the same in accordance with the requirements of Ind AS 115 'Revenue from Contracts with Customers'</li> <li>• For selected samples, verified the terms of arrangement with the local cable operators and broadcasters to identify and understand the pricing and performance obligations under these contracts /arrangements and that revenue recognized was complete and was recorded in the appropriate period and at the correct value to check the accuracy of the same.</li> <li>• Involved our IT specialists and tested the General IT controls over the revenue billing and accounting systems.</li> </ul> |
| <p><b>c) Assessment of the fair value of the goodwill on consolidation</b></p> <p>The Restated Consolidated financial statements reflects goodwill amounting to ₹ 13,232 lakhs allocated towards cash generating unit (CGUs) of broadband business amounting to ₹ 10,673 lakhs and cable distribution for other seven operating subsidiaries amounting to Rs.2,558 lakhs.</p> <p>We considered this as key audit matter due to Company's assessment of the fair value less cost of disposal (FVLCD) and value-in-use (VIU) calculations of the CGU. This assessment involves significant judgements on valuation methodology, future performance of business and discount rate applied to future cash flow projections.</p> <p>Also refer Note 6 to the Restated Consolidated Financial Statements.</p> | <p><b>Principal Audit Procedures</b></p> <p>We focussed our audit procedures towards the fair value of goodwill on consolidation. Our audit procedures comprise;</p> <ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to review of goodwill impairment testing performed by management;</li> <li>• Assessing impairment models through testing of the mathematical accuracy and verifying the application of the input assumptions;</li> <li>• Understanding the underlying process used to determine the risk adjusted discount rates;</li> <li>• Assessing the appropriateness of any changes to assumptions since the prior period;</li> <li>• Assessing the cash flow forecasts with reference to historical forecasts, actual performance and independent evidence to support any significant expected future changes to the business;</li> </ul>   |

| Key Audit Matter  | Auditor's Response  |
|---|---|
| <p><b>D) Accounting for the acquisition of OneOTT Intertainment Limited (OIL)</b></p> <p>On 12 August 2019, the Group completed acquisition of OneOTT Intertainment Limited (OIL). The transaction was accounted as per IND AS 103 – Business combinations.</p> <p>The goodwill from this acquisition amounted to Rs.10,673 lakhs, which represented the excess of the consideration paid over Group's share of the fair value of the identifiable net assets, including the intangible assets in OIL.</p> <p>The fair values of the identifiable assets and liabilities acquired in the transactions required the exercise of significant judgement and estimation, particularly purchase price allocation by an independent valuer.</p> <p>We identified the accounting for the acquisition of OIL as a key audit matter because of the significant impact of the acquisition on the Restated Consolidated financial statements, assessment of control and significant judgement involved in purchase price allocation which increases the risk of error or potential management bias.</p> <p>Also refer Note 59 to the Restated Consolidated Financial Statements.</p> | <p><b>Principal Audit Procedures</b></p> <p>We focused our audit procedures towards the accounting for the acquisition of OIL. Our audit procedures included the following;</p> <ul style="list-style-type: none"> <li>• Evaluation of acquisition of OIL based on underlying guidance in Ind AS 103 - Business combination for acquisition method, control and purchase price allocation.</li> <li>• Reviewed independent firm's valuation methodology and assumption for determination of fair value of the assets and liabilities acquired</li> <li>• Involved our internal fair valuation experts to challenge the management's underlying assumptions, the appropriateness of the valuation methodologies used and the reasonableness of the valuation.</li> </ul> |



| Key Audit Matter   | Auditor's Response   |
|--|--|
| <p><b>E) Merger of Media and Communication undertaking of Indusind Media &amp; Communications Limited (IMCL)</b></p> <p>The Scheme of amalgamation for merger of Media and Communication undertaking of Indusind Media &amp; Communications Limited, subsidiary company, with the Company, was approved by the Hon'ble National Company Law Tribunal (NCLT) Bench at Bombay vide its Order dated August 21, 2020 with effect from April 1, 2018.</p> <p>The merger of Media and Communication undertaking being a significant event of the year and also it involves, compliance with accounting alongwith presentation and disclosure requirements under Ind AS 103 'Business Combinations' in the Restated Consolidated Financial Statements is considered as key areas for our audit.</p> <p>Also refer Note 1 to the Restated Consolidated Financial Statements.</p> | <p><b>Principal Audit Procedures</b></p> <p>We focussed our control and substantive testing procedures towards the merger of Media and Communication undertaking of IMCL. Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Examining the Scheme of Arrangement pursuant to which the merger was carried out along with the regulatory approvals required for the Scheme of Arrangement to take effect.</li> <li>• Obtained an understanding of the deal structure and evaluated the appropriateness of the accounting treatment followed by the Company in this regard, with reference to the requirements of the accounting principles generally accepted in India, including Ind AS 103 'Business Combinations' and the accounting treatment approved by the Hon'ble NCLT under the Scheme.</li> <li>• Evaluated the design and implementation of relevant controls and the operating effectiveness of such internal controls for the implementation of the accounting treatment under the Scheme.</li> <li>• Verified the related presentation and disclosures in the Restated Consolidated Financial Statements is in accordance with Ind AS 103 'Business Combinations'</li> <li>• Evaluated if the restatements of the Previous Financial Statements was appropriate under the provisions of the Companies Act, 2013 and issuance of the audit report on the Restated Consolidated Financial Statements were in accordance with the Standards on Auditing.</li> </ul> |

**Information Other than the Financial Statements and Auditor's Report Thereon.**

6. The Parent's/ Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Chairman's Message, Financial Highlights, Board's Report and Management Discussion and Analysis Report, but does not include the Restated Consolidated financial statements and our auditor's report thereon. The Chairman's Message, Financial Highlights, Board's Report and Management Discussion and Analysis Report is expected to be made available to us after the date of this auditor's report.
7. Our opinion on the Restated Consolidated financial statements does not cover the other information and will not express any form of assurance conclusion thereon.
8. In connection with our audit of the Restated Consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Restated Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.
9. When we read the Chairman's Message, Financial Highlights, Board's Report and Management Discussion and Analysis Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'

### Management's Responsibility for the Restated Consolidated Financial Statements

10. The Parent's/ Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Restated Consolidated financial statements that give a true and fair view of the Restated Consolidated financial position, Restated Consolidated financial performance including other comprehensive income, Restated Consolidated cash flows and Restated Consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Restated Consolidated financial statements by the Directors of the Parent/ Holding Company, as aforesaid.
11. In preparing the Restated Consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.
12. The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their companies.

### Auditor's Responsibility for the Audit of the Restated Consolidated Financial Statements

13. Our objectives are to obtain reasonable assurance about whether the Restated Consolidated 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 Restated Consolidated financial statements.
14. 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 Restated Consolidated 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent / Holding 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 ability of the Group 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 Restated Consolidated 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 Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Restated Consolidated financial statements, including the disclosures, and whether the Restated Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group to express an opinion on the Restated Consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the Restated Consolidated financial statements of which

we are the independent auditors. For the other entities included in the Restated Consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

15. Materiality is the magnitude of misstatements in the Restated Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Restated Consolidated 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 Restated Consolidated financial statements.
16. We communicate with those charged with governance of the Parent/Holding Company and such other entities included in the Restated Consolidated financial statements of which we are the independent auditors 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.
17. 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.
18. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Restated Consolidated 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.

#### Other Matters

19. We did not audit the financial statements of 18 subsidiaries, whose financial statements reflect total assets of ₹ 72,855.33 Lakh as at March 31, 2020, total revenues of ₹ 34,985.40 Lakh and net cash inflows amounting to Rs.28.85 lakh for the year ended on that date, as considered in the Restated Consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Restated Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the Restated Consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

20. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of subsidiaries, referred in the Other Matters section above we report, to the extent applicable 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 of the aforesaid Restated Consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Restated Consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Restated Consolidated Balance Sheet, the Restated Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Restated Consolidated Statement of Cash flows and the Restated Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Restated Consolidated financial statements.
  - (d) In our opinion, the aforesaid Restated Consolidated financial statements comply with the IndAS specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors of the Parent /Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India 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 and the operating effectiveness of such controls of the Group, refer to our separate Report in “Annexure A” which is based on the auditors’ reports of the Parent/ Holding company, subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- (g) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Parent/ Holding Company to its director during the year is within the limits laid down under section 197 of the Act.
- (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 Restated Consolidated financial statements disclose the impact of pending litigations on the Restated Consolidated financial position of the Group
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent / Holding Company and its subsidiary companies incorporated in India.

**For DELOITTE HASKINS & SELLS LLP**  
**Chartered Accountants**  
(Firm’s Registration No. 117366W/W-100018)

**Anjum A. Qazi**  
Partner  
(Membership No. 104968)  
**(UDIN: 20104968AAAFL5115)**

Place: Mumbai

Date: 31 July, 2020 (6 September, 2020 as to effect the matter referred to in paragraph 4 under ‘Emphasis of Matter’ section of our report of even date on the restated consolidated accounts)

# Annexure “A” to the Independent Auditor’s Report

**(Referred to in paragraph 20(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date on the Restated Consolidated accounts of Nxtdigital Limited (Formerly Hinduja Ventures Limited) for the year ended March 31, 2020)**

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

1. In conjunction with our audit of the Restated Consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Nxtdigital Limited (Formerly Hinduja Ventures Limited) (hereinafter referred to as “the Holding Company” / “Parent”) and its subsidiary companies, which are companies incorporated in India, as of that date.

## Management’s Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company / Parent, its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (“the 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 the respective 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 statements, as required under the Companies Act, 2013.

## Auditor’s Responsibility

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company/ Parent, its subsidiary companies, which are companies incorporated in India, 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company / Parent, its subsidiary companies, which are companies incorporated in India.

## Meaning of Internal Financial Controls Over Financial Reporting

6. 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

7. 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 to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company/ Parent, its subsidiary companies, which are companies incorporated in India, have, 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 criteria for internal financial control over financial reporting established by the respective companies 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.

### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 18 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

**For DELOITTE HASKINS & SELLS LLP**  
**Chartered Accountants**  
(Firm's Registration No. 117366W/W-100018)

**Anjum A. Qazi**  
Partner  
(Membership No. 104968)  
**(UDIN: 20104968AAAAFL5115)**

Place: Mumbai

Date: 31 July, 2020 (6 September, 2020 as to effect the matter referred to in paragraph 4 under 'Emphasis of Matter' section of our report of even date on the restated consolidated accounts)



# Consolidated Balance Sheet

as at March 31, 2020

(₹ in Lakh)

| Particulars   | Note No. | As at<br>March 31, 2020<br>(Refer note 1) | As at<br>March 31, 2019 |
|---|----------|---|-------------------------|
| <b>ASSETS</b>   |          |   |                         |
| <b>1) Non current asset</b>   |          |   |                         |
| a) Property, plant and equipment  | 2        | 61,284.62                                 | 67,501.74               |
| b) Capital work-in-progress   | 3        | 1,218.65                                  | 2,235.41                |
| c) Other intangible assets  | 4        | 30,818.57                                 | 6,647.53                |
| d) Right to use asset   | 5        | 10,898.00                                 | -                       |
| e) Goodwill   | 6        | 13,232.03                                 | 2,602.86                |
| f) Financial Assets   |          |   |                         |
| i) Investments  | 7A       | 569.25                                    | 76,012.43               |
| ii) Derivatives   | 8A       | 45.00                                     | 712.80                  |
| iii) Other financial assets   | 10A      | 425.61                                    | 721.87                  |
| g) Deferred tax assets (net)  |          | 13,685.55                                 | 34.03                   |
| h) Current tax asset (net)  | 11       | 5,926.77                                  | 3,471.71                |
| (i) Other non-current assets  | 12A      | 5,425.78                                  | 7,118.43                |
| <b>Total Non-current Assets</b>   |          | <b>143,529.83</b>                         | <b>167,058.81</b>       |
| <b>Current Assets</b>   |          |   |                         |
| a) Inventories  | 13       | 4,650.02                                  | 3,822.12                |
| b) Financial assets   |          |   |                         |
| i) Investments  | 7B       | 202.00                                    | 46,626.59               |
| ii) Trade receivables   | 14       | 7,678.27                                  | 9,533.31                |
| iii) Derivatives  | 8B       | 2,086.69                                  | -                       |
| iv) Cash and cash equivalents   | 15       | 2,693.64                                  | 3,155.18                |
| v) Bank balances other than (iv) above  | 16       | 9,812.04                                  | 7,790.41                |
| vi) Loans receivables   | 9        | 6,784.15                                  | 83.57                   |
| vii) Other financial assets   | 10B      | 488.24                                    | 1,006.18                |
| viii) Financials Assets classified as held for sale                                       | 17       | 9,819.27                                  | -                       |
| ix) Unbilled receivable   |          | 534.00                                    | 709.64                  |
| c) Other current assets   | 12B      | 8,124.36                                  | 9,372.86                |
| <b>Total Current Assets</b>   |          | <b>52,872.68</b>                          | <b>82,099.86</b>        |
| <b>Total Assets</b>   |          | <b>196,402.51</b>                         | <b>249,158.67</b>       |
| <b>EQUITY AND LIABILITIES</b>   |          |   |                         |
| <b>Equity</b>   |          |   |                         |
| a) Equity share capital   | 18       | 2,055.55                                  | 2,055.55                |
| b) Shares pending issuance  | 18       | 349.57                                    | -                       |
| c) Other equity   | 19       | 9,932.94                                  | 51,737.89               |
| Equity attributable to the equity holders of the Company                                  |          | 12,338.06                                 | 53,793.44               |
| d) Non-controlling interest   | 20       | 12,439.85                                 | 1,824.78                |
| <b>Total Equity</b>   |          | <b>24,777.91</b>                          | <b>55,618.22</b>        |
| <b>Liabilities</b>  |          |   |                         |
| <b>1) Non-current Liabilities</b>   |          |   |                         |
| a) Financial liabilities  |          |   |                         |
| i) Borrowings   | 21A      | 28,652.40                                 | 52,659.12               |
| ii) Derivatives   | 22A      | -   | 128.03                  |
| iii) Lease hold liability   |          | 8,596.85                                  | -                       |
| b) Provisions   | 24A      | 770.49                                    | 450.79                  |
| c) Deferred income  | 23A      | 1,747.69                                  | 9,142.11                |
| d) Deferred tax liabilities (net)   |          | 681.46                                    | 7,926.82                |
| <b>Total Non-current Liabilities</b>  |          | <b>40,448.89</b>                          | <b>70,306.87</b>        |
| <b>Current Liabilities</b>  |          |   |                         |
| a) Financial liabilities  | 21B      | 41,710.25                                 | 45,978.98               |
| i) Borrowings   |          |   |                         |
| ii) Trade payables  | 26       |   |                         |
| a) Total outstanding dues of micro enterprises and small enterprises                      |          | 21.00                                     | 167.35                  |
| b) Total outstanding dues of creditors other than micro enterprises and small enterprises |          | 29,756.04                                 | 24,142.62               |
| iii) Derivatives  | 22B      | 44.89                                     | 936.35                  |
| iv) Lease hold Liability  |          | 2,785.08                                  | -                       |
| v) Other financial liabilities  | 27       | 45,876.90                                 | 36,605.29               |
| b) Provisions   | 24B      | 225.06                                    | 179.49                  |
| c) Current tax liabilities (net)  | 28       | 177.95                                    | 17.19                   |
| d) Deferred income  | 23B      | 8,722.15                                  | 13,190.05               |
| e) Other current liabilities  | 25       | 1,856.39                                  | 2,016.26                |
| <b>Total Current Liabilities</b>  |          | <b>131,175.71</b>                         | <b>123,233.58</b>       |
| <b>Total Liabilities</b>  |          | <b>171,624.60</b>                         | <b>193,540.45</b>       |
| <b>Total Equity and Liabilities</b>   |          | <b>196,402.51</b>                         | <b>249,158.67</b>       |

**Significant Accounting Policies**

1

See accompanying notes to the consolidated financial statements

2-69

In terms of our report attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018

**Anil Harish**  
Director  
DIN 00001685

**Ashok Mansukhani**  
Managing Director  
DIN 00143001

**Anjum A. Qazi**  
Partner  
Membership No. 104968

**Hasmukh Shah**  
Company Secretary  
FCS No. 2029

**Amar Chintopanah**  
Chief Financial Officer

Place : Mumbai  
Date : September 6, 2020

Place : Mumbai  
Date : September 4, 2020

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in Lakh)

| Particulars  | Note No. | Year ended<br>March 31, 2020<br>(Refer note 1) | Year ended<br>March 31, 2019 |
|--|----------|--|------------------------------|
| <b>1 Revenue from operations</b>   | 29       | <b>99,998.35</b>                               | 66,494.64                    |
| <b>2 Other income</b>  | 30       | <b>16,211.61</b>                               | 3,965.77                     |
| <b>3 Total Income (1+2)</b>  |          | <b>116,209.96</b>                              | <b>70,460.41</b>             |
| <b>4 Expenses</b>  |          |  |                              |
| i) Purchases of stock in trade   |          | 5,258.11                                       | 1,049.77                     |
| ii) Changes in Inventories   | 31       | (135.52)                                       | 187.45                       |
| iii) Operating expenses  | 32       | 43,878.39                                      | 53,239.97                    |
| iv) Employee benefit expenses  | 33       | 7,091.21                                       | 4,932.90                     |
| v) Finance costs   | 34       | 11,979.49                                      | 10,545.99                    |
| vi) Depreciation and amortisation expenses   | 35       | 19,748.15                                      | 15,291.70                    |
| vii) Other expenses  | 36       | 25,943.50                                      | 18,213.57                    |
| <b>Total Expenses (4)</b>  |          | <b>113,763.33</b>                              | 103,461.35                   |
| <b>5 Profit/loss before exceptional items and tax from continuing operations (3 - 4)</b>         |          | <b>2,446.63</b>                                | (33,000.94)                  |
| <b>6 Exceptional Gain</b>  |          | -  | 3,583.00                     |
| <b>7 Profit/ (Loss) after tax from continuing operations (5 - 6)</b>                             |          | <b>2,446.63</b>                                | <b>(29,417.94)</b>           |
| <b>8 Tax expense</b>   |          |  |                              |
| i) Current tax   |          | 190.38   | 19.91                        |
| ii) Deferred tax (credit) /charge  |          | (8,711.47)                                     | 947.26                       |
| <b>Total Tax Expense / (Credit)</b>  |          | <b>(8,521.09)</b>                              | <b>967.17</b>                |
| <b>9 Net Profit / (Loss) after tax from continuing operations (7 - 8)</b>                        |          | <b>10,967.72</b>                               | (30,385.11)                  |
| 10 Loss from discontinued operations   | 49       | (32,799.06)                                    | (6,969.88)                   |
| <b>11 Tax Expense of discontinued operations expenses / (credit)</b>                             |          | <b>(8,422.37)</b>                              | <b>(3,043.20)</b>            |
| <b>12 Net Loss after tax from discontinued operations (10 - 11)</b>                              |          | <b>(24,376.69)</b>                             | (3,926.68)                   |
| <b>13 Net Loss for the year (9 + 12)</b>   |          | <b>(13,408.97)</b>                             | <b>(34,311.79)</b>           |
| <b>14 Other Comprehensive Income</b>   |          |  |                              |
| Items that will not be reclassified to profit or loss (Discontinuing)                            |          |  |                              |
| - Net Profit / (Loss) on fair valuation of equity instruments through other comprehensive income |          | (3,791.85)                                     | 1,416.22                     |
| - Net Profit / (Loss) on sale of equity instruments through other comprehensive income           |          | (24,477.97)                                    | 656.26                       |
| - Income tax on above items  |          | 3,769.86                                       | 329.83                       |
| Total of items that will not be reclassified to profit or loss: (Discontinuing)                  |          | <b>(24,499.96)</b>                             | 2,402.31                     |
| Items that will not be reclassified to profit or loss (Continuing)                               |          |  |                              |
| - Re-measurement of defined benefit plans  |          | (152.52)                                       | (97.56)                      |
| - Income tax on above items  |          | (0.72)   | 1.26                         |
| Total of items that will not be reclassified to profit or loss: (Continuing)                     |          | <b>(153.24)</b>                                | (96.30)                      |
| Items that will be reclassified to the Statement of profit or loss                               |          |  |                              |
| Effective portion of gain / (loss) on hedging instrument in cash flow hedges                     |          | 508.64   | (1,301.78)                   |
| Total of items that will be reclassified to profit or loss: (Continuing)                         |          | <b>508.64</b>                                  | <b>(1,301.78)</b>            |
| <b>Total Other Comprehensive Income / (Loss) for the year</b>                                    |          | <b>(24,144.56)</b>                             | <b>1,004.23</b>              |
| <b>Total Comprehensive (Loss) for the year (13+14)</b>   |          | <b>(37,553.53)</b>                             | (33,307.56)                  |
| <b>Profit/(Loss) for the year attributable to:</b>   |          |  |                              |
| Equity holders of the parent   |          | (16,841.82)                                    | (26,607.70)                  |
| Non-Controlling Interest   |          | 3,432.85                                       | (7,704.09)                   |
| <b>Total</b>   |          | <b>(13,408.96)</b>                             | <b>(34,311.79)</b>           |
| <b>Other comprehensive income for the year attributable to:</b>                                  |          |  |                              |
| Equity holders of the parent   |          | (24,167.73)                                    | 1,355.36                     |
| Non-Controlling Interest   |          | 23.17  | (351.13)                     |
| <b>Total</b>   |          | <b>(24,144.56)</b>                             | <b>1,004.23</b>              |
| <b>Total comprehensive income / (loss) for the year attributable to:</b>                         |          |  |                              |
| Equity holders of the parent   |          | (41,009.54)                                    | (25,252.34)                  |
| Non-Controlling Interest   |          | 3,456.01                                       | (8,055.22)                   |
| <b>Total</b>   |          | <b>(37,553.53)</b>                             | <b>(33,307.56)</b>           |
| <b>11 Earnings per equity share</b>  | 38       |  |                              |
| <b>a For continuing operation:</b>   |          |  |                              |
| Basic (in Rs.)   |          | 53.36  | (147.82)                     |
| Diluted (in Rs.)   |          | 45.60  | (147.82)                     |
| <b>b For discontinued operation:</b>   |          |  |                              |
| Basic (in Rs.)   |          | (118.59)                                       | (19.10)                      |
| Diluted (in Rs.)   |          | (118.59)                                       | (19.10)                      |
| <b>c For continuing and discontinued operations:</b>   |          |  |                              |
| Basic (in Rs.)   |          | (65.23)  | (166.92)                     |
| Diluted (in Rs.)   |          | (65.23)  | (166.92)                     |

Significant Accounting Policies

1

See accompanying notes to the consolidated financial statements

2-69

In terms of our report attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018

**Anil Harish**  
Director  
DIN 00001685

**Ashok Mansukhani**  
Managing Director  
DIN 00143001

**Anjum A. Qazi**  
Partner  
Membership No. 104968

**Hasmukh Shah**  
Company Secretary  
FCS No. 2029

**Amar Chintopanth**  
Chief Financial Officer

Place : Mumbai  
Date : September 6, 2020

Place : Mumbai  
Date : September 4, 2020

# Consolidated Statement of Cash Flow

## for the year ended March 31, 2020

(₹ in Lakh)

| Particulars   | For the year ended<br>March 31, 2020<br>(Refer note 1) | For the year ended<br>March 31, 2019 |
|---|--|--------------------------------------|
| <b>A Cash Flow from Operating Activities</b>  |  |                                      |
| Profit/(loss) before tax from continuing operations                                 | 2,446.63   | (29,417.94)                          |
| Profit/(loss) before tax from discontinuing operations                              | (32,799.06)  | (6,969.88)                           |
| <b>Adjustments for:</b>   |  |                                      |
| Interest income   | (650.15)   | (387.14)                             |
| Dividend income   | (9.77)   | (1.24)                               |
| Gain on fair valuation of investments measured at fair value through profit or loss | (12,372.41)  | (1,569.34)                           |
| Provision for doubtful debts no longer required written back                        | -  | (189.56)                             |
| Bad debts recovery  | (323.99)   | (7.86)                               |
| Fair value gain on Lease (Ind AS 116)   | (721.01)   | -                                    |
| Interest on income tax refund   | (153.47)   | (565.59)                             |
| Credit balance written back   | (1,426.78)   | (412.30)                             |
| Unwinding of security deposit   | (9.71)   | (8.60)                               |
| Foreign currency fluctuation (gain) / loss  | 1,273.56   | (453.00)                             |
| Amortisation of security deposit  | 9.76   | 8.58                                 |
| Finance costs   | 11,979.49  | 10,545.99                            |
| Depreciation and amortisation expense   | 19,748.15  | 15,291.70                            |
| Loss on fair valuation of investments measured at fair value through profit or loss | 612.64   | 220.00                               |
| Loss of fair valuation of derivatives measured at fair value through profit or loss | -  | 93.81                                |
| Impairment of goodwill  | 44.30  | -                                    |
| Loss on sale of property, plant and equipment                                       | -  | 44.10                                |
| Provision for doubtful debts / advances   | 164.72   | 348.52                               |
| Bad debts / advance written off   | 6,452.94   | 4,800.84                             |
| Loss on sale of investment in subsidiary  | -  | 1,315.07                             |
| Exceptional income  | -  | (3,583.00)                           |
|   | <b>24,618.29</b>                                       | <b>25,490.98</b>                     |
| <b>Operating (Loss) before working capital changes</b>                              | <b>(5,734.14)</b>                                      | <b>(10,896.84)</b>                   |
| Changes in operating assets and liabilities   |  |                                      |
| (Increase) in derivative financial instruments                                      | (3,203.30)   | (1,600.10)                           |
| (Increase) in trade receivables   | (1,449.38)   | (321.06)                             |
| Decrease / (Increase) in other financial assets                                     | 822.64   | (3,071.46)                           |
| (Increase) / Decrease in Inventories  | (253.06)   | 221.90                               |
| Decrease / (Increase) in non-financials assets                                      | 3,668.16   | (3,072.13)                           |
| Increase in trade payables  | 4,692.99   | 795.90                               |
| Increase in other financial liabilities   | 4,235.22   | 2,333.65                             |
| Increase in provisions  | 36.42  | 36.76                                |
| (Decrease) in other non-financial liabilities                                       | (15,215.63)  | (352.76)                             |
|   | <b>(6,665.94)</b>                                      | <b>(5,029.30)</b>                    |
| <b>Cash (used in) operations</b>  | <b>(12,400.08)</b>                                     | <b>(15,926.14)</b>                   |
| <b>Taxes paid (net of refunds)</b>  | <b>(1,400.54)</b>                                      | <b>(3,824.06)</b>                    |
| <b>Net Cash (used in) operating activities (A)</b>                                  | <b>(13,800.62)</b>                                     | <b>(19,750.20)</b>                   |
| <b>B Cash flow from investing activities</b>  |  |                                      |
| Interest income received  | 801.81   | 920.70                               |
| Dividend income received  | 9.77   | 1.24                                 |

# Consolidated Statement of Cash Flow

## for the year ended March 31, 2020

(₹ in Lakh)

| Particulars   | For the year ended<br>March 31, 2020<br>(Refer note 1) | For the year ended<br>March 31, 2019 |
|---|--|--------------------------------------|
| Fixed deposits (placed) / redeemed and other bank balances            | (1,412.37)   | (744.11)                             |
| Purchase of property, plant and equipment / other intangible assets   | (7,154.92)   | (8,049.54)                           |
| Sale of property, plant and equipment / other intangible assets       | 19.23  | 680.22                               |
| Purchase of investments   | 29,796.64  | (695.87)                             |
| Sale of investments   | 40,813.49  | 65,460.62                            |
|   | <b>62,873.65</b>                                       | <b>57,573.26</b>                     |
| <b>Net Cash from investing activities (B)</b>                         | <b>62,873.65</b>                                       | <b>57,573.26</b>                     |
| <b>C Cash flow from financing activities</b>                          |  |                                      |
| Receipt of loans given / (loans given)                                | (1,218.58)   | 10,799.89                            |
| Shares issued to Non-controlling interest                             | 407.35   | -                                    |
| Repayment of lease liabilities  | (1880.26)  | -                                    |
| Repayment of borrowings   | (29,506.53)  | (34,228.83)                          |
| Interest paid   | (12,905.05)  | (10,898.09)                          |
| Dividend paid   | (3,837.15)   | (3,597.21)                           |
| Dividend distribution tax   | (739.43)   | (739.42)                             |
| <b>Net cash used in financing activities (C)</b>                      | <b>(49,679.65)</b>                                     | <b>(38,663.66)</b>                   |
| <b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b> | <b>(606.62)</b>  | <b>(840.60)</b>                      |
| <b>Cash and cash equivalents at the beginning of the year</b>         | <b>3,155.18</b>  | <b>3,995.78</b>                      |
| Cash and cash equivalent acquired on scheme of arrangement            | 145.08   | -                                    |
| <b>Cash and cash equivalents at the end of the year</b>               | <b>2,693.64</b>  | <b>3,155.18</b>                      |
| <b>Cash and cash equivalents comprises of:</b>                        |  |                                      |
| Cash on hand  | 63.00  | 135.38                               |
| Balance with banks:   |  |                                      |
| - Current accounts  | 2,463.55   | 1,554.17                             |
| - Deposit accounts with original maturity of less than three months   | 4.06   | 1,074.34                             |
| Cheques on hand   | 163.03   | 391.29                               |
| <b>Total</b>  | <b>2,693.64</b>  | <b>3,155.18</b>                      |

**Notes:**

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7 on Statement of Cash Flows.

Significant Accounting Policies 1  
See accompanying notes to the consolidated financial statements 2-69

In terms of our report attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018

**Anil Harish**  
Director  
DIN 00001685

**Ashok Mansukhani**  
Managing Director  
DIN 00143001

**Anjum A. Qazi**  
Partner  
Membership No. 104968

**Hasmukh Shah**  
Company Secretary  
FCS No. 2029

**Amar Chintopanth**  
Chief Financial Officer

Place : Mumbai  
Date : September 6, 2020

Place : Mumbai  
Date : September 4, 2020

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

## (A) Equity share capital

(₹ in Lakh)

| Particulars                                     | Amount   |
|---|----------|
| Balance as at April 01, 2018                    | 2,055.55 |
| Changes in equity share capital during the year | -        |
| Balance as at March 31, 2019                    | 2,055.55 |
| Changes in equity share capital during the year | -        |
| Balance as at March 31, 2020                    | 2,055.55 |

## (B) Shares pending issuance (Refer note 1)

(₹ in Lakh)

| Particulars                                | Amount |
|--|--------|
| Obligation to issue fixed number of shares |        |
| At April 1, 2018                           | -      |
| Changes during the year                    | -      |
| At March 31, 2019                          | -      |
| Changes during the year                    | 349.57 |
| At March 31, 2020                          | 349.57 |

## (c) Other equity (Refer note 1)

(₹ in Lakh)

| Particulars  | Reserve and surplus |                    |                 |                   | Reserve for equity instrument through other comprehensive income | Effective portion of cash flow hedges | Total - Attributable to owners of the parent (a) | Non-controlling interests (b) | Total (a) + (b) |
|--|---------------------|--------------------|-----------------|-------------------|--|---------------------------------------|--|-------------------------------|-----------------|
|  | Capital reserve     | Securities premium | General reserve | Retained earnings |  |                                       |  |                               |                 |
| Balance as at March 31, 2018   | 11,180.97           | 670.58             | 9,034.25        | 3,165.19          | 63,609.29  | 514.77                                | 88,175.05  | (4,002.00)                    | 84,173.05       |
| Loss for the year  | -                   | -                  | -               | (26,607.70)       | -  | -                                     | (26,607.70)                                      | (7,704.09)                    | (34,311.79)     |
| Other comprehensive income for the year, net of income tax                             | -                   | -                  | -               | -                 | 2,364.89   | (1,009.53)                            | 1,355.36   | (351.13)                      | 1,004.23        |
| Other adjustments  | -                   | -                  | -               | (771.94)          | -  | -                                     | (771.94)   | (218.97)                      | (990.91)        |
| Dividend paid (including taxes)  | -                   | -                  | -               | (4,336.62)        | -  | -                                     | (4,336.62)                                       | -                             | (4,336.62)      |
| Additional capital issued  | -                   | -                  | -               | -                 | -  | -                                     | -  | 7,476.98                      | 7,476.98        |
| Transfer on sale of subsidiary   | -                   | -                  | -               | -                 | -  | -                                     | -  | 547.73                        | 547.73          |
| Change in stake in a subsidiary  | -                   | -                  | -               | (6,076.26)        | -  | -                                     | (6,076.26)                                       | 6,076.26                      | -               |
| Balance as at March 31, 2019   | 11,180.97           | 670.58             | 9,034.25        | (34,627.33)       | 65,974.18  | (494.76)                              | 51,737.89  | 1,824.78                      | 53,562.67       |
| Loss for the year  | -                   | -                  | -               | (16,841.82)       | -  | -                                     | (16,841.82)                                      | 3,432.85                      | (13,408.97)     |
| Other comprehensive (loss) / income for the year, net of income tax                    | -                   | -                  | -               | -                 | (24,561.68)  | 393.95                                | (24,167.73)                                      | 23.17                         | (24,144.56)     |
| Dividend paid (including dividend distribution tax)                                    | -                   | -                  | -               | (4,522.71)        | -  | -                                     | (4,522.71)                                       | (53.87)                       | (4,576.58)      |
| Transition effect of Ind AS-116- "Leases" including deferred tax (Refer note no.44)    | -                   | -                  | -               | (393.08)          | -  | -                                     | (393.08)   | (113.79)                      | (506.87)        |
| Adjustment to non-controlling interest pursuant to merger (refer note 1)               | -                   | -                  | -               | -                 | -  | -                                     | -  | (4,303.96)                    | (4,303.96)      |
| Reserves assumed on merger (refer note 1)  | 4,009.66            | -                  | -               | -                 | -  | (55.27)                               | 3,954.39   | -                             | 3,954.39        |
| Deferral of installation revenue   | -                   | -                  | -               | 283.67            | -  | -                                     | 283.67   | 82.12                         | 365.79          |
| Change in stake in a subsidiary on account of business combination                     | -                   | -                  | -               | 364.12            | -  | -                                     | 364.12   | -                             | 364.12          |
| Fair value of preference shares on account of business combination (Refer note no. 59) | -                   | -                  | -               | 105.90            | -  | -                                     | 105.90   | 30.66                         | 136.56          |
| Non controlling interest share on account of rights subscribed by Parent in subsidiary | -                   | -                  | -               | (632.37)          | -  | -                                     | (632.37)   | 632.37                        | -               |
| Other Adjustments  | (11.94)             | -                  | -               | 56.62             | -  | -                                     | 44.68  | 123.86                        | 168.53          |
| On Account of acquiring controlling stake  | -                   | -                  | -               | -                 | -  | -                                     | -  | 10,761.66                     | 10,761.66       |
| Balance as at March 31, 2020   | 15,178.69           | 670.58             | 9,034.25        | (56,207.00)       | 41,412.50  | (156.08)                              | 9,932.94   | 12,439.85                     | 22,372.80       |

Significant Accounting Policies

1

See accompanying notes to the consolidated financial statements

2-69

In terms of our report attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018

**Anil Harish**  
Director  
DIN 00001685

**Ashok Mansukhani**  
Managing Director  
DIN 00143001

**Anjum A. Qazi**  
Partner  
Membership No. 104968

**Hasmukh Shah**  
Company Secretary  
FCS No. 2029

**Amar Chintopanth**  
Chief Financial Officer

Place : Mumbai  
Date : September 6, 2020

Place : Mumbai  
Date : September 4, 2020

## Notes to the consolidated financial statements for the year ended March 31, 2020

### 1 Significant Accounting Policies

#### 1A. General information

##### Group Background

NXTDIGITAL LIMITED (formerly Hinduja Ventures Limited) ("the Company") is a public limited company incorporated and domiciled in India and governed by the Companies Act, 2013 ("Act"). The Company's registered office is situated at In Centre, 49/50, MIDC, Andheri East, Mumbai – 400 093, Maharashtra, India.

The main activities of the Company span over three segments namely Media and Communication Investments and Treasury and others.

The management of the Company has decided during the year ended March 2020, to discontinue its Treasury and Investment segment operations. Accordingly, the related revenue of interest income, dividend income from treasury and investment operations for previous year has been reclassified from 'Other Operating Revenue' to 'Discontinuing operations'. The related Investments in the balance sheet is reclassified from 'Non-Current financial assets' to 'Assets Held for Sale'. The figures for this discontinued business have been disclosed as a separate segment as "Treasury and Investment Operation (Discontinued)" in the segment information.

The previously approved consolidated financial statements of the Company for the year ended 31 March 2020 that were approved on 31 July 2020, have been restated by the Management so as to give effect of the Scheme of Arrangement between the Company, Indusind Media and Communications Limited ("IMCL") and their respective shareholders for demerger of Media and Communication undertaking of IMCL and merger of the same into the Company pursuant to the approval of the Honourable National Company Law Tribunal, Mumbai Bench ('NCLT'), received on 21 August 2020 and filed with Registrar of Companies on same date. The Company has restated the financial information appearing in these financial statements so as to give effect to the acquisition of the non-controlling interest of ₹ 4,303.96 lakhs consequent to the scheme of arrangement with effect from the appointed date 1 October 2019.

The consolidated financial statements (as restated) have been reviewed by the Audit Committee and then approved by the Board of Directors of the Company at their respective meetings held on 4 September 2020 and supersedes the previously approved consolidated financial statements that were reviewed by the Audit Committee and then approved by the Board of directors respectively on 31 July 2020.

These consolidated financial statements (as restated) do not take into consideration any events which occurred between 31 July 2020 and 4 September 2020 other than the effects of the merger accounting.

#### 1B. Significant Accounting Policies

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

###### Compliance with Indian Accounting Standards (Ind AS)

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (IND AS) notified under sec. 133 of Companies Act 2013 and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

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

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

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



## Notes to the consolidated financial statements for the year ended March 31, 2020

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

The consolidated financial statements are presented in Indian Rupees (₹) which is the functional currency of the Group and all values are rounded to the nearest lakhs, except where otherwise indicated.

### **Basis of consolidation**

The consolidated financial statements of the Group incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities which are controlled by the Company. Control is achieved when the Parent Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated on consolidation.

### **Changes in the Group's ownership interests in existing subsidiaries**

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Parent Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent

## Notes to the consolidated financial statements for the year ended March 31, 2019

accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The significant accounting policies are detailed below.

### 1B. 2 Revenue recognition

The Group has adopted Ind AS 115 "Revenue from Contracts with Customers". The new revenue standard sets forth a single comprehensive model for recognising and reporting revenues. The Company has applied Ind AS 115 using cumulative effect method. The cumulative effect method requires the Company to apply the provisions of Ind AS 115 to those contracts which were not completed as of April 01, 2018 and record an adjustment to the opening balance of retained earnings as at April 01, 2018. Therefore, the comparative information has not been restated and continues to be reported under Ind AS 18 and Ind AS 11.

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

To recognise revenues, we apply the following five step approach:

- (1) identify the contract with a customer,
- (2) identify the performance obligations in the contract,
- (3) determine the transaction price,
- (4) allocate the transaction price to the performance obligations in the contract and
- (5) recognise revenues when a performance obligation is satisfied.

#### Performance obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the client and is the unit of accounting in Ind AS 115. The performance obligations of the Company are satisfied over time as services are rendered.

#### Determination of transaction price

Revenue is measured based on transaction price which includes variable consideration only to the extent it is probable that a significant reversal of revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. Revenues also exclude taxes collected from customers.

#### Allocation of transaction price

A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. For contracts with multiple performance obligations, we allocate the contract's transaction price to each performance obligation based on the relative standalone selling price. The primary method used to estimate standalone selling price is the adjusted market assessment approach, under which the Company evaluates the price in that market that a customer is willing to pay for those services. While determining relative standalone selling price and identifying separate performance obligations require judgment, generally relative standalone selling prices and the separate performance obligations are readily identifiable as we sell those performance obligations unaccompanied by other performance obligations.

#### Sale of products

The Group recognises revenue on the sale of set top boxes, net of discounts, sales incentives and rebates granted when control of the goods is transferred to the customer. The control of goods is transferred to the customer depending upon the terms agreed with customer. Control is considered to be transferred to customer when customer has ability to direct the use of such goods and obtain substantially all the benefits from it such as following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on-selling the goods and bears the risks of obsolescence and loss in relation to the goods.

#### Installation and subscription income

The Group earns its revenue primarily from installation and subscription and related services as a MSO. The subscription income is recognized over the subscription period and the installation revenue is recognized over the period when the Group is expected to realise economic benefits from such installation.

The carriage income is recognized on a straight-line basis.

Other operating revenues are recognized on satisfaction of performance obligation by transferring services (control of asset) to the customer.

## Notes to the consolidated financial statements for the year ended March 31, 2020

### Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

### Dividend Income

Dividend income from investments is recognized when the Group's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

### Lease Income - Optic Fibre Cable

The policy for recognition of revenue from operating leases is described in **1B.10** below

### Other Income

Other income comprise of income from ancillary activities incidental to the operations of the Group and is recognized when the right to receive the income is established as per the terms of the contract.

### Contract balances

A contract asset is right to consideration in exchange of services that the Group has rendered to a customer when that right is conditioned on something other than passage of time. Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

A contract liability is the obligation to render services to a customer for which the company has received consideration from the customer. If a customer pays consideration before the company renders services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Group renders services as per the contract.

### 1B. 3 Foreign currency transactions

In preparing the consolidated financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the closing exchange rates prevailing on that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in statement of profit or loss in the period in which they arise. Any income or expense on account of exchange difference either on settlement or translation of monetary items is recognized in the Statement of profit and loss.

### 1B. 4 Borrowing costs

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

All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred. Upfront processing fees and other borrowing cost incurred on loans is amortised over the tenure of the loans.

### 1B. 5 Leases

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognized on the date of initial application (April 1, 2019). (Refer Note no. 44)

#### As Lessor

The Company's lease asset classes primarily consist of leases for Plant and Machinery – Optic Fibre Cable. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

## Notes to the consolidated financial statements for the year ended March 31, 2020

Assets leased out under operating leases are capitalised. Rental income from operating lease is recognized on a straight-line basis over the lease term. Rental income, based on agreement, is recognized based on product of number of pairs of dark fibre assets leased out and length of dark fibre assets leased out (in kilometres) and the rate at which lease rent is charged per pair per kilometre of dark fibre assets including minimum guarantee lease rental.

Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

### As Lessee

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

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

## 1B. 6 Employee benefits

### Defined contribution plan

Payments to defined contribution plans i.e., Group's contribution to Government administered provident fund, superannuation fund and State plans namely Employees State Insurance and Employees' Pension Scheme other funds are determined under the relevant schemes and/ or statute and charged to the Statement of Profit and Loss in the period when the services are rendered by the employees entitling them to the contributions and the Group has no further obligation beyond making its contribution.

### Defined benefit plan

For defined benefit plans i.e. Group's liability towards gratuity (funded and unfunded), other retirement/ terminations benefits and compensated absences, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the Balance sheet date.

Defined benefit costs are comprised of:

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

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

Re-measurement of net defined benefit liability/ asset pertaining to gratuity comprise of actuarial gains/ losses (i.e. changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other

## Notes to the consolidated financial statements for the year ended March 31, 2020

comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit or loss. Past service cost is recognized in statement of profit or loss in the period of a plan amendment.

The funded portion of gratuity is funded through a Gratuity Fund administered by trustees and managed by the Life Insurance Corporation of India.

### Other long-term employee benefits

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Provision in respect of such long term benefits has been made based on actuarial valuation carried out by an independent actuary at the Balance sheet date using Projected Unit Credit method.

### Short term employee benefits

A liability is recognized for benefits accruing to employees in respect of salaries, performance incentives, annual leave, medical benefits and other short term benefits in the period the related service is rendered, at the undiscounted amount of the benefits expected to be paid in exchange for that service.

## 1B. 6 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax for the year are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

### Current tax

Current tax is determined on taxable profits for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 including other applicable tax laws that have been enacted or substantively enacted.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognized amounts; and
- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Company's tax jurisdiction is India. Judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered for uncertain tax positions.

### Deferred tax

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

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

Deferred tax asset is recognized for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

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

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

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

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



## Notes to the consolidated financial statements for the year ended March 31, 2020

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

### Minimum Alternate Tax

MAT credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

### 1B. 7 Property, plant and equipment

#### Cost

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost (net of duty/ tax credit availed) less accumulated depreciation and accumulated impairment losses. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

'Set Top Boxes ('STBs') issued to customers are capitalized at moving average price on issuance / installation.

'Spares which can be used only in connection with an item of property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Stores and Spares which meet the definition of property, plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalized as property, plant and equipment.

#### Depreciation / amortisation

Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives of the assets specified in Schedule II of the Companies Act, 2013, using the straight-line method except for Set Top Boxes, in which case the useful life has been assessed as eight years based on a technical evaluation, taking into account the nature, of the asset, its estimated usage, the operating conditions, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

| Particulars            | Estimated Useful life |
|------------------------|-----------------------|
| Plant and machinery    | 18 years              |
| Office Equipment       | 5 years               |
| Computers              | 3 years               |
| Furniture and fixtures | 10 years              |
| Vehicles               | 8 years               |

Leasehold land is amortised over the balance period of lease in equal annual instalments. Leasehold improvements are amortised over the primary period of lease.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment.

#### Capital work-in-progress

The Set Top Boxes which are not issued to customers are recorded at moving average price till issued, under Capital work-in-progress.

Certain encoders and other plant and machinery not installed at the consumer premises are categorised under Capital work-in-progress until installed.

#### Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is possible that future economic benefits associated with the item will flow to



## Notes to the consolidated financial statements for the year ended March 31, 2020

the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the statement of profit or loss during the reporting period in which they are incurred.

### De-recognition

An item of property, plant and equipment is de-recognized 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 recognized in profit or loss.

## 1B. 8 Goodwill and other Intangible assets

### Goodwill

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

### Other intangible assets

#### Intangible assets acquired separately

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

#### Useful lives of intangible asset

Estimated useful lives of the intangible asset, based on technical assessment carried out by the management, is as follows:

| Classes of Intangible Asset  | Useful life |
|------------------------------|-------------|
| Computer Software (Acquired) | 2-6 years   |
| Network rights & License fee | 10 years    |

### De-recognition of intangible assets

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss when the asset is derecognized.

## 1B. 9 Impairment of tangible and intangible assets

At the end of each reporting period, the Group determines whether there is any indication that its assets have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount (i.e. higher of the fair value less costs of disposal and value in use) of such assets is estimated and impairment is recognized, if the carrying amount exceeds the recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

## 1B. 10 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

## Notes to the consolidated financial statements for the year ended March 31, 2020

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### Finance Lease

#### Group as Lessor

Assets given under finance leases are recognized as a receivable at an amount equal to the net investment in the lease. Finance income is allocated over the lease term on a systematic and rational basis. This income allocation is based on a pattern reflecting a constant periodic return on the net investment in the finance lease.

#### Group as Lessee

Minimum lease payments, for assets taken under finance lease, are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### Operating lease

#### Group as Lessor

Assets leased out under operating leases are capitalised. Rental income from operating lease is recognized on a straight line basis over the lease term. Rental income, based on agreement, is recognized based on product of number of pairs of dark fibre assets leased out and length of dark fibre assets leased out (in kilometres) and the rate at which lease rent is charged per pair per kilometre of dark fibre assets including minimum guarantee lease rental.

Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

#### Group as Lessee

Rental expense from operating leases is generally recognized on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

### 1B. 11 Inventories

Real Estate (Land) inventories and other inventories such as cables, head-end equipment and other network items like modems, etc. are stated at lower of cost and net realisable value. Cost includes cost of land, registration charges, stamp duty, brokerage costs and incidental expenses. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

### 1B. 12 Provisions

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

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

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

### 1B. 13 Business Combinations

A common control business combination, involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for using the pooling of interests method.

Other business combinations, involving entities or businesses are accounted for using acquisition method.

## Notes to the consolidated financial statements for the year ended March 31, 2020

### 1B. 14 Non-current assets held for sale (Discontinued operation)

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations. The results of discontinued operations are presented separately in the statement of profit and loss.

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. The Management must be committed to the sale, which should be expected to qualify for recognition as completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Upon classification, non-current assets held for sale are measured at the lower of carrying amount and fair value less costs to sell and are presented separately from the other assets under 'Current Assets' in the balance sheet. Liabilities associated if any, with non-current assets classified as held for sale, are disclosed under 'Current liabilities' in the Balance Sheet.

### 1B. 15 Financial instruments

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

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

#### Financial assets

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

#### After initial recognition

- (i) Financial assets (other than investments and derivative instruments) are subsequently measured at amortised cost using the effective interest method.

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

Investments in debt instruments that meet the following conditions are subsequently measured at amortised cost:

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

Interest Income on such debt instruments is recognized in profit or loss and is included in the "Revenue from Operations".

Currently, the Group has not designated any debt instruments as fair value through other comprehensive income.

- (ii) Financial assets (i.e. derivative instruments and investments in instruments other than equity of subsidiaries and associates) are subsequently measured at fair value.

Such financial assets are measured at fair value at the end of each reporting period, with any gains (e.g. any dividend or interest earned on the financial asset) or losses arising on re-measurement recognized in profit or loss and included in the "Revenue from Operations".

## Notes to the consolidated financial statements for the year ended March 31, 2020

All equity investments (other than investments in subsidiary) in scope of Ind AS 109 are measured at fair value. The Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income (FVTOCI) pertaining to investment in equity instruments. These elected investments are subsequently measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. However, the Group reclassify the cumulative gain or loss from Reserve for equity instruments through other comprehensive income to retained earnings on disposal of the investments.

The Group has designated certain investment in equity shares as at FVTOCI an irrevocable option for investments on the basis of facts and circumstances that existed at the transition date.

### Investments in equity instruments

Investments in equity instruments acquired principally for the purpose of selling it in the near term are considered as equity instruments held for trading and are subsequently measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit and loss.

### Impairment of financial assets

A financial asset is regarded as credit impaired when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Group applies the expected credit loss model for recognizing impairment loss (i.e. the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the Group expects to receive, discounted at the original effective interest rate) and credit risk exposure on the following financial assets;

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables - The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit losses at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows

### De-recognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in the Statement of profit and loss.

### Financial liabilities and equity instruments

#### Classification as debt or equity

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

#### Equity instruments

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

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

#### Financial liabilities

All financial liabilities (other than derivative instruments) are subsequently measured at amortised cost using the effective interest method. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the "Finance Costs".

## Notes to the consolidated financial statements for the year ended March 31, 2020

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.

### De-recognition of financial liabilities

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

### Derivative financial instruments

#### Derivatives and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

Forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognized in other comprehensive income in cash flow hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognized in the cash flow hedging reserve within equity.

Where the hedged item is a time-period related item (such as a currency swap contract hedging foreign currency interest payments) both the deferred hedging gains and losses and the aligned time value are reclassified to profit or loss as the hedged item affects earnings.

#### Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

### 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 recognized 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 Group or the counterparty.

#### 1B. 15 Cash and cash equivalents

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### 1B. 16 Cash Flow Statement

Cash Flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals of accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated.

#### 1B. 17 Earnings per share

Basic earnings per share is 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.



## Notes to the consolidated financial statements for the year ended March 31, 2020

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.

### 1C. 2 Changes in Accounting Standards and other recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

### 1D. Critical accounting judgments and key sources of estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires the Group's Management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognized in the financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates (accounted on a prospective basis) and recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods of the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the Management in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the financial statements and/or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### (i) Property, plant and equipment depreciation / amortisation

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Useful lives are generally based on the life prescribed in Schedule II of the Act. In cases where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes and maintenance support. Assumptions also need to be made, when the Group assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

#### (ii) Impairment of financial assets

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

#### (iii) Operating lease commitments - Group as lessor

The Group has entered into lease agreement for certain plant and machinery. The Company has determined based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the asset and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

#### (iv) Taxation

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profit and all tax bases of assets and liabilities, the Group determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognized on closure of assessment or in the period in which they are agreed.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilised.

#### (v) Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for the fair value measurements. In estimating the fair value of an asset or a liability, the Group used market-observable data to the extent



## Notes to the consolidated financial statements for the year ended March 31, 2020

it is available. Where Level 1 inputs are not available, the Group engaged third party qualified valuers to perform the valuations in order to determine the fair values based on the appropriate valuation techniques and inputs to fair value measurements such as Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### **(vi) Estimation of defined benefit plans**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligation.

### **(vii) Provisions, Contingent liabilities and contingent assets**

A provision is recognized when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognized in the financial statements of the period in which the change in probability occurs.

Contingent assets are not recognized in the financial statements but disclosed where inflow of economic benefits is probable. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

### **(viii) Revenue**

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

The Group uses judgement to determine an appropriate standalone selling price for a performance obligation for bundled contracts. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct service promised in the contract.

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

Notes to the consolidated financial statements  
for the year ended March 31, 2020

2 Property, plant and equipment

(₹ in Lakh)

| Description of Assets  | Leasehold land | Leasehold improvements | Buildings and flats (Refer Note No. 1 Below) | Plant and equipments (Refer Note No. 2 below) | Settop boxes / Customer Premise Equipments | Furniture and fixtures | Vehicles      | Office and Other equipments | Computer & data processing units | Total tangible assets | Capital work-in-progress |
|--|----------------|------------------------|--|---|--|------------------------|---------------|-----------------------------|----------------------------------|-----------------------|--------------------------|
| <b>I. Gross carrying amount</b>  |                |                        |  |   |  |                        |               |                             |                                  |                       |                          |
| <b>Balance as at April 01, 2018</b>                                    | <b>1.54</b>    | <b>338.77</b>          | <b>3,098.00</b>                              | <b>27,644.67</b>                              | <b>64,728.98</b>                           | <b>154.30</b>          | <b>274.96</b> | <b>383.32</b>               | <b>808.65</b>                    | <b>97,433.19</b>      |                          |
| Additions  | -              | -                      | -  | 822.61  | 5,216.31                                   | 4.12                   | -             | 20.32                       | 128.69                           | 6,192.05              |                          |
| Disposals  | -              | -                      | -  | 97.72   | -  | -                      | -             | 0.78                        | -                                | 98.50                 |                          |
| Disposals of assets on loss on control                                 | -              | -                      | -  | 500.17  | 2,248.82                                   | 22.66                  | 23.67         | 7.86                        | 27.30                            | 2,830.48              |                          |
| <b>Balance as at April 01, 2019</b>                                    | <b>1.54</b>    | <b>338.77</b>          | <b>3,098.00</b>                              | <b>27,869.39</b>                              | <b>67,696.47</b>                           | <b>135.76</b>          | <b>251.29</b> | <b>395.00</b>               | <b>910.04</b>                    | <b>100,696.26</b>     |                          |
| Acquisition of assets on acquisition of subsidiary (Refer Note No. 59) | -              | 172.29                 | -  | 1,759.15                                      | 193.07                                     | 13.98                  | 0.79          | 8.31                        | 38.04                            | 2,185.63              |                          |
| Additions  | -              | -                      | 83.90  | 1,280.07                                      | 4,209.67                                   | 12.25                  | 11.96         | 73.36                       | 146.75                           | 5,817.96              |                          |
| On disposals / written off   | -              | 0.31                   | -  | 6.21  | 1,154.68                                   | 1.03                   | 7.16          | 5.67                        | 83.44                            | 1,258.50              |                          |
| <b>Balance as at March 31, 2020</b>                                    | <b>1.54</b>    | <b>510.75</b>          | <b>3,181.90</b>                              | <b>30,902.40</b>                              | <b>70,944.53</b>                           | <b>160.96</b>          | <b>256.88</b> | <b>471.00</b>               | <b>1,011.39</b>                  | <b>107,441.35</b>     |                          |
| <b>II. Accumulated amortisation and impairment</b>                     |                |                        |  |   |  |                        |               |                             |                                  |                       |                          |
| <b>Balance as at April 01, 2018</b>                                    | <b>0.03</b>    | <b>185.85</b>          | <b>158.31</b>                                | <b>3,832.60</b>                               | <b>16,780.15</b>                           | <b>48.14</b>           | <b>84.03</b>  | <b>228.12</b>               | <b>427.22</b>                    | <b>21,744.45</b>      |                          |
| Depreciation charge during the year                                    | -              | 91.37                  | 76.77  | 2,438.88                                      | 10,734.59                                  | 23.64                  | 56.85         | 76.64                       | 164.66                           | 13,663.40             |                          |
| Disposals  | -              | -                      | -  | 1,084.05                                      | 673.22                                     | 15.68                  | 1.32          | 0.34                        | 20.68                            | 1,795.29              |                          |
| Disposals of assets on loss on control                                 | -              | -                      | -  | 51.40   | -  | 12.09                  | 0.10          | 144.00                      | 7.98                             | 215.57                |                          |
| <b>Balance as at April 01, 2019</b>                                    | <b>0.03</b>    | <b>277.22</b>          | <b>235.08</b>                                | <b>5,932.86</b>                               | <b>25,701.26</b>                           | <b>57.53</b>           | <b>124.12</b> | <b>299.66</b>               | <b>566.76</b>                    | <b>33,194.52</b>      |                          |
| Depreciation charge during the year                                    | -              | 73.72                  | 76.93  | 2,644.97                                      | 11,117.87                                  | 19.67                  | 35.04         | 83.58                       | 163.06                           | 14,214.84             |                          |
| On disposals / written off   | -              | 0.31                   | -  | 3.54  | 1,154.67                                   | 1.01                   | 4.64          | 5.23                        | 83.23                            | 1,252.63              |                          |
| <b>Balance as at March 31, 2020</b>                                    | <b>0.03</b>    | <b>350.63</b>          | <b>312.01</b>                                | <b>8,574.29</b>                               | <b>35,664.46</b>                           | <b>76.19</b>           | <b>154.52</b> | <b>378.01</b>               | <b>646.59</b>                    | <b>46,156.73</b>      |                          |
| <b>III. Net carrying amount (I-II)</b>                                 |                |                        |  |   |  |                        |               |                             |                                  |                       |                          |
| Net carrying amount as on April 01, 2019                               | 1.51           | 61.55                  | 2,862.92                                     | 21,936.53                                     | 41,995.21                                  | 78.23                  | 127.17        | 95.34                       | 343.28                           | 67,501.74             | 2,235.41                 |
| <b>Net carrying amount as on March 31, 2020</b>                        | <b>1.51</b>    | <b>160.12</b>          | <b>2,869.89</b>                              | <b>22,328.11</b>                              | <b>35,280.07</b>                           | <b>84.77</b>           | <b>102.36</b> | <b>92.99</b>                | <b>364.80</b>                    | <b>61,284.62</b>      | <b>1,218.65</b>          |

Note:

- Building includes shares in a co-operative society.
- Details of property, plant and equipment hypothecated: First charges over all movable and immovable assets secured for borrowings (refer note 21A)  
all movable and immovable assets secured for borrowing (refer note no. 39)

## Notes to the consolidated financial statements for the year ended March 31, 2020

### 3 Capital work-in-progress

| Particulars                           | Amount     |
|---------------------------------------|------------|
| <b>Balance as on April 1, 2018</b>    | 1,488.00   |
| Add:- Additions during the year *     | 6,732.41   |
| Less:- Charged to consumption         | (885.00)   |
| Less:- Capitalised during the year    | (5,100.00) |
| <b>Balance as on March 31, 2019 ^</b> | 2,235.41   |
| Add:- Additions during the year *     | 4,083.24   |
| Less:- Charged to consumption         | (786.00)   |
| Less:- Capitalised during the year    | (4,314.00) |
| <b>Balance as on March 31, 2020 ^</b> | 1,218.65   |

Note:

\* includes assets acquired on business combination of Rs.219.67 Lakhs (Refer Note No 59)

^ Capital work-in-progress includes assets in transit of Rs.515 Lakhs (Previous year March 31, 2019 Rs.1,301.00 lakhs)

### 4 Other intangible assets

(₹ in Lakh)

| Particulars  | Network rights  | Software        | License fee     | Movie rights     | Customer relationships | Trade name      | Total            |
|--|-----------------|-----------------|-----------------|------------------|------------------------|-----------------|------------------|
| <b>I. Gross carrying amount</b>  |                 |                 |                 |                  |                        |                 |                  |
| <b>Balance as at April 01, 2018</b>                                    | <b>3,716.02</b> | <b>4,504.17</b> | <b>1,000.00</b> | -                | -                      | -               | <b>9,220.19</b>  |
| Additions  | 160.94          | 1,273.94        | 21.41           | -                | -                      | -               | 1,456.29         |
| Disposals  | -               | 27.66           | -               | -                | -                      | -               | 27.66            |
| <b>Balance as at April 01, 2019</b>                                    | <b>3,876.96</b> | <b>5,750.45</b> | <b>1,021.41</b> | -                | -                      | -               | <b>10,648.82</b> |
| Acquisition of assets on acquisition of subsidiary (Refer Note No. 59) | -               | 38.75           | -               | 10,447.38        | 10,680.00              | 3,820.00        | 24,986.13        |
| Additions  | 1,351.13        | 1,121.67        | 2.30            | 92.00            | -                      | -               | 2,567.10         |
| On disposals / written off   | 14.18           | 28.05           | -               | -                | -                      | -               | 42.23            |
| <b>Balance as at March 31, 2020</b>                                    | <b>5,213.91</b> | <b>6,882.82</b> | <b>1,023.71</b> | <b>10,539.38</b> | <b>10,680.00</b>       | <b>3,820.00</b> | <b>38,159.82</b> |
| <b>II. Accumulated amortisation and impairment</b>                     |                 |                 |                 |                  |                        |                 |                  |
| <b>Balance as at April 01, 2018</b>                                    | <b>895.72</b>   | <b>1,220.53</b> | <b>275.00</b>   | -                | -                      | -               | <b>2,391.25</b>  |
| Amortisation charge during the year                                    | 653.37          | 873.86          | 101.07          | -                | -                      | -               | 1,628.30         |
| Disposals  | -               | 18.26           | -               | -                | -                      | -               | 18.26            |
| <b>Balance as at April 01, 2019</b>                                    | <b>1,549.09</b> | <b>2,076.13</b> | <b>376.07</b>   | -                | -                      | -               | <b>4,001.29</b>  |
| Amortisation charge during the year                                    | 585.30          | 1,078.52        | 102.20          | 585.00           | 754.26                 | 269.78          | 3,375.06         |
| On disposals / written off   | 14.18           | 20.92           | -               | -                | -                      | -               | 35.10            |
| <b>Balance as at March 31, 2020</b>                                    | <b>2,120.21</b> | <b>3,133.73</b> | <b>478.27</b>   | <b>585.00</b>    | <b>754.26</b>          | <b>269.78</b>   | <b>7,341.25</b>  |
| <b>III. Net carrying amount (I-II)</b>                                 |                 |                 |                 |                  |                        |                 |                  |
| Net carrying amount as on April 01, 2019                               | 2,327.87        | 3,674.32        | 645.34          | -                | -                      | -               | 6,647.53         |
| <b>Net carrying amount as on March 31, 2020</b>                        | <b>3,093.70</b> | <b>3,749.09</b> | <b>545.44</b>   | <b>9,954.38</b>  | <b>9,925.74</b>        | <b>3,550.22</b> | <b>30,818.57</b> |

The estimated amortisation of material intangibles for the years subsequent to March 31, 2020 is as follows:

| Year ending 31 March | Amounts in lakhs |
|----------------------|------------------|
| 2021                 | 3,160            |
| 2022                 | 3,137            |
| 2023                 | 2,883            |
| 2024                 | 2,883            |
| 2025                 | 2,823            |
| 2026 and after       | 11,675           |

Notes:

1. Details of intangible assets hypothecated: First charge over all the intangible assets secured for borrowings (refer note no.21A)

## Notes to the consolidated financial statements for the year ended March 31, 2020

### 5 Right to use assets

|   | (₹ in Lakh)      |
|---|------------------|
| Particulars   | Total            |
| <b>I. Gross Carrying Amount</b>                                 |                  |
| Balance as at April 01, 2019                                    | -                |
| Additions on account of transition to IndAS 116 on 1 April 2019 | 16,578.20        |
| Additions (refer note 4 below)                                  |                  |
| On disposals / written off                                      | 5,324.95         |
| <b>Balance as at March 31, 2020</b>                             | <b>11,253.25</b> |
| <b>II. Accumulated depreciation</b>                             |                  |
| Balance as at April 01, 2019                                    | -                |
| Depreciation charge during the year                             | 2,158.25         |
| On disposals / written off                                      | 1,803.00         |
| <b>Balance as at March 31, 2020</b>                             | <b>355.25</b>    |
| <b>III. Net carrying amount (I-II)</b>                          |                  |
| Net carrying amount as on April 01, 2019                        | -                |
| <b>Net carrying amount as on March 31, 2020</b>                 | <b>10,898.00</b> |

Notes:

1. The Group incurred Rs.915 Lakhs for the year ended March 31, 2020 towards expenses relating to short term leases and leases of low value assets. The total cash flow for lease is ₹ 6,437 Lakhs for the year ended March 31, 2020, including cash outflow of short-term leases and lease of low-value assets.
2. The Group's lease comprises of lease transponder for providing services to its customers.
3. Interest on lease liabilities is ₹ 1,292 Lakhs for the year ended March 31, 2020
4. During the current year, there is a termination of lease with Thaicom Public Limited (Thaicom) who provide Satellite transponder services. This has resulted into gain of ₹ 668.01 Lakhs (Refer note no. 65)

| Particular   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>6 Goodwill</b>  |                         |                         |
| Balance as on 1 April 2019                                 | 2,602.86                | 2,917.72                |
| Add: Addition on business combination (Refer note no. 59)  | 10,673.47               | -                       |
| Less: written off on sale of investment in subsidiaries    | -                       | (314.86)                |
| Less: written off pertaining to investment in subsidiaries | (44.30)                 | -                       |
|  | <b>13,232.03</b>        | <b>2,602.86</b>         |

The Group assessed the recoverable amount of goodwill allocated to cable television and broadband business as per the requirement of Ind As 36 - Impairment of asset based of value in use, determined by an independent valuer. The estimated value in use of this CGU is based on the future cash flows using a 3% and 5% terminal growth rate, respectively and discount rate from 14% to 18%. An analysis of the sensitivity of the computation to the change in key assumptions, based on a reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of goodwill (net) of the CGU would decrease below its carrying amount.

## Notes to the consolidated financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Particulars   | Face value per share in Rs. | As at March 31, 2020 |                      | As at March 31, 2019 |                      |
|---|-----------------------------|----------------------|----------------------|----------------------|----------------------|
|   |                             | Number of shares     | Amount (Rs. in Lakh) | Number of shares     | Amount (Rs. in Lakh) |
| <b>7A Investments (Non-current)</b>   |                             |                      |                      |                      |                      |
| Investments (Non-current)   |                             |                      |                      |                      |                      |
| <b>A. Preference Shares (unquoted - fair valued through profit and loss)</b>  |                             |                      |                      |                      |                      |
| <b>(Refer note no. 59)</b>  |                             |                      |                      |                      |                      |
| 9% redeemable non-cumulative preference shares of ONEOTT Entertainment Limited (Previously known as Planet E-Shop Holdings India Limited) | 100                         | -                    | -                    | 500,000              | 238.70               |
| 9% redeemable non-cumulative preference shares of ONEOTT Entertainment Limited (Previously known as Planet E-Shop Holdings India Limited) | 100                         | -                    | -                    | 26,700,000           | 14,562.38            |
| 7% cumulative preference shares of In Entertainment (India) Limited   | 10                          | -                    | -                    | 8,446,120            | 264.56               |
| <b>Total</b>  |                             |                      |                      |                      | <b>15,065.64</b>     |
| <b>Other investments (Non-current)</b>  |                             |                      |                      |                      |                      |
| <b>Investments in equity instruments at fair value through other comprehensive income:</b>  |                             |                      |                      |                      |                      |
| <b>A. Quoted equity shares (fully paid up)</b>  |                             |                      |                      |                      |                      |
| GOCL Corporation Limited  | 2.00                        | 13,166               | 17.00                | 13,166               | 40.59                |
| Gulf Oil Lubricants India Limited   | 2.00                        | 13,166               | 67.94                | 13,166               | 108.89               |
| VCK Capital Market Services Limited   | 10.00                       | 24,007               | 1.46                 | 24,007               | 1.46                 |
| IndusInd Bank Limited @   | 10.00                       | 33,400               | 117.33               | 1,915,196            | 34,130.76            |
| Less: Reclassified as held for sale (Refer note no. 17)   |                             |                      | (41.50)              |                      |                      |
| <b>Total</b>  |                             |                      | <b>162.23</b>        |                      | <b>34,281.70</b>     |
| <b>B. Unquoted equity shares (fully paid up)</b>  |                             |                      |                      |                      |                      |
| Uactive Technology Private Limited  | 10                          | 1,769                | 20.00                | -                    | -                    |
| Alkymia   | Euro 1                      | 340                  | 337.40               | -                    | -                    |
| Hinduja Leyland Finance Limited   | 10                          | 8,078,155            | 9,613.00             | 16,270,244           | 26,653.91            |
| Less: Reclassified as held for sale (Refer note no. 17)   |                             |                      | (9,613.00)           |                      |                      |
| <b>Total</b>  |                             |                      | <b>357.40</b>        |                      | <b>26,653.91</b>     |
| <b>C. Unquoted Convertible Preference shares (fully paid up)</b>  |                             |                      |                      |                      |                      |
| Elemental Labs Private Limited  | 100                         | 242                  | 38.39                | -                    | -                    |
| <b>Total</b>  |                             |                      | <b>38.39</b>         |                      | <b>-</b>             |
| <b>D. Unquoted investment in government securities</b>  |                             |                      |                      |                      |                      |
| (measured at Cost)  |                             |                      |                      |                      |                      |
| National Savings Certificate (at face value) (Lodged with Entertainment Department as security deposit)                                   |                             |                      | 11.18                |                      | 11.18                |

## Notes to the consolidated financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Particulars   | Face value per share in Rs. | As at March 31, 2020 |                      | As at March 31, 2019 |                      |
|---|-----------------------------|----------------------|----------------------|----------------------|----------------------|
|   |                             | Number of shares     | Amount (Rs. in Lakh) | Number of shares     | Amount (Rs. in Lakh) |
| National Saving Certificate VIII Series Under lien with the Sales Tax Department  |                             |                      | 0.05                 |                      | -                    |
| <b>Total</b>  |                             |                      | <b>11.23</b>         |                      | <b>11.18</b>         |
| <b>Total non-current investments</b>  |                             |                      | <b>569.25</b>        |                      | <b>76,012.43</b>     |
| <b>7B Investments (current)</b>   |                             |                      |                      |                      |                      |
| <b>Investments in equity instruments at fair value through profit and loss:</b>   |                             |                      |                      |                      |                      |
| <b>A. Quoted equity shares (fully paid up)</b>  |                             |                      |                      |                      |                      |
| IndusInd Bank Limited #   | 10.00                       | 104,402              | 366.77               |                      | 46,626.59            |
| Less: Reclassified as held for sale (Refer note no. 17)   |                             |                      | (164.77)             |                      | -                    |
| <b>Total other investments (current)</b>  |                             |                      | <b>202.00</b>        |                      | <b>46,626.59</b>     |
| (a) Aggregate market value of quoted investments  |                             |                      | 364.23               |                      | 80,908.29            |
| (b) Aggregate carrying amount of unquoted investments   |                             |                      | 407.02               |                      | 41,730.73            |
| @ 700 equity shares pledged for TDS certificates [March 31, 2019 : 1,530,086 equity shares pledged against loan availed]    |                             |                      |                      |                      |                      |
| # 16,782 equity shares pledged for TDS certificates [March 31, 2019 : 2,416,062 equity shares pledged against loan availed] |                             |                      |                      |                      |                      |
| Investments carried at cost   |                             |                      | 49.62                |                      | 15,076.82            |
| Investments carried at fair value through profit or loss  |                             |                      | 202.00               |                      | 46,626.59            |
| Investments carried at fair value through OCL   |                             |                      | 519.63               |                      | 60,935.61            |

(₹ in Lakh)

| Particulars   | As at           |                |
|---|-----------------|----------------|
|   | March 31, 2020  | March 31, 2019 |
| <b>8A Derivatives (Non-current)</b>   |                 |                |
| (Unsecured, considered good - measured at fair value through profit and loss) |                 |                |
| Interest rate swap  | 45.00           | 712.80         |
| <b>Total</b>  | <b>45.00</b>    | <b>712.80</b>  |
| <b>8B Derivative assets (Current)</b>   |                 |                |
| (Unsecured, considered good - measured at fair value through profit and loss) |                 |                |
| Interest rate swap  | 2,048.44        | -              |
| Forward exchange contracts  | 38.25           | -              |
|   | <b>2,086.69</b> | -              |



## Notes to the consolidated financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| <b>9 Loans receivables (Current)</b>  |                         |                         |
| (Unsecured, considered good - at amortised cost)  |                         |                         |
| Security deposits   | 109.17                  | 60.20                   |
| Loans to related parties  |                         |                         |
| - Inter corporate deposits (Refer note no. 56)  | 6,674.98                | 19.89                   |
| Advance to related parties - credit impaired  | 216.49                  | 2,353.52                |
| Less: Allowance for credit impaired advance to related parties  | (216.49)                | (2,353.52)              |
| Loans given to employees  | -                       | 3.48                    |
|   | <b>6,784.15</b>         | <b>83.57</b>            |
| <b>10A Other financial assets (Non-current)</b>   |                         |                         |
| (Unsecured, considered good - at amortised cost)  |                         |                         |
| Security deposits   |                         |                         |
| - to related parties (Refer note no. 47)  | 46.15                   | 46.15                   |
| - to others   | 240.03                  | 596.37                  |
| Advance to related parties (Refer note no. 47)  | 8.45                    | 2.49                    |
| Other deposits  | 10.06                   | 21.38                   |
| Deposit with banks with original maturity of more than twelve months*   | 120.92                  | 55.48                   |
| Total   | <b>425.61</b>           | <b>721.87</b>           |
| * amount of subsidiary Company which is under lien with banks and other parties for availment of buyer's credit and other loans |                         |                         |
| <b>10B Other financial assets (Current)</b>   |                         |                         |
| (Unsecured, considered good - at amortised cost)  |                         |                         |
| Interest accrued on inter corporate deposits  | 3.42                    | 1.63                    |
| Other receivables   | 414.01                  | 941.92                  |
| Other advances  | 70.81                   | 62.63                   |
| <b>Total</b>  | <b>488.24</b>           | <b>1,006.18</b>         |
| <b>11 Income tax assets (net)</b>   |                         |                         |
| Advance tax & tax deducted at source (net of provision)   | 5,926.77                | 3,471.71                |
|   | <b>5,926.77</b>         | <b>3,471.71</b>         |
| <b>12A Other non-current assets</b>   |                         |                         |
| (Unsecured, considered good - at amortised cost)  |                         |                         |
| Deposits with government authorities  | 5,043.69                | 5,705.13                |
| Capital advance - Purchase of networks rights   | -                       | 1,116.97                |
| Other advance to vendor considered good   | 200.35                  | 281.90                  |
| Advance to vendor - credit impaired   | -                       | 2,118.64                |
| Less: Allowance for credit impaired advance to vendor   | -                       | (2,118.64)              |
| Prepaid expenses  | 166.06                  | -                       |
| Other loans and advance   | 15.68                   | 14.43                   |
| <b>Total</b>  | <b>5,425.78</b>         | <b>7,118.43</b>         |

## Notes to the consolidated financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>12B Other current assets</b>  |                         |                         |
| (Unsecured, considered good - at amortised cost)   |                         |                         |
| Advance to vendor  | 2,255.86                | 1,658.48                |
| Advance to vendor - credit impaired  | -                       | 704.75                  |
| Less: Allowance for credit impaired advance to vendors   | -                       | (704.75)                |
| Recoverable from statutory authorities   | 4,918.07                | 7,285.40                |
| Prepaid expenses   | 689.78                  | 223.95                  |
| Others advances  | 260.65                  | 205.03                  |
| <b>Total</b>   | <b>8,124.36</b>         | <b>9,372.86</b>         |
| <b>13 Inventories</b>  |                         |                         |
| (at cost or net realisable value, which ever is lower)   |                         |                         |
| Land (Real Estate) (Refer note no. 40)   | 3,719.32                | 3,719.32                |
| Stock of network cable and equipment's   | 472.05                  | 102.80                  |
| Traded goods   | 458.65                  | -                       |
| <b>Total</b>   | <b>4,650.02</b>         | <b>3,822.12</b>         |
| Note: inventories of component company is secured against borrowings (refer note 21A)  |                         |                         |
| <b>14 Trade receivables (Current)*</b>   |                         |                         |
| Unsecured, considered good   |                         |                         |
| Considered good  | 7,678.27                | 9,533.31                |
| Credit impaired  | 500.78                  | 4,385.29                |
|  | <b>8,179.05</b>         | <b>13,918.60</b>        |
| Less: Allowance for credit impaired trade receivable   | (500.78)                | (4,385.29)              |
| <b>Total</b>   | <b>7,678.27</b>         | <b>9,533.31</b>         |
| Note 1: Trade receivables of component company is secured against borrowing (Refer Note No. 21A)   |                         |                         |
| Note 2: No trade receivables are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Nor any trade or other receivables are due from firms including limited liability partnerships (LLPs) or private companies respectively in which any director is a partner or a director or a member. |                         |                         |
| <b>15 Cash and cash equivalents</b>  |                         |                         |
| Balances with banks  |                         |                         |
| -in current accounts   | 2,463.55                | 1,554.17                |
| -deposit accounts with original maturity of less than three months   | 4.06                    | 1,074.34                |
| Cheques on hand  | 163.03                  | 391.29                  |
| Cash on hand   | 63.00                   | 135.38                  |
| <b>Total</b>   | <b>2,693.64</b>         | <b>3,155.18</b>         |

## Notes to the consolidated financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Particulars  | As at           |                 |
|--|-----------------|-----------------|
|  | March 31, 2020  | March 31, 2019  |
| <b>16 Bank balances other than (iv) above</b>                        |                 |                 |
| Balances with banks  |                 |                 |
| - deposit accounts with original maturity of less than three months* | 1,829.23        | 3,140.60        |
| -in unpaid dividend accounts   | 32.81           | 29.81           |
| -in Escrow account**   | 7,950.00        | 4,620.00        |
| <b>Total</b>   | <b>9,812.04</b> | <b>7,790.41</b> |

\* amount of subsidiary company under lien with banks for availment of buyers' credit

\*\* towards payable of foreign vendors, pending approval of Ministry of information and broadcasting Government of India.

### 17 Financials Assets classified as held for sale

| Particulars  | Face value per share in Rs. | As at March 31, 2020 |                      | As at March 31, 2019 |                      |
|--|-----------------------------|----------------------|----------------------|----------------------|----------------------|
|  |                             | Number of shares     | Amount (Rs. in Lakh) | Number of shares     | Amount (Rs. in Lakh) |
| <b>Investments in equity instruments at fair value through other comprehensive income:</b> |                             |                      |                      |                      |                      |
| <b>A. Quoted equity shares (fully paid up)</b>   |                             |                      |                      |                      |                      |
| GOCL Corporation Limited   | 2.00                        | 1,916                | 2.43                 | -                    | -                    |
| Gulf Oil Lubricants India Limited  | 2.00                        | 1,916                | 9.86                 | -                    | -                    |
| IndusInd Bank Limited @  | 10.00                       | 7,900                | 27.75                | -                    | -                    |
| VCK Capital Market Services Limited  | 10.00                       | 24,007               | 1.46                 | -                    | -                    |
| <b>Total I</b>   |                             |                      | <b>41.50</b>         |                      | <b>-</b>             |
| <b>B. Unquoted equity shares (fully paid up)</b>   |                             |                      |                      |                      |                      |
| Hinduja Leyland Finance Limited  | 10.00                       | 8,078,155            | 9,613.00             | -                    | -                    |
| <b>Total II</b>  |                             |                      | <b>9,613.00</b>      |                      | <b>-</b>             |
| <b>Investments in equity instruments at fair value through profit and loss:</b>            |                             |                      |                      |                      |                      |
| <b>A. Quoted equity shares (fully paid up)</b>   |                             |                      |                      |                      |                      |
| IndusInd Bank Limited #  |                             |                      |                      |                      |                      |
| <b>Total III</b>   | 10.00                       | 46,902               | 164.77               | -                    | -                    |
|  |                             |                      | <b>164.77</b>        |                      | <b>-</b>             |
| <b>Total investments - Held for Sale</b>   |                             |                      | <b>9,819.27</b>      |                      | <b>-</b>             |
| <b>12B Liabilities associated with Financial Assets classified as held for sale</b>        |                             |                      |                      |                      |                      |
|  |                             |                      |                      |                      |                      |
| <b>Net assets classified as held for sale</b>  |                             |                      | <b>9,819.27</b>      |                      | <b>-</b>             |

@ 700 equity shares pledged for TDS certificates

# 16,782 equity shares pledged for TDS certificates

## Notes to the consolidated financial statements for the year ended March 31, 2020

### Notes:

During the year, 99% of Company's holding in IndusInd Bank Limited (IBL) pledged shares were sold to settle the related borrowings. Further, the company sold nearly 50% of its investment in Hinduja Leyland Finance Limited (HLFL) shares. The sale of the Company's substantial investment (both fair valued through profit and loss account and fair valued through other comprehensive income) resulted in the decision to discontinue the Investment and Treasury segment operations.

Accordingly,

- The quoted pledged equity shares were offloaded through stock exchanges during the year. The balance of quoted equity shares, would be sold by the company on the stock exchange. Pledged shares have been released subsequent to the year end.
- After deliberations and approvals by the Board, 81,92,089 number of equity shares of Hinduja Leyland Finance Limited (HLFL) was sold vide a Share Purchase Agreement dated March 18, 2020, at a price of ₹ 119 per share, being the fair value of the shares. The buyer has also committed to purchase the balance 80,78,155 equity shares of HLFL.
- The Company has settled all the liabilities towards financial institutions relating to the Treasury and Investment Business Segment. The loans outstanding relating to this segment are NIL as on March 31, 2020.
- The loss on sale of both quoted and unquoted equity shares of ₹ 29,251.29 lakh and ₹ 28,221.43 lakh including the fair value changes for the outstanding shares as on March 31, 2020 has been recognised in profit or loss and other comprehensive income respectively for the year and classified under discontinued operations. (Refer note no. 49 to the consolidated financial statements)
- The Company has reclassified all the balance related investments fair valued through profit and loss account and fair valued through other comprehensive income as Financial Assets held for sale as on March 31, 2020.
- Further, the previous year figures for discontinued operations has been presented as per the requirements of para 34 of Ind AS 105 which states that previous year figures need to be presented in accordance with the current years disclosures. (Refer note no. 49 to the consolidated financial statements)

### 13 Equity share capital

| Particulars                           | As at<br>March 31, 2020 |                         | As at<br>March 31, 2019 |                         |
|---------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                       | Number<br>of shares     | Amount<br>(Rs. in Lakh) | Number of<br>shares     | Amount<br>(Rs. in Lakh) |
| <b>Authorised</b>                     |                         |                         |                         |                         |
| Equity shares of ₹ 10 each            | 87,000,000              | 8,700.00                | 87,000,000              | 8,700.00                |
| Preference Shares of ₹ 10 each        | 3,000,000               | 300.00                  | 3,000,000               | 300.00                  |
| 9.50% Preference Shares of ₹ 100 each | 1,000                   | 1.00                    | 1,000                   | 1.00                    |
| <b>Total</b>                          | <b>90,001,000</b>       | <b>9,001.00</b>         | <b>90,001,000</b>       | <b>9,001.00</b>         |
| <b>Issued, subscribed and paid up</b> |                         |                         |                         |                         |
| Equity shares of ₹10 each fully paid  | 20,555,503              | 2,055.55                | 20,555,503              | 2,055.55                |
| <b>Total</b>                          | <b>20,555,503</b>       | <b>2,055.55</b>         | <b>20,555,503</b>       | <b>2,055.55</b>         |

Pursuant to the Scheme of Arrangement (the 'scheme'), duly sanctioned by the National Company Law Tribunal vide Order dated 21 August 2020 with effect from the Appointed Date i.e., October 1, 2019, the Media and Communication undertaking of Indusind Media & Communications Limited (subsidiary company), stands transferred to the Company. In accordance with the scheme, the Company shall issue 10 fully paid up equity shares for every 125 shares held by the other shareholders of the subsidiary company. The Company's obligation to issue further shares amounting to ₹ 349.47 lakhs to other shareholders of subsidiary company is disclosed under "Shares pending issuance" under Equity.

#### **Rights, Preferences and Restrictions attached to equity shares including restrictions on the distribution of dividends and the repayment of capital:**

- i) Right to receive dividend as may be approved by the Board of Directors / Shareholders at the Annual General Meeting.
- ii) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.

## Notes to the consolidated financial statements for the year ended March 31, 2020

- iii) Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak or e-vote and on a show of hands, has one vote if he is present and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the Company.

### ii) Reconciliation of number of shares outstanding at the beginning and at the end of the year:

| Particulars                                     | As at<br>March 31, 2020 |                         | As at<br>March 31, 2019 |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
|   | Number<br>of shares     | Amount<br>(Rs. in Lakh) | Number of<br>shares     | Amount<br>(Rs. in Lakh) |
| Shares outstanding at the beginning of the year | 20,555,503              | 2,055.55                | 20,555,503              | 2,055.55                |
| Shares outstanding at the end of the year       | 20,555,503              | 2,055.55                | 20,555,503              | 2,055.55                |

### iii) Shares in the Company held by each shareholder holding more than 5% shares:

| Particulars            | As at<br>March 31, 2020 |                         | As at<br>March 31, 2019 |                         |
|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                        | Number<br>of shares     | Amount<br>(Rs. in Lakh) | Number of<br>shares     | Amount<br>(Rs. in Lakh) |
| Hinduja Group Limited* | 8,550,572               | 41.60%                  | 8,550,572               | 41.60%                  |
| Amas Mauritius Limited | 2,761,427               | 13.43%                  | 2,761,427               | 13.43%                  |
| Asia Corporation LLP   | 1,400,879               | 6.82%                   | 1,400,879               | 6.82%                   |

\* including shares held jointly with Hinduja Realty Ventures Limited

## 19 Other equity

(₹ in Lakh)

| Particulars  | Reserve and surplus |                       |                    |                      | Reserve<br>for equity<br>instrument<br>through other<br>comprehensive<br>income | Effective portion of<br>cash flow hedges | Total           |
|--|---------------------|-----------------------|--------------------|----------------------|---|--|-----------------|
|  | Capital<br>reserve  | Securities<br>premium | General<br>reserve | Retained<br>earnings |   |  |                 |
| <b>Balance as at April 01, 2019</b>  | 11,180.97           | 670.58                | 9,034.25           | (34,627.33)          | 65,974.18   | (494.76)                                 | 51,737.89       |
| Loss for the year ended March 31, 2020   | -                   | -                     | -                  | (16,841.82)          | -   | -  | (16,841.82)     |
| Other comprehensive (loss) / income for the year, net of income tax                    | -                   | -                     | -                  | -                    | (24,561.68)   | 393.95                                   | (24,167.73)     |
| Dividend paid (including dividend distribution tax)                                    | -                   | -                     | -                  | (4,522.71)           | -   | -  | (4,522.71)      |
| Transition effect of Ind AS-116- "Leases" including deferred tax (Refer note no.44)    | -                   | -                     | -                  | (393.08)             | -   | -  | (393.08)        |
| Reserves assumed on merger (refer note 1)  | 4,009.66            | -                     | -                  | -                    | -   | (55.27)                                  | 3,954.39        |
| Deferral of installation revenue   | -                   | -                     | -                  | 283.67               | -   | -  | 283.67          |
| Change in stake in a subsidiary on account of business combination                     | -                   | -                     | -                  | 364.12               | -   | -  | 364.12          |
| Fair value of preference shares on account of business combination (Refer note no. 59) | -                   | -                     | -                  | 105.90               | -   | -  | 105.90          |
| Non controlling interest share on account of rights subscribed by Parent in subsidiary | -                   | -                     | -                  | (632.37)             | -   | -  | (632.37)        |
| Other Adjustments  | -                   | -                     | -                  | 56.62                | -   | -  | 56.62           |
| Adjustments pertaining to merger   | (11.94)             | -                     | -                  | -                    | -   | -  | (11.94)         |
| <b>Balance as at March 31, 2020</b>  | <b>15,178.69</b>    | <b>670.58</b>         | <b>9,034.25</b>    | <b>(56,207.00)</b>   | <b>41,412.50</b>  | <b>(156.08)</b>                          | <b>9,932.94</b> |

## Notes to the consolidated financial statements for the year ended March 31, 2020

### Description of nature and purpose of reserves:

**(i) Capital reserve:**

Excess of Net assets acquired over consideration paid / payable and equity component of preference share issued by the Company.

**(ii) Securities premium:**

This reserve represent the premium on issue of shares and can be utilised in accordance with the provision of the Companies Act, 2013.

**(iii) Retained earnings:**

This reserve represents the surplus / (deficit) of the statement of profit and loss. The amount can be distributed by the company as dividends to its equity shareholders and is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013.

**(iv) Reserve for equity instruments measured at fair value through other comprehensive income (FVTOCI):**

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

**(v) Remeasurement gain / (loss) on defined benefit obligations:**

The company has recognised remeasurement loss on defined benefit plans in other comprehensive income (OCI). These changes are accumulated within the OCI reserve within Other equity. The company transfers amounts from this reserve to retained earnings when the relevant obligations are derecognised.

### 20 Non-controlling interests

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| <b>Opening balance</b>   | <b>1,824.78</b>              | (4,002.00)                   |
| Loss for the year  | <b>3,432.85</b>              | (7,704.09)                   |
| Other comprehensive income for the year, net of tax                      | <b>23.17</b>                 | (351.13)                     |
| Other adjustments  | <b>123.86</b>                | (218.97)                     |
| Additional capital issued  | <b>10,761.66</b>             | 7,476.98                     |
| Transfer on sale of subsidiary   | -                            | 547.73                       |
| Dividend paid  | <b>(53.87)</b>               | -                            |
| Adjustment to non controlling interest pursuant to merger (Refer note 1) | <b>(4,303.96)</b>            | -                            |
| Effect of Ind AS 116   | <b>(113.79)</b>              | -                            |
| Deferral of installation revenue   | <b>82.12</b>                 | -                            |
| Difference in value of preference shares                                 | <b>30.66</b>                 | -                            |
| Change in stake in a subsidiary  | <b>632.37</b>                | 6,076.26                     |
| <b>Total</b>   | <b>12,439.85</b>             | <b>1,824.78</b>              |

| Particulars                            | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| <b>21A Borrowings (non-current)</b>    |                         |                         |
| <b>Secured - at amortised cost</b>     |                         |                         |
| Term loans                             |                         |                         |
| -from banks and financial institutions | <b>27,255.30</b>        | 31,868.06               |
| other loans*                           | <b>733.00</b>           | -                       |
| Buyers credit from banks               | <b>645.13</b>           | 20,772.09               |
| <b>Unsecured - at amortised cost</b>   |                         |                         |
| -from other parties                    | <b>18.97</b>            | 18.97                   |
|  | <b>28,652.40</b>        | 52,659.12               |

\* Secured in lien on fixed deposits. Other loans represents consideration received on sale and leaseback on set top boxes ('STB's) considered as a financials liability as per Ind As 109. The said liability is to be repaid over the period of 8 years

Note: For nature of security and terms of repayment of borrowings (Refer note no. 55)



## Notes to the consolidated financial statements for the year ended March 31, 2020

| Particulars                                    | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>21B Borrowings (current)</b>                |                         |                         |
| <b>Secured - at amortised cost</b>             |                         |                         |
| Loans from banks repayable on demand           |                         |                         |
| - Cash credit facility                         | 1,342.34                | 1,976.20                |
| - Working capital demand loan                  | 1,000.00                | 1,000.00                |
| Other loans from banks                         | 128.81                  | 64.88                   |
| <b>Unsecured - at amortised cost</b>           |                         |                         |
| Loans from related parties                     | 24,239.10               | 8,475.00                |
| - Inter-corporate deposits (Refer note no. 56) |                         |                         |
| Loans from other parties                       | 15,000.00               | 34,462.90               |
| <b>Total</b>                                   | <b>41,710.25</b>        | <b>45,978.98</b>        |

Note: For nature of security and terms of repayment of borrowings (Refer note no. 55)

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>22A Derivative liabilities (non-current)</b>    |                         |                         |
| Interest rate swap                                 | -                       | 128.03                  |
|  | -                       | <b>128.03</b>           |
| <b>22B Derivative liabilities (Current)</b>        |                         |                         |
| Interest rate swap                                 | 44.89                   | 936.35                  |
|  | <b>44.89</b>            | <b>936.35</b>           |
| <b>23A Deferred Income liability (non-current)</b> |                         |                         |
| Income received in advance                         | 1,747.69                | 9,142.11                |
|  | <b>1,747.69</b>         | <b>9,142.11</b>         |
| <b>23B Deferred Income (current)</b>               |                         |                         |
| Income received in advance                         | 7,660.82                | 12,634.18               |
| Advance from Customer                              | 1,061.33                | 555.87                  |
|  | <b>8,722.15</b>         | <b>13,190.05</b>        |
| <b>24A Provision (Non-current)</b>                 |                         |                         |
| Provision for employee benefits (Refer note no 48) |                         |                         |
| Provision for compensated absences                 | 697.27                  | 392.92                  |
| Provision for gratuity                             | 73.22                   | 57.87                   |
| <b>Total</b>                                       | <b>770.49</b>           | <b>450.79</b>           |
| <b>24B Provision (Current)</b>                     |                         |                         |
| Provision for employee benefits (Refer Note No 48) |                         |                         |
| Provision for compensated absences                 | 102.01                  | 72.73                   |
| Provision for gratuity                             | 123.05                  | 106.76                  |
| <b>Total</b>                                       | <b>225.06</b>           | <b>179.49</b>           |

## Notes to the consolidated financial statements for the year ended March 31, 2020

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| <b>25 Other current liabilities</b>   |                         |                         |
| Statutory dues payable*   | 1,376.50                | 2,016.26                |
| Others  | 479.89                  | -                       |
| <b>Total</b>  | <b>1,856.39</b>         | <b>2,016.26</b>         |
| * Includes Goods and Service Tax (GST), Provident fund, Tax deducted at source (TDS), Entertainment Tax, ESIC and Professional Tax. |                         |                         |
| <b>26 Trade Payables (current)</b>  |                         |                         |
| Total outstanding dues of micro enterprises and small enterprises (Refer note no. 52)   | 21.00                   | 167.35                  |
| Total outstanding dues of creditors other than micro enterprises and small enterprises  | 29,756.04               | 24,142.62               |
| <b>Total</b>  | <b>29,777.04</b>        | <b>24,309.97</b>        |
| <b>27 Other financial liabilities (current)</b>   |                         |                         |
| Current maturities of long-term debts (Refer note no 55)  |                         |                         |
| - Term loans from banks*  | 4,775.70                | 20,561.83               |
| - Buyers credit from banks  | 21,987.23               | 1,195.62                |
| Other loans   | 247.00                  | -                       |
| Interest accrued but not due on borrowings  | 132.81                  | 1,058.37                |
| Capital creditors   | 3,988.85                | 5,181.18                |
| Unclaimed dividend#   | 32.81                   | 29.81                   |
| Book overdraft  | 12,896.54               | 7,054.06                |
| Salary payable  | 1,028.65                | 689.77                  |
| Trade deposits from customers   | -                       | 63.79                   |
| Security deposits   | 787.31                  | 770.86                  |
| <b>Total</b>  | <b>45,876.90</b>        | <b>36,605.29</b>        |
| * includes accrued interest of ₹ 812 Lakhs (31 March, 2019: Rs.651 Lakhs)   |                         |                         |
| # There are no amounts due and outstanding to be credited to investor education and protection fund.                                |                         |                         |
| <b>28 Current tax liabilities (net) (Current)</b>   |                         |                         |
| Provision for tax (net of Advance tax)  | 177.95                  | 17.19                   |
| <b>Total</b>  | <b>177.95</b>           | <b>17.19</b>            |

| Particulars                               | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| <b>29 Revenue from operations</b>         |                                      |                                      |
| <b>Sale of products</b>                   |                                      |                                      |
| - Sale of Traded Goods                    | 3,824.19                             | 68.77                                |
| - Sale of set top boxes (net)             | 3.79                                 | -                                    |
| <b>Sale of services</b>                   |                                      |                                      |
| - Subscription - direct / cable operators | 60,109.54                            | 39,692.31                            |
| - Installation charges                    | 16,400.72                            | 11,384.93                            |
| - Subscription - Internet Service         | 6,649.71                             | -                                    |
| - Channel placement fees                  | 6,283.46                             | 11,330.93                            |
| - LCN Incentive                           | 4,206.02                             | 294.00                               |
| - Lease income - optic fibre cable        | 1,241.50                             | 3,364.71                             |
| - Network Operations                      | 446.16                               | -                                    |

## Notes to the consolidated financial statements for the year ended March 31, 2020

| Particulars  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| - Sale of Film Rights  | 209.35                               | -                                    |
| - Infrastructure support services                                      | 78.65                                | 6.20                                 |
| <b>Other operating income</b>  |                                      |                                      |
| - Technical advisory fees  | 56.79                                | 68.00                                |
| - Commission income  | 45.33                                | 87.00                                |
| - Advertisement income   | 342.69                               | 42.87                                |
| - Other lease income   | 100.45                               | 154.92                               |
| <b>Total</b>   | <b>99,998.35</b>                     | <b>66,494.64</b>                     |
| <b>30 Other income</b>   |                                      |                                      |
| Interest income  |                                      |                                      |
| - on deposits with banks   | 228.01                               | 335.70                               |
| - other deposits   | 422.14                               | 51.44                                |
| - On income tax refund   | 153.45                               | 565.59                               |
| Dividend income  | 9.77                                 | 1.24                                 |
| Net gain on financial instruments at fair value through profit or loss | 12,372.41                            | 1,569.34                             |
| Fair value gain on on termination of lease                             | 53.00                                | -                                    |
| Fair value gain on Lease ( Ind AS 116)                                 | 668.01                               | -                                    |
| Unwinding of security deposits   | 9.71                                 | 8.60                                 |
| Service charges recovered  | 205.46                               | 291.22                               |
| Income From Marketing & Promotional Activities                         | 159.00                               | -                                    |
| Sundry credit balances no longer required written back                 | 1,426.78                             | 412.30                               |
| Provision for doubtful debts no longer required written back           | -                                    | 189.56                               |
| Gain on foreign currency fluctuations (net)                            | -                                    | 453.00                               |
| Bad debts recovered  | 323.99                               | 7.86                                 |
| Miscellaneous income   | 179.88                               | 79.92                                |
| <b>Total</b>   | <b>16,211.61</b>                     | <b>3,965.77</b>                      |
| <b>31 Changes in Inventories</b>                                       |                                      |                                      |
| <b>Opening Stock</b>   |                                      |                                      |
| Land (real estate)   | 3,719.32                             | 3,719.32                             |
| Network equipment and traded goods*                                    | 674.24                               | 324.71                               |
|  | <b>4,393.56</b>                      | <b>4,044.03</b>                      |
| <b>Less: Closing Stock</b>   |                                      |                                      |
| Land (real estate)   | (3,719.32)                           | (3,719.32)                           |
| Network equipment and traded goods*                                    | (809.75)                             | (137.26)                             |
|  | <b>(4,529.07)</b>                    | <b>(3,856.58)</b>                    |
| <b>Total</b>   | <b>(135.52)</b>                      | <b>187.45</b>                        |

\* Includes inventory acquired on business combination of ₹ 406 Lakhs (Refer note no. 59)

## Notes to the consolidated financial statements for the year ended March 31, 2020

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| <b>32 Operating expenses</b>  |                                      |                                      |
| Subscription - pay channels   | 39,298.75                            | 45,656.29                            |
| Transponder charges   | -                                    | 2,328.44                             |
| Lease rental - duct*  | 1,952.84                             | 4,885.59                             |
| Bandwidth charges*  | 1,611.66                             | 268.37                               |
| Link charges*   | 126.00                               | 54.34                                |
| Installation expenses   | 44.32                                | 46.94                                |
| Maintenance Charges   | 120.73                               | -                                    |
| Fiber charges/ infrastructure fees  | 724.09                               | -                                    |
|   | <b>43,878.39</b>                     | <b>53,239.97</b>                     |
| * includes expenses recovered Rs.1,076 Lakhs (March 31, 2019 ₹ 2,359 Lakhs) |                                      |                                      |
| <b>33 Employee benefits expense</b>   |                                      |                                      |
| Salaries and wages  | 6,430.41                             | 4,455.00                             |
| Contribution to provident and other funds                                   | 383.66                               | 307.85                               |
| Staff welfare expenses  | 206.32                               | 130.92                               |
| Gratuity expense (Refer note no. 48)  | 70.82                                | 39.13                                |
|   | <b>7,091.21</b>                      | <b>4,932.90</b>                      |
| <b>34 Finance costs</b>   |                                      |                                      |
| <b>Interest on:</b>   |                                      |                                      |
| - Inter corporate Deposits  | 3,254.35                             | 1,605.69                             |
| - Borrowings  | 7,146.58                             | 8,145.61                             |
| Interest on delayed payment of taxes  | 110.44                               | 116.27                               |
| - Lease liabilities (Refer note no. 44)                                     | 857.44                               | -                                    |
| <b>Other borrowing costs:</b>   |                                      |                                      |
| - Amortisation of processing fees   | 569.88                               | 668.06                               |
| - Financial Liabilities carried at FVTPL                                    | 11.95                                | -                                    |
| - Other finance costs   | 28.85                                | 10.36                                |
| <b>Total</b>  | <b>11,979.49</b>                     | <b>10,545.99</b>                     |
| <b>35 Depreciation and amortisation expense</b>                             |                                      |                                      |
| - Property, plant and equipment   | 14,214.84                            | 13,663.40                            |
| - Right to use assets (Refer note no. 44)                                   | 2,158.25                             | -                                    |
| - Other intangible assets   | 3,375.06                             | 1,628.30                             |
| <b>Total</b>  | <b>19,748.15</b>                     | <b>15,291.70</b>                     |

## Notes to the consolidated financial statements for the year ended March 31, 2020

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| <b>36 Other expenses</b>  |                                      |                                      |
| Power and fuel  | 1,009.86                             | 954.60                               |
| Rent (Refer note no. 44)  | 914.74                               | 1,031.22                             |
| Repairs :   |                                      |                                      |
| machinery   | 883.13                               | 917.74                               |
| building and others   | 421.84                               | 448.07                               |
| Insurance   | 150.70                               | 144.46                               |
| Rates and taxes   | 117.65                               | 95.34                                |
| Advertisement and publicity                                       | 352.63                               | 205.92                               |
| Commission expenses   | 5,168.35                             | 1,346.51                             |
| Directors' sitting fees   | 122.25                               | 79.50                                |
| Auditor's remuneration  |                                      |                                      |
| - Payment to statutory auditor*                                   | 204.04                               | 134.22                               |
| - Payment to cost auditor   | 0.58                                 | 0.58                                 |
| Legal and professional fees                                       | 1,321.54                             | 989.54                               |
| Contract Services   | 2,840.45                             | 1,936.78                             |
| Communication expenses  | 288.51                               | 269.67                               |
| Travelling and conveyance   | 523.60                               | 437.81                               |
| Freight and transportation charges (net)                          | 47.72                                | 55.36                                |
| Royalty   | 715.07                               | 495.48                               |
| Loss on foreign currency fluctuations (net)                       | 1,273.56                             | -                                    |
| Fair valuation of derivatives                                     | -                                    | 93.81                                |
| Fair value loss on financial asset measured through profit & loss | 612.64                               | 220.00                               |
| Amortisation of security deposit                                  | 9.76                                 | 8.58                                 |
| Bank charges  | 606.35                               | 435.80                               |
| Corporate social responsibility (Refer note no. 39)               | 116.39                               | 204.10                               |
| Loss (net) on sale of scrap (property, plant and equipment)       | -                                    | 44.10                                |
| Bad debts / advance written-off                                   | 5,612.34                             | 4,800.84                             |
| Advances and deposits written off                                 | 840.60                               | -                                    |
| Provision for doubtful advances                                   | 21.84                                | 348.52                               |
| Provision for doubtful debts                                      | 142.88                               | -                                    |
| Loss on sale of investment of Subsidiaries**                      | -                                    | 1,000.21                             |
| Goodwill written of on sale of investment in subsidiaries         | -                                    | 314.86                               |
| Impairment of goodwill on consolidation                           | 44.30                                | -                                    |
| Miscellaneous expenses  | 1,580.18                             | 1,199.95                             |
| <b>Total</b>  | <b>25,943.50</b>                     | <b>18,213.57</b>                     |

\*\* Net of investments written off against provision of Rs.1,700 Lakhs

### 37 Tax expense

#### (a) Amounts recognised in profit and loss

| Particulars                                     | (₹ in Lakh)                  |                              |
|---|------------------------------|------------------------------|
|   | Year Ended<br>March 31, 2020 | Year Ended<br>March 31, 2019 |
| <b>Continuing operation:</b>                    |                              |                              |
| Current income tax                              | 155.73                       | 19.91                        |
| Deferred tax charge / (credit)                  | (8,711.47)                   | 947.26                       |
| Short provision for tax relating to prior years | 34.65                        |                              |
| <b>Discontinuing operation:</b>                 |                              |                              |

## Notes to the consolidated financial statements for the year ended March 31, 2020

| Particulars                                     | Year Ended<br>March 31, 2020 | Year Ended<br>March 31, 2019 |
|---|------------------------------|------------------------------|
| Current income tax                              | -                            | 8,225.95                     |
| Deferred tax charge / (credit)                  | (8,458.18)                   | (11,326.84)                  |
| Short provision for tax relating to prior years | 35.81                        | 57.69                        |
| <b>Tax expense / (credit) for the year</b>      | <b>(16,943.46)</b>           | <b>(2,076.03)</b>            |

**(b) Amounts recognised in other comprehensive income (OCI)**

(₹ in Lakh)

| Particulars                                | Year Ended<br>March 31, 2020 | Year Ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| <b>Continuing operation:</b>               |                              |                              |
| Current income tax (OCI)                   | -                            | -                            |
| Deferred Tax                               | 0.72                         | (1.26)                       |
| <b>Discontinuing operation:</b>            |                              |                              |
| Current income tax (OCI)                   | -                            | 2,360.64                     |
| Deferred Tax                               | (3,769.86)                   | (2,691.73)                   |
| <b>Tax expense / (credit) for the year</b> | <b>(3,769.14)</b>            | <b>(332.35)</b>              |

**(c) Reconciliation of effective tax rate**

(₹ in Lakh)

| Particulars   | Year Ended<br>March 31, 2020 | Year Ended<br>March 31, 2019 |
|---|------------------------------|------------------------------|
| <b>Loss before tax</b>  | <b>(30,315.43)</b>           | <b>(36,387.82)</b>           |
| Tax using the Company's domestic tax rate (Current year 25.1680 % and Previous year 34.9440%) | (7,629.79)                   | (12,715.36)                  |
| <b>Tax effect of:</b>   |                              |                              |
| Expenses disallowed for tax purpose   | (4,455.99)                   | (470.21)                     |
| Difference on additional DTL created on depreciation  | -                            | (52.49)                      |
| Deferred tax assets not created   | 5,168.00                     | 10,066.35                    |
| Deferred tax assets created on losses   | (9,426.00)                   | -                            |
| LTCG (OCI) adjusted against CYBL  | 2,125.66                     | -                            |
| Impact of tax rate difference   | (2,721.45)                   | 1,208.72                     |
| Others  | (74.35)                      | (158.14)                     |
| Set off of losses on which DTA not created  | -                            | (12.59)                      |
| Short provision for earlier years   | 70.46                        | 57.69                        |
| <b>Income tax expense</b>   | <b>(16,943.46)</b>           | <b>(2,076.03)</b>            |

**(d) The major components of deferred tax (liabilities) / assets arising on account of temporary differences are as follows:**

(₹ in Lakh)

| Particulars   | Year Ended<br>March 31, 2020 | Year Ended<br>March 31, 2019 |
|---|------------------------------|------------------------------|
| <b>(1) Deferred Tax Liabilities (Net)</b>             |                              |                              |
| <b>Deferred tax assets:</b>                           | -                            | 273.30                       |
| Property, plant and equipment                         | -                            | 273.30                       |
| Liabilities to be deducted for tax purposes when paid | -                            | 38.62                        |



## Notes to the consolidated financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Particulars   | Year Ended<br>March 31, 2020 | Year Ended<br>March 31, 2019 |
|---|------------------------------|------------------------------|
| Deferment of installation revenue & straightlining of subscription expenses | -                            | 5,120.82                     |
| <b>Total</b>  | <b>-</b>                     | <b>5,432.74</b>              |
| <b>Deferred tax liabilities:</b>  |                              |                              |
| Property, plant and equipment   | 681.46                       | -                            |
| Derivative Liability  | -                            | 222.14                       |
| Gain / (Loss) on equity instrument designated as FVTPL                      | -                            | 8,390.75                     |
| Gain / (Loss) on equity instrument designated as FVOCI                      | -                            | 4,348.60                     |
| Unamortised borrowing cost  | -                            | 398.07                       |
|   | <b>681.46</b>                | <b>13,359.56</b>             |
| <b>Deffered Tax Liabilities (Net)</b>                                       | <b>(681.46)</b>              | <b>(7,926.82)</b>            |
| <b>(2) Deffered Tax Assets (Net)</b>  |                              |                              |
| <b>Deferred tax assets:</b>   |                              |                              |
| Property, plant and equipment   | 1,596.48                     | 34.03                        |
| Liabilities to be deducted for tax purposes when paid                       | 224.85                       | -                            |
| Derivative assets   | 11.33                        | -                            |
| Deferment of installation revenue & straightlining of subscription expenses | 2,086.93                     | -                            |
| Gain / (Loss) on equity instrument designated as FVTPL                      | 113.34                       | -                            |
| Mat Credit Entitlement  | 131.89                       | -                            |
| Business losses as per Income Tax   | 10,623.55                    | -                            |
| IND AS 116 - Leases   | 124.28                       | -                            |
| Provision for foreseeable losses  | 68.00                        | -                            |
|   | <b>14,980.65</b>             | <b>34.03</b>                 |
| <b>Deferred tax liabilities:</b>  |                              |                              |
| Property, plant and equipment   | -                            | -                            |
| Derivative Liability  | 536.08                       | -                            |
| Gain / (Loss) on equity instrument designated as FVOCI                      | 578.74                       | -                            |
| Unamortised borrowing cost  | 180.28                       | -                            |
|   | <b>1,295.10</b>              | <b>-</b>                     |
| <b>Deffered Tax Assets (Net)</b>  | <b>13,685.55</b>             | <b>34.03</b>                 |

## Notes to the consolidated financial statements for the year ended March 31, 2020

### (e) Movement in deferred tax asset / (liabilities)

| Particulars   | As at<br>April 01, 2019 | During the year 2019-20              |                                    |                      | As at<br>March 31, 2020 |
|---|-------------------------|--------------------------------------|------------------------------------|----------------------|-------------------------|
|   |                         | Recognised<br>in Retained<br>Earning | Recognised<br>in profit or<br>loss | Recognised<br>in OCI |                         |
| <b>Deferred tax asset/<br/>(Liabilities) - Net</b>                          |                         |                                      |                                    |                      |                         |
| Property, plant and equipment   | 307.33                  |                                      | 607.69                             | -                    | 915.02                  |
| Liabilities to be deducted for tax purposes when paid                       | 38.62                   |                                      | 185.51                             | (0.72)               | 224.85                  |
| Derivative Liability  | (222.14)                |                                      | (302.61)                           | -                    | (524.75)                |
| Deferment of installation revenue & straightlining of subscription expenses | 5,120.82                |                                      | (3,033.89)                         | -                    | 2,086.93                |
| Business losses/ Depreciation as per Income Tax                             | -                       |                                      | 10,623.55                          | -                    | 10,623.55               |
| Lease ind AS 116  | -                       | 2.09                                 | 126.37                             | -                    | 124.28                  |
| Mat credit entitlement  | -                       |                                      | 131.89                             | -                    | 131.89                  |
| Provision for foreseeable losses  | -                       |                                      | 68.00                              | -                    | 68.00                   |
| Gain / (Loss) on equity instrument designated as FVTPL                      | (8,390.75)              |                                      | 8,504.09                           | -                    | 113.34                  |
| Gain / (Loss) on equity instrument designated as FVTOCI                     | (4,348.60)              | -                                    | -                                  | 3,769.86             | (578.74)                |
| Unamortised borrowing cost  | (398.07)                | -                                    | 217.79                             | -                    | (180.28)                |
| <b>Total</b>  | <b>(7,892.79)</b>       | <b>2.09</b>                          | <b>17,128.38</b>                   | <b>3,769.14</b>      | <b>13,004.09</b>        |
| <b>Elimination on Acquisition/ (Divestment) of Subsidiary</b>               | -                       | -                                    | 41.27                              | -                    |                         |
| <b>Net deferred tax asset / (liabilities)</b>                               | <b>(7,892.79)</b>       | <b>2.09</b>                          | <b>17,169.65</b>                   | <b>3,769.14</b>      | <b>13,004.09</b>        |

\* Balance of Deferred Tax Assets as on 31/03/2020 of 13,004.08 Lakhs is net of Deferred Tax Assets of 13685.55 Lakhs and Deferred Tax Liability of 681.46 Lakhs.

## Notes to the consolidated financial statements for the year ended March 31, 2020

### (f) Movement in deferred tax asset / (liabilities)

| Particulars   | As at<br>April 01, 2018 | During the year 2018-19              |                                    |                      | As at<br>March 31, 2019 |
|---|-------------------------|--------------------------------------|------------------------------------|----------------------|-------------------------|
|   |                         | Recognised<br>in Retained<br>Earning | Recognised<br>in profit or<br>loss | Recognised<br>in OCI |                         |
| <b>Deferred tax asset/<br/>(Liabilities) - Net</b>                          |                         |                                      |                                    |                      |                         |
| Property, plant and equipment   | (61.60)                 | -                                    | 368.93                             | -                    | 307.33                  |
| Liabilities to be deducted for tax purposes when paid                       | 38.96                   | -                                    | 0.92                               | (1.26)               | 38.62                   |
| Derivative Liability  | (110.69)                | -                                    | (111.45)                           | -                    | (222.14)                |
| Deferment of installation revenue & straightlining of subscription expenses | 6,506.00                | -                                    | (1,385.18)                         | -                    | 5,120.82                |
| Others  | (89.29)                 | -                                    | 89.29                              | -                    | -                       |
| Gain / (Loss) on equity instrument designated as FVTPL                      | (19,717.55)             | -                                    | 11,326.80                          | -                    | (8,390.75)              |
| Gain / (Loss) on equity instrument designated as FVTOCI                     | (7,040.33)              | -                                    | -                                  | 2,691.73             | (4,348.60)              |
| Unamortised borrowing cost  | (505.12)                | -                                    | 107.05                             | -                    | (398.07)                |
| <b>Total</b>  | <b>(20,979.62)</b>      | <b>-</b>                             | <b>10,396.36</b>                   | <b>2,690.47</b>      | <b>(7,892.79)</b>       |
| <b>Elimination on Divestment of Subsidiary</b>                              | <b>-</b>                | <b>-</b>                             | <b>(16.78)</b>                     | <b>-</b>             | <b>-</b>                |
| <b>Net deferred tax asset / (liabilities)</b>                               | <b>(20,979.62)</b>      | <b>-</b>                             | <b>10,379.58</b>                   | <b>2,690.47</b>      | <b>(7,892.79)</b>       |

### 38 Earnings per share ('EPS')

Basic and Diluted earning per share amount are calculated by dividing the loss for the year from continuing and discontinuing operations respectively by the weighted average number of equity shares outstanding during the year. For the total operations, Basic and Diluted earning per share amount are calculated by dividing the total loss for the year from total operations by the weighted average number of equity shares outstanding during the year.

(₹ in Lakh)

| Particulars  | Year Ended<br>March 31, 2020 | Year Ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| Profit / (Loss) after tax from continuing operations (Rs. in Lakh)                   | <b>10,967.72</b>             | (30,385.11)                  |
| Loss after tax from discontinued operations (Rs. in Lakh)                            | <b>(24,376.69)</b>           | (3,926.68)                   |
| Loss after tax from continuing and discontinued operations (Rs. in Lakh)             | <b>(13,408.97)</b>           | (34,311.79)                  |
| Weighted average number of shares outstanding during the year for basic EPS (Nos.)   | <b>20,555,503</b>            | 20,555,503                   |
| Weighted average number of shares outstanding during the year for diluted EPS (Nos.) | <b>24,051,069</b>            | 24,051,069                   |
| <b>Earnings per equity share (for continuing operation):</b>                         |                              |                              |
| Basic (Rs.)  | <b>53.36</b>                 | (147.82)                     |
| Diluted (Rs.)  | <b>45.60</b>                 | (147.82)                     |
| <b>Earnings per equity share (for discontinued operation):</b>                       |                              |                              |
| Basic (Rs.)  | <b>(118.59)</b>              | (19.10)                      |
| Diluted (Rs.)  | <b>(118.59)</b>              | (19.10)                      |
| <b>Earnings per equity share (for total operations):</b>                             |                              |                              |
| Basic (Rs.)  | <b>(65.23)</b>               | (166.92)                     |
| Diluted (Rs.)  | <b>(65.23)</b>               | (166.92)                     |

## Notes to the consolidated financial statements for the year ended March 31, 2020

### 39 Corporate Social Responsibility (CSR)

(₹ in Lakh)

| Particulars  | Year Ended<br>March 31, 2020 | Year Ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| Gross amount required to be spent by the Company during the year for CSR | 116.39                       | 204.10                       |
| <b>Total</b>   | <b>116.39</b>                | <b>204.10</b>                |

| Amount spent during the year ended March 31, 2020 | In Cash       | Yet to be paid<br>in cash | Total         |
|---|---------------|---------------------------|---------------|
| a. Construction / acquisition of any asset        | -             | -                         | -             |
| b. On purposes other than (a) above               | 116.39        | -                         | 116.39        |
| <b>Total</b>                                      | <b>116.39</b> | <b>-</b>                  | <b>116.39</b> |
| Amount spent during the year ended March 31, 2019 | In Cash       | Yet to be paid<br>in cash | Total         |
| a. Construction / acquisition of any asset        | -             | -                         | -             |
| b. On purposes other than (a) above               | 204.10        | -                         | 204.10        |
| <b>Total</b>                                      | <b>204.10</b> | <b>-</b>                  | <b>204.10</b> |

### 40 Litigations and claims

As a part of its real estate activity, the Company had acquired approximately 47 acres of land in Devanahalli Bengaluru from a party in terms of Agreement of Sale Deed dated 28.07.1995. However, as the said party, though in receipt of sale consideration did not fulfil its legal obligation to transfer the title in the name of the Company, the Company filed a suit for specific performance in the Civil Court in 2011. An order granting temporary injunction was passed on 11.03.2013 restraining the said party from alienating or in any way encumbering the land in Devanahalli. A criminal complaint was also filed at the Devanahalli Court on 10.11.2014 and subsequently, the Hon'ble High Court of Karnataka vide order dated 19.07.2019 has quashed the criminal complaint filed before the Court at Devanahalli and the proceedings is disposed of as such. The suit for Specific Performance in the Civil Court is pending. The Department of Revenue, Government of Karnataka, has also raised certain issues relating to the title of the land which are being addressed by the Company.

### 41 Contingent Liabilities and Other Commitments (to the extent not provided for)

#### (I) Contingent Liabilities

| S. No.   | Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|----------|--|-------------------------|-------------------------|
| <b>a</b> | <b>Guarantees / counter guarantees</b>   |                         |                         |
|          | Bank Guarantees given to various authorities   | 433.24                  | 433.00                  |
|          | Guarantees / counter guarantees given to Custom Authorities  | 347.00                  | 347.00                  |
| <b>b</b> | <b>Claims against the Group not acknowledged as debt</b>   |                         |                         |
|          | - Entertainment Tax (Refer note no. 4 below)   | 2,481.96                | 2,481.00                |
|          | - Sales Tax and VAT (Refer note no. 6 below)   | 1,815.33                | 1,659.00                |
|          | - Cable Television Related Cases   | 234.00                  | 191.00                  |
|          | - Service Tax (Refer note no. 5 below)   | 12,794.00               | 12,794.00               |
|          | - License Fee (Department of Telecommunication) (Refer note no. 7 below)                                     | 53,829.00               | 50,775.00               |
|          | - Income tax matters against which the Group has filed appeals/ objections. (Refer note no. 2, 3 & 10 below) | 5,954.34                | 5,672.52                |
|          | - Demands of Custom Duty in a Subsidiary Company against which it has filed appeal. (Refer Note no. 8 below) | 1,177.00                | 1,177.00                |
|          | - Local body tax   | 45.00                   | 45.00                   |
|          | - Goods and Service Tax  | 101.99                  | -                       |

## Notes to the consolidated financial statements for the year ended March 31, 2020

### (II) Other commitments

| S. No. | Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------|---|-------------------------|-------------------------|
| a.     | Estimated amount of contracts remaining to be executed on capital account and not provided for  | <b>3,706.91</b>         | 3,932.00                |
| b.     | Letters of Credit issued by bankers:<br>- for Import of Equipments"   | <b>1,112.91</b>         | 1,176.00                |
| c.     | Co-borrower with Customer for Loan availed from Hinduja Leyland Finance Limited   | <b>200.00</b>           | 200.00                  |
| d.     | Provident fund (Refer note no.9 below)  | <b>409.00</b>           | 409.00                  |
| e.     | The Company has given an undertaking to three banks (i.e. Yes Bank Ltd., Axis Bank Ltd. and RBL Bank Ltd.) to retain shareholding to the extent of 51% in the subsidiary viz. IndusInd Media & Communications Limited (IMCL) until all the amounts outstanding under various Facility Agreements entered into by IMCL with the said banks are repaid in full by IMCL. |                         |                         |

#### Notes:

- In respect of items mentioned above, till the matters are finally decided, the financial effect cannot be ascertained. The Group does not expect any outflow of cash / resources.
- During the year, One Ott Intertainment Limited (subsidiary company) received a demand order from Income Tax for Rs.185.44 lacs pertaining to AY 2016-17. In the said year, the subsidiary company had acquired Broadband division of IMCL through a court approved Scheme of Arrangement for Slump sale. Based on the scheme and the order passed by the Hon'ble Bombay High Court dated 4th March, 2016, subsidiary company has booked intangible assets in form of Business and Commercial Rights amounting to ₹ 26700 lakhs and claimed depreciation on the same. The Assessing Officer, based on certain secondary documents, has wrongly considered the transfer of business from Holding Company to the subsidiary company as demerger u/s. 2(19)(aa) instead of Slump Sale u/s. 2(42C) of the Income Tax Act, 1961, as approved by the Bombay High Court. Considering the transaction as demerger, the Assessing officer has disallowed the claim of Depreciation of ₹ 6600 lakhs u/s. 32(5) of the Income Tax Act, 1961. subsidiary company has already preferred an appeal before the Hon'ble CIT (A) – 17, Mumbai and also filed necessary applications before the jurisdictional income tax authorities. In view of the foregoing, the subsidiary company has treated the said demand as contingent liability.
- In addition to above, the Group has received income tax demand pertaining to IT/ITES business aggregating ₹ 7,144.66 Lakh in respect of period prior to October 1, 2006 which is reimbursable to the Company by Hinduja Global Solutions Limited pursuant to the Scheme of Arrangement and Reconstruction for demerger of IT/ITES business from the Group sanctioned by High Court of Judicature of Bombay and made effective on March 7, 2007. In this regard, the Group had received ₹ 5,550.00 Lakh from Hinduja Global Solutions Limited to discharge part payment of disputed income tax dues pertaining to IT/ITES business. Out of this amount, the Group has received refund of ₹ Nil including interest of ₹ Nil (March 31, 2019 - 1,940.00 Lakh including interest of ₹ 490.00 Lakh) during the year and the net outstanding amount as at March 31, 2020 of Rs.1,868.99 lakh (March 31, 2019 of ₹ 1,868.99 Lakh). The Group has already received a Favourable order from the Hon'ble Bombay High Court. In view of Management and based on the legal advice obtained, the Company has a strong case to succeed.

The honourable Supreme Court of India has admitted a special leave petition (SLP) against section 10A matter under Income Tax Act, 1961 and the contingent liability as disclosed above for the financial year ended March 31, 2020 is recomputed considering all the open assessment years. Future cash outflow in respect of above, if any, is determinable only on receipt of judgements / decisions pending with relevant authorities."

#### 4. Entertainment tax ('ET') material disputes

Entertainment tax on LCO Points (Maharashtra)

The Government of Maharashtra issued Resolution No. - ENT2013/PK59/T-1 ('GR') dated March 7, 2013 for payment of ET on franchisee points by Multi System Operator (MSO). Accordingly, the ET authorities issued demand notices of ₹ 1,809.49 lakh relating to Mumbai, Nagpur and Nashik as under:

## Notes to the consolidated financial statements for the year ended March 31, 2020

| City   | Period                        | Notice Issued by                     | Demand raised by March 31, 2020 | Demand raised by March 31, 2019 |
|--------|-------------------------------|--------------------------------------|---------------------------------|---------------------------------|
| Mumbai | April, 2013 – September, 2013 | District Collector/ Tahsildar        | 507.08                          | 507.08                          |
| Nagpur | April, 2013 – June, 2013      | Office of District Collector, Nagpur | 181.14                          | 181.14                          |
| Nashik | April, 2013 - July, 2013      | Office of District Collector, Nashik | 41.35                           | 41.35                           |
| Nagpur | July, 2013 – October, 2014    | Office of District Collector, Nagpur | 1,079.92                        | 1079.92                         |
|        |                               |                                      | <b>1,809.49</b>                 | <b>1,809.49</b>                 |

In response to the demand notice issued by the ET authorities in Nagpur, the Group Subsidiary Company ("IMCL") has filed a writ petition with Hon'ble High Court of Bombay (Nagpur Bench) challenging the order of Collector and the validity of GR. The matter shifted to Bombay Bench for Consolidation with writ's filed by other MSO's and local cable operator ('LCO') associations in Mumbai and Nashik for similar demand order issued. In the interim, for writ filed by IMCL before Nagpur Bench, the Hon'ble High Court of Bombay has stayed any recovery proceeding against IMCL and in all writ petitions, Hon'ble High Court of Bombay has directed the LCOs to deposit the ET directly to the Entertainment tax authorities or through the Hon'ble High Court of Bombay. Based on the Orders of the court, collectors in Mumbai have started to collect the Entertainment tax from the LCO's.

The Government of Maharashtra has vide an Ordinance dated February 10, 2014 amended the Maharashtra Entertainment Duty Act, 1923 and the said ordinance was replaced with an Act and amendments passed by the ordinance became part of the Maharashtra Entertainment Duty Act, 1923 vide amendment dated July 25, 2014. The constitutional validity of the Ordinance and the Amendments has been challenged by another MSO and a LCO federation in Maharashtra before the Hon'ble High Court of Bombay. IMCL has amended its writ petitions filed before Hon'ble High Court of Bombay.

Based on the above facts, IMCL is of the opinion that liability for payment of ET on LCO points for the period April 2013 to June 2017 is not required to be provided in its books as the amount of entertainment tax payable is not ascertainable by IMCL at this stage.

### 5. Order from Service tax authorities for reversal of Cenvat Credit on Counter-vailing duty ('CVD') paid on import of Set-top box ('STB')

Effective November 2012, Digital Addressable System (DAS) was introduced in the broadcasting industry in India, in a phased manner, pursuant to which the Group Subsidiary Company ("IMCL") had paid CVD on imported STB's. IMCL issues STBs to end subscribers through LCOs (in some cases directly to subscribers) on payment of activation charges. These STBs are not sold to customers and continue to be asset of IMCL. STB's are used for providing output service i.e. Cable operator service. IMCL has claimed input credit of CVD paid on import against the output liability on Cable operator services under Rule 3 of CENVAT Credit Rules, 2004. The Service Tax Authorities had issued two SCN for the period April 2010 to December 2014 and January 2015 to June 2017, denying the claim of IMCL for providing Cable operator services for LCO Points, contending STBs are not necessary for providing said services, thus CVD paid on such STBs cannot be availed as input credit under Cenvat Credit Rules, 2004. The matter was heard by Commissioner of the Service Tax during the current year and an Order was passed confirming the demand in both the show cause notices along with penalty amounting to ₹ 12,653.00 lakh. In response to the Order, IMCL has filed an appeal with the Central Excise and Appellate Tribunal (CESTAT) in April 2019. Based on the above facts, IMCL is of the opinion that it still remains the owner of STBs and such STBs have direct nexus with providing of Cable operator services and is thus eligible for input credit and accordingly does not require to make any provisions in the books.



## Notes to the consolidated financial statements for the year ended March 31, 2020

### 6. Value Added Tax (VAT) material disputes

Effective November 2012, Digital Addressable System (DAS) was introduced in the broadcasting industry in India, in a phased manner, pursuant to which the Group Subsidiary Company ("IMCL") had paid CVD on imported STB's. IMCL issues STBs to end subscribers through LCOs (in some cases directly to subscribers) on payment of activation charges. These STBs are not sold to customers and continue to be asset of IMCL. The activation being a service, IMCL paid service tax on the activation fees. The VAT authorities in the state of Telangana, Uttar Pradesh and Andhra Pradesh passed orders respectively treating the transaction as transfer of Right to use / Deemed sale and levied VAT. IMCL has filed appeal with respective Appellate authorities. Based on the above facts, IMCL is of the opinion that it still remains the owner of STBs. Though physical control of STB is passed on to the end subscriber effective control remains with IMCL hence the transaction is not required to be taxed as transfer of Right to use / Deemed sale. Accordingly, IMCL is of the opinion that it does not require to make any provisions in the books for the said demand."

### 7. License fee demand notice from Department of Telecommunication

The Group Subsidiary Company ("IMCL") received demand notices during the financial year 2017-2018 from the Department of Telecommunication (DOT) towards alleged revenue loss due to license fees payable on Internet Service Provider (ISP) business along with interest and penalty thereon, for the period 2010-2011 to 2014-2015, aggregating to INR 50,775.00 lakh, under the License No. 820-5/2002-LR dated May 16, 2002 (hereinafter referred to as ISP License) and Unified License bearing No. 821-52/2013-DS for ISP Category A for PAN India. During the said period of 2010-11 to 2014-15, the ISP business was with IMCL and this got transferred to ONEOTT Entertainment Limited on April 1, 2015. DOT demand on IMCL was stayed by TDSAT vide order dated December 20, 2017 and the said stay has not been vacated as on date.

On November 14, 2019, ONEOTT Entertainment Limited ("OIL", direct subsidiary company of IMCL) received demand notices from DOT for the financial years 2015-16 till 2018-19 amounting to ₹ 2,430.92 lakh including interest and penalty of ₹ 1078.24 lakh towards license fees on AGR. OIL on the same basis had calculated the licence fees on AGR for the FY 19-20 which amounts to 623.32 lakh. Accordingly, the total unacknowledged liability of OIL would be 3054.24 lakh (including interest, penalty and interest on penalty).

During the current year, in a similar matter, TDSAT vide its order dated October 18, 2019 has set aside the impugned demands and directed DOT to issue directives for maintaining level playing field for all operators. Further, in matters of certain telecom companies relating to 'AGR', the Hon'ble Supreme Court vide its order dated October 24, 2019 upheld DOT's appeal thereby determining what constitutes AGR for the purposes of license fee calculation.

On December 5, 2019, in light of the Hon'ble Supreme Court's judgement, DOT decided to re-examine all demand orders raised and asked all license holders to submit comprehensive representations of the issues involved. IMCL and OIL have filed representations at appropriate authorities denying the alleged liabilities.

Based on an independent legal expert opinion, IMCL and OIL continue to believe that the demands will not be upheld and therefore disclose these as Contingent Liabilities.

### 8. Custom Duty on Activation Fees paid the Nagra Vision SA

HITS Division of Grant Investrade Limited (merged with Indusind Media & Communications Limited ("IMCL") had received SCN from the Directorate of Revenue Intelligence (DRI), Mumbai for evasion of Custom Duty on payment of activation fees to Nagra Vision SA and inadvertent claim of Exemption for payment of Special Additional Duty pursuant to Notification No. 21/2012 dated March 17, 2012. The DRI has alleged that the activation fees payable to Nagra Vision is a "License Fees" and is paid or payable at the rate of USD 0.535 per Set Top Box. The payment of License fees is a condition to sell the STB and is liable to be added in the declared transaction value of the STBs under Rule 10(1)(c) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. The Additional Director General DRI (Adjudication) vide its order dated February 28, 2018 rejected the submission made by IMCL and passed the order confirming a demand of ₹ 927.00 Lakh (including penalty and redemption fine). IMCL has filed an Appeal before the CESTAT, Mumbai in June 2018. Based on the contention that the amount paid to Nagra Vision SA is towards activation fees and not licence fees. IMCL expects that the outcome of the matter will be favourable to IMCL on the basis of the Appeal and hence has included the demand as above under contingent liabilities.

In addition to above order, during the current year, IMCL has received a new Show Cause Notice on similar issue for Cable and HITS Division. The reply has already been filed by IMCL. Hearing before the Custom authorities are yet to start.

## Notes to the consolidated financial statements for the year ended March 31, 2020

### 9. Provident Fund

In February 2019, the Hon'ble Supreme Court of India vide its judgment and subsequent review petition of August 2019 has ruled in respect of compensation for the purpose of Provident Fund contribution under the Employee's Provident Fund Act. The Company has assessed possible outcomes of the judgment on determination of provident fund contributions and based on the Company's current evaluation of the judgment, it is not probable that certain allowances paid by the Company will be subject to payment of provident fund. The Company will continue to monitor and evaluate its position based on future events and developments.

10. The Group has proceedings pending with the Income tax, Service tax authorities, Customs tax authorities, Sales tax authorities and Local body tax authorities. The Group has reviewed all its pending proceedings and has adequately provided where provisions are required and disclosed as contingent liabilities where applicable and quantifiable, in these consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on these consolidated financial statements.

### 42 Renewal of licenses

Under the provisions of the Cable Television Networks (Regulations) Act, 1995, the Group Subsidiary Company ("IMCL") as a Multi System Operator ('MSO') is registered with the Information and Broadcasting Ministry under Rule 11C of the Cable Television Network Rules, 1994. Apart from the said registration, IMCL is also required to take registration as a cable operator under Rule 5 of the Cable Television Networks Rules, 1994 from the Registering Authority i.e. Post Office year on year basis. IMCL is in the process of renewing the licenses that have lapsed during the year / previous years at some of the locations.

### 43 Details of traded goods under broad heads

(₹ in Lakh)

| Traded goods | Opening stock<br>(A) | Purchases<br>(B) | Sales<br>(C) | Closing stock<br>(D) |
|--------------|----------------------|------------------|--------------|----------------------|
| Land         | 3,719.32             | -                | -            | 3,719.32             |
|              | (3,719.32)           | -                | -            | (3,719.32)           |

**Note:** Figures in brackets are in relation to previous year.

### 44 Leases

#### As Lessee

The Group has entered into cancellable leasing arrangements relating to office premises extending upto a maximum of five years from the respective dates of inception which are renewable on mutual consent. The Company has given refundable interest free deposits in accordance with the agreed terms. Lease rentals of ₹ 914.74 lakh (March 31, 2019: 1,031.12 lakh) has been recognised in 'Rent' under note no. 36 to the financial statements.

#### Ind AS 116 "Leases" Initial Application:

(Rs. in Lakh)

| Particulars  | As at<br>March 31, 2020 |
|--------------|-------------------------|
| Non-current  | 8,596.85                |
| Current      | 2,785.08                |
| <b>Total</b> | <b>11,381.94</b>        |

The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, using modified retrospective method, with the cumulative effect of initially applying the Standard, recognised on the date of initial application April 1, 2019. Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

This has resulted in recognising a right-of-use asset of ₹ 5,433.12 lakh and a corresponding lease liability of ₹ 5,947.16 lakh by adjusting retained earnings as at April 1, 2019. In the consolidated financial statements for the current financial year ended March 31, 2020; the nature of expenses in respect of leases has changed from other expenses in previous periods to finance cost for interest accrued on lease liability and depreciation cost for the right-to-use asset disclosed in note no. 34 and note no. 35 respectively.

## Notes to the consolidated financial statements for the year ended March 31, 2020

### (i) Movement in Lease Liabilities:

(Rs in Lakh)

| Particulars                               | As at<br>March 31, 2020 |
|---|-------------------------|
| Opening Balance                           | -                       |
| Add: Addition made during the year        | 16,474.88               |
| Add: Unrealised forex exchange            | 732.97                  |
| Add: Finance cost accrued during the year | 489.36                  |
| Less: Payment of Lease Liabilities        | 2,170.09                |
| Less: Lease termination                   | 4,145.18                |
| <b>Closing Balance</b>                    | <b>11,381.94</b>        |

### (ii) The contractual maturities of Lease liabilities are as under on undiscounted basis:

(Rs in Lakh)

| Particulars   | As at<br>March 31, 2020 |
|---|-------------------------|
| Payable within one year                                   | 1,036.17                |
| Payable later than one year and not later than five years | 9,062.00                |
| Payable after five years                                  | 6,321.00                |

### (iii)

(Rs in Lakh)

| Particulars   | As at<br>March 31, 2020 |
|---|-------------------------|
| Lease payments recognised for short term leases in Statement of Profit and Loss during the year 2019-20 | -                       |

#### As Lessor

The Parent Company has entered into a cancellable leasing arrangement with ONEOTT Intertainment Limited (Previously known as Planet E-Shop Holdings India Limited), a group company, relating to lease of Dark Fibre Cable owned by the company extending upto a maximum of three years. The Company has recognised ₹ 1,241.50 lakh for the year ended March 31, 2020 [Previous year - ₹ 3,416.42 lakh] which has been included in 'Lease income - optic fibre cable'.

In respect of the Group subsidiary company ("IMCL"), rental income amounting to ₹ NIL (March 31, 2019: ₹ 102.00 lakh) has been recognised in the Statement of profit and loss for the year ended March 31, 2020.

#### 45 The direct and indirect subsidiaries (all incorporated in India) considered in the consolidated financial statements with the Company's share in voting power in these companies are as follows:

| Sr. No.   | Name of the Company                            | Held by | Parent's Shareholding and Voting Power (%) |                | Company's Effective Stake (%) |                |
|-----------|--|---------|--|----------------|-------------------------------|----------------|
|           |  |         | As at                                      |                | As at                         |                |
|           |  |         | March 31, 2020                             | March 31, 2019 | March 31, 2020                | March 31, 2019 |
| <b>I</b>  | <b>DIRECT SUBSIDIARIES</b>                     |         |  |                |                               |                |
| 1         | IndusInd Media & Communications Limited (IMCL) | NDL     | 77.55                                      | 76.98          | 77.55                         | 76.98          |
| <b>II</b> | <b>INDIRECT SUBSIDIARIES</b>                   |         |  |                |                               |                |
| 1         | USN Networks Private Limited                   | IMCL    | 100.00                                     | 100.00         | 77.55                         | 76.98          |
| 2         | United Mysore Network Private Limited          | IMCL    | 99.45                                      | 99.45          | 77.12                         | 76.56          |

## Notes to the consolidated financial statements for the year ended March 31, 2020

| Sr. No. | Name of the Company  | Held by | Parent's Shareholding and Voting Power (%) |        | Company's Effective Stake (%) |       |
|---------|--|---------|--|--------|-------------------------------|-------|
|         |  |         | As at                                      |        | As at                         |       |
| 3       | Bhima Riddhi Infotainment Private Limited  | IMCL    | 51.00                                      | 51.00  | 39.55                         | 39.26 |
| 4       | Gold Star Noida Network Private Limited  | IMCL    | 100.00                                     | 100.00 | 77.55                         | 76.98 |
| 5       | Apna Incable Broadband Services Private Limited  | IMCL    | 100.00                                     | 100.00 | 77.55                         | 76.98 |
| 6       | Sangli Media Services Private Limited  | IMCL    | 51.00                                      | 51.00  | 39.55                         | 39.26 |
| 7       | Sainath In Entertainment Private Limited   | IMCL    | 51.00                                      | 51.00  | 39.55                         | 39.26 |
| 8       | Sunny Infotainment Private Limited   | IMCL    | 51.00                                      | 51.00  | 39.55                         | 39.26 |
| 9       | Goldstar Infotainment Private Limited  | IMCL    | 98.92                                      | 98.92  | 76.71                         | 76.15 |
| 10      | Ajanta Sky Darshan Private Limited   | IMCL    | 51.00                                      | 51.00  | 39.55                         | 39.26 |
| 11      | Darpita Trading Company Private Limited  | IMCL    | 51.00                                      | 51.00  | 39.55                         | 39.26 |
| 12      | RBL Digital Cable Network Private Limited  | IMCL    | 51.00                                      | 51.00  | 39.55                         | 39.26 |
| 13      | Vistaar Telecommunication and Infrastructure Private Limited   | IMCL    | 51.00                                      | 51.00  | 39.55                         | 39.26 |
| 14      | Advance Multisystem Broadband Communications Limited (upto March 29, 2019)   | IMCL    | -  | 59.61  | -                             | -     |
| 15      | Amaravara Indigital Media Services Private Limited (upto March 29, 2019)   | IMCL    | -  | 76.00  | -                             | -     |
| 16      | "Vinsat Digital Private Limited (effective January 2, 2018)"   | IMCL    | 61.00                                      | 61.00  | 47.31                         | 46.96 |
| 17      | ONEOTT Intertainment Limited (Previously known as Planet E-Shop Holdings India Limited) (effective from August 12, 2019) | IMCL    | 71.65                                      | -      | 55.56                         | -     |

#### 46 Segmental reporting

##### Primary segment information

##### Business segment

The Group's primary business segments are reflected based on principal business activities carried on by the Group. The Group's primary businesses are as under:

- i) Treasury & Investment activities include trading of shares which the Company carries out on its own account, advancing of inter corporate loans and advances and sub-broking activities for shares.
- ii) Media & Entertainment activities include the commercial exploitation of Dark Fibre owned by the Company as a licensee under the Telecom regulations and also its strategic investments in a subsidiary in the Cable TV Industry.
- iii) Real estate activities include real estate assets (Land) acquired for the purpose of development in future.

These segments are determined based on the internal organisation and management structure of the Company and its system of internal financial reporting and the nature of its risks and its returns. The Board of Directors of the company has been identified as Chief Operating Decision Maker (CODM). CODM evaluates the Company's performance, allocate resources based on analysis of various performance indicators of the Group as disclosed for the above three segments.

## Notes to the consolidated financial statements for the year ended March 31, 2020

### Secondary segment information

#### Geographical segment

The Group's operations are based in India and therefore the Group has only one geographical segment - India.

#### Segment accounting policies

Segment accounting policies are in line with accounting policies of the Group. In addition, the following specific accounting policies have been followed for segment reporting

- i) Segment revenue includes income directly identifiable with the segments.
- ii) Expenses that are directly identifiable with the segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments and expenses which relate to the operating activities of the segment but are impracticable to allocate to the segment, are included under "Unallocable corporate expenses".
- iii) Income which relates to the Group as a whole and not allocable to segments is included in Unallocable Income and netted off from Unallocable corporate expenses.
- iv) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

| Sr. no. | Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------|--|-------------------------|-------------------------|
| 1       | <b>Segment Revenue</b>   |                         |                         |
|         | (a) Media and Communication  | 116,207.81              | 70,304.29               |
|         | (b) Others   | -                       | -                       |
|         | (d) Unallocated  | 2.15                    | 156.12                  |
|         | <b>Income from Continue operations</b>                             | <b>116,209.96</b>       | <b>70,460.41</b>        |
|         | (c) Investments and Treasury (Discontinued)                        | 373.91                  | 597.84                  |
|         | <b>Income from operations</b>                                      | <b>116,583.87</b>       | <b>71,058.25</b>        |
| 2       | <b>Segment Results</b>   |                         |                         |
|         | (a) Media and Communication  | 15,119.97               | (22,051.80)             |
|         | (b) Others   | (136.69)                | (166.81)                |
|         | (d) Unallocated  | (1,543.79)              | (352.79)                |
|         | <b>Total</b>   | <b>13,439.49</b>        | <b>(22,571.40)</b>      |
|         | (i) Less: Interest Expense   | 10,992.86               | 10,429.54               |
|         | <b>Profit / (Loss) before exceptional items and tax (Continue)</b> | <b>2,446.63</b>         | <b>(33,000.94)</b>      |
|         | (c) Investments and Treasury (Discontinued)                        | (32,799.06)             | (6,969.88)              |
|         | <b>Total</b>   | <b>(30,352.43)</b>      | <b>(39,970.82)</b>      |
| 3       | <b>Segment Assets</b>  |                         |                         |
|         | (a) Media and Communication  | 181,229.86              | 136,798.11              |
|         | (b) Others   | 3,719.50                | 3,719.50                |
|         | (c) Investments and Treasury (Discontinued)                        | 9,819.27                | 107,649.01              |
|         | (d) Unallocated  | 1,633.88                | 992.05                  |
|         | <b>Total</b>   | <b>196,402.51</b>       | <b>249,158.67</b>       |

## Notes to the consolidated financial statements for the year ended March 31, 2020

| Sr. no. | Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------|--|-------------------------|-------------------------|
| 4       | <b>Segment Liabilities</b>   |                         |                         |
|         | (a) Media and Communication  | 142,515.96              | 142,832.86              |
|         | (b) Others   | 9.56                    | 17.61                   |
|         | (c) Investments and Treasury (Discontinued)                        | -                       | 35,810.30               |
|         | (d) Unallocated  | 29,099.08               | 14,879.68               |
|         | <b>Total</b>   | <b>171,624.60</b>       | <b>193,540.45</b>       |
| 5       | <b>Capital Employed<br/>(Segment Assets - Segment Liabilities)</b> |                         |                         |
|         | (a) Media and Communication  | 38,713.90               | (6,034.75)              |
|         | (b) Others   | 3,709.94                | 3,701.89                |
|         | (c) Investments and Treasury (Discontinued)                        | 9,819.27                | 71,838.71               |
|         | (d) Unallocated  | (27,465.20)             | (13,887.63)             |
|         | <b>Total</b>   | <b>24,777.91</b>        | <b>55,618.22</b>        |

#### 47 Related Party and their relationships

##### I. Individual having control:

1. Mr. Ashok P. Hinduja, Non-Executive Chairman, w.e.f. October 01, 2018 (Executive Chairman upto September 30, 2018)
2. Mrs. Harsha A. Hinduja

##### II. Relatives of Individuals identified in (I) above:

1. Ms. Ambika A. Hinduja
2. Ms. Satya A. Hinduja
3. Mr. Shom A. Hinduja
4. Mr. Srichand P. Hinduja
5. Mr. Gopichand P. Hinduja
6. Mr. Prakash P. Hinduja

##### III. Key Management Personnel

1. Mr. Ashok Mansukhani, Managing Director, w.e.f April 30, 2018 (Whole-Time Director upto April 29, 2018) Vice-Chairman IndusInd Media & Communications Limited
2. Mr. Amar Chintopanth, Chief Financial Officer  
Executive Director and Chief Financial Officer of IndusInd Media & Communications Limited
3. Mr. Hasmukh Shah, Company Secretary and Compliance Officer
4. Mr. Abin Kumar Das, Chairman of IndusInd Media & Communications Limited
5. Mr. Vynsley Fernandes, Chief Executive Officer of IndusInd Media & Communications Limited
6. Mr. Bijay Kumar, Company Secretary of IndusInd Media & Communications Limited, upto April 19, 2019
7. Mr. Ashish Pandey, Company Secretary of IndusInd Media & Communications Limited, w.e.f May 07, 2019

##### Non-Executive Directors:

1. Mr. Anil Harish : Independent Director
2. Mr. Rajendra P. Chitale : Independent Director (retired from September 21, 2019)



## Notes to the consolidated financial statements for the year ended March 31, 2020

3. Mr. Prashant Asher : Independent Director of NXTDIGITAL LIMITED and IndusInd Media & Communications Limited
4. Ms. Bhumika Batra : Independent Director
5. Mr. Sudhanshu Tripathi : Non-Executive Director
6. Mr. Prakash Shah : Independent Director of IndusInd Media & Communications Limited and Grant Investrade Limited
7. Ms. Kanchan Chitale : Independent Director of IndusInd Media & Communications Limited and Grant Investrade Limited

#### IV. Enterprises where common control exists

1. Hinduja Group Limited
2. Hinduja Global Solutions Limited
3. Siddharth Textiles Private Limited
4. Aasia Advisory Services Limited
5. Aasia Business Venture Private Limited (under process of striking off)
6. The British Metal Corporation India Private Limited
7. Hinduja Realty Ventures Limited
8. Skyways Properties Private Limited (under process of striking off)
9. Aasia Corporation LLP
10. Hinduja Estate Developers
11. APDL Estates Limited
12. Hinduja Properties Limited
13. Hinduja E-ways Private Limited
14. Hinduja Healthcare Limited
15. Hinduja Estate Private Limited
16. Ashok Plywood Trading Company LLP
17. Aasia Exports
18. HGS International, Mauritius
19. HGS International Services Private Limited
20. Hinduja Global Solutions Inc., U S A
21. HGS Canada Inc., Canada
22. C-Cubed B.V, Netherlands
23. C-Cubed B.V, Curacao
24. Customer Contact Centre Inc., Philippines
25. Hinduja Global Solutions Europe Limited, U K
26. Hinduja Global Solutions UK Limited, U K
27. HGS France, S.A.R.L
28. HGS (USA), LLC
29. HGS Healthcare (previously RMT LLC., U S A)
30. Affina Company, Canada
31. HGA St. Lucia Ltd., Saint Lucia
32. Team HGS Limited, Jamaica

## Notes to the consolidated financial statements for the year ended March 31, 2020

33. HGS Properties LLC, U S A
34. HGS Canada Holdings LLC, U S A
35. HGS Italy, S.A.R.L
36. HGS EBOS LLC, U S A
37. HGS Mena FZ LLC, U S A
38. HGS Colibrium Inc
39. HGS Extensya Holdings Limited (w.e.f. November 25, 2015)
40. Extensya Investment Holdings Limited (w.e.f. November 25, 2015)
41. HGS Extensya Cayman Limited (w.e.f. November 25, 2015)
42. Aasia Imports and Exports Private Limited
43. Indusind Information Technology Limited
44. Juhu Beach Resorts Limited
45. Hinduja Finance Limited
46. Aasia Enterprises LLP
47. Tabula Rasa Music LLP
48. Cyqure India Pvt Ltd (100% owned by Aasia Enterprises LLP)
49. Ashok Leyland Defence Systems Ltd (being the subsidiary of Aasia Enterprises LLP)
50. Impeccable Imagination LLP (Previously known as Impeccable Imagination Private Limited)
51. Hinduja Energy (India) Limited
52. Hinduja National Power Company Limited
53. ONEOTT Intertainment India Limited (Previously known as Planet E-Shop Holdings India Limited) (upto August 11, 2019)
54. IN Entertainment (India) Limited (upto August 11, 2019)
55. One Mahanet Intertainment Private Limited (upto August 11, 2019)
56. IndusInd Communications Limited, Mauritius
57. Bhima Riddhi Cable Networks
58. Bhima Riddhi Cable Net

### VI. Firm in which Director is a partner

- |                                      |   |
|--------------------------------------|---|
| 1 D M Harish & Co.                   | (Firm in which Mr. Anil Harish is a Partner)                        |
| 2 Crawford Bayley & Co.              | (Firm in which Ms. Bhumika Batra & Mr. Prashant Asher are partners) |
| 3 Castle Media Private Limited       | (Company in which Mr. Vynsley Fernandes is a shareholder)           |
| 4 Spyke Technologies Private Limited | (Company in which Mr. Vynsley Fernandes is a shareholder)           |

## Notes to the consolidated financial statements for the year ended March 31, 2020

The following details pertain to transactions carried out with the related parties in the ordinary course of business and balances outstanding at the year-end:

(₹ in Lakh)

| Nature of Transaction              | Parties referred to in I & II above | Parties referred to in III & V above | Parties referred to in IV above | Total           |
|------------------------------------|-------------------------------------|--------------------------------------|---------------------------------|-----------------|
| <b>Interest Income</b>             |                                     |                                      |                                 |                 |
| Aasia Corporation LLP              | -                                   | -                                    | -                               | -               |
|                                    | (-)                                 | (-)                                  | (2.19)                          | (2.19)          |
| Hinduja Group Limited              | -                                   | -                                    | 1.68                            | 1.68            |
|                                    | (-)                                 | (-)                                  | (44.31)                         | (44.31)         |
| Hinduja Finance Limited            | -                                   | -                                    | 24.57                           | 24.57           |
|                                    | (-)                                 | (-)                                  | (-)                             | (-)             |
| Hinduja Realty Ventures Limited    | -                                   | -                                    | 66.29                           | 66.29           |
|                                    | (-)                                 | (-)                                  | (34.07)                         | (34.07)         |
| IN Entertainment (India) Limited   | -                                   | -                                    | -                               | -               |
|                                    | (-)                                 | (-)                                  | (7.98)                          | (7.98)          |
| <b>Total</b>                       | -                                   | -                                    | <b>92.54</b>                    | <b>92.54</b>    |
|                                    | (-)                                 | (-)                                  | (88.55)                         | (88.55)         |
| <b>Lease Rental Income</b>         |                                     |                                      |                                 |                 |
| ONEOTT Intertainment Limited       | -                                   | -                                    | 1,270.90                        | 1,270.90        |
|                                    | (-)                                 | (-)                                  | (3,540.42)                      | (3,540.42)      |
| <b>Total</b>                       | -                                   | -                                    | <b>1,270.90</b>                 | <b>1,270.90</b> |
|                                    | (-)                                 | (-)                                  | (3,540.42)                      | (3,540.42)      |
| <b>Sale of Material Fibre</b>      |                                     |                                      |                                 |                 |
| ONEOTT Intertainment Limited       | -                                   | -                                    | -                               | -               |
|                                    | (-)                                 | (-)                                  | (150.25)                        | (150.25)        |
| <b>Total</b>                       | -                                   | -                                    | -                               | -               |
|                                    | (-)                                 | (-)                                  | (150.25)                        | (150.25)        |
| <b>Carriage Income</b>             |                                     |                                      |                                 |                 |
| IN Entertainment (India) Limited   | -                                   | -                                    | -                               | -               |
|                                    | (-)                                 | (-)                                  | (127.50)                        | (127.50)        |
| <b>Total</b>                       | -                                   | -                                    | -                               | -               |
|                                    | (-)                                 | (-)                                  | (127.50)                        | (127.50)        |
| <b>Infrastructure Income</b>       |                                     |                                      |                                 |                 |
| IN Entertainment (India) Limited   | -                                   | -                                    | -                               | -               |
|                                    | (-)                                 | (-)                                  | (48.89)                         | (48.89)         |
| <b>Total</b>                       | -                                   | -                                    | -                               | -               |
|                                    | (-)                                 | (-)                                  | (48.89)                         | (48.89)         |
| <b>Installation Income</b>         |                                     |                                      |                                 |                 |
| Hinduja Group Limited              | -                                   | -                                    | -                               | -               |
|                                    | (-)                                 | (-)                                  | (0.06)                          | (0.06)          |
| Spyke Technologies Private Limited | -                                   | -                                    | -                               | -               |
|                                    | (-)                                 | (1.68)                               | (-)                             | (1.68)          |
| <b>Total</b>                       | -                                   | -                                    | -                               | -               |
|                                    | (-)                                 | (1.68)                               | (0.06)                          | (1.74)          |
| <b>Subscription Income</b>         |                                     |                                      |                                 |                 |
| Hinduja Group Limited              | -                                   | -                                    | 10.69                           | 10.69           |
|                                    | (-)                                 | (-)                                  | (-)                             | (-)             |
| Hinduja Global Solutions Limited   | -                                   | -                                    | 0.60                            | 0.60            |
|                                    | (-)                                 | (-)                                  | (-)                             | (-)             |

## Notes to the consolidated financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Nature of Transaction                                 | Parties referred to in I & II above | Parties referred to in III & V above | Parties referred to in IV above | Total           |
|---|-------------------------------------|--------------------------------------|---------------------------------|-----------------|
| Hinduja Healthcare Limited                            | -                                   | -                                    | 2.04                            | 2.04            |
|   | (-)                                 | (-)                                  | (-)                             | (-)             |
| Bhima Riddhi Cable Networks                           | -                                   | -                                    | 166.40                          | 166.40          |
|   | (-)                                 | (-)                                  | (-)                             | (-)             |
| <b>Total</b>  | -                                   | -                                    | <b>179.73</b>                   | <b>179.73</b>   |
|   | (-)                                 | (-)                                  | (-)                             | (-)             |
| <b>Miscellaneous Income</b>                           |                                     |                                      |                                 |                 |
| ONEOTT Entertainment Limited                          | -                                   | -                                    | 0.04                            | 0.04            |
|   | (-)                                 | (-)                                  | (-)                             | (-)             |
| Spyke Technologies Private Limited                    | -                                   | 9.05                                 | -                               | 9.05            |
|   | (-)                                 | (0.85)                               | (-)                             | (0.85)          |
| <b>Total</b>  | -                                   | <b>9.05</b>                          | <b>0.04</b>                     | <b>9.09</b>     |
|   | (-)                                 | (0.85)                               | (-)                             | (0.85)          |
| <b>Reimbursement of Expenses from Other Companies</b> |                                     |                                      |                                 |                 |
| Hinduja Group Limited                                 | -                                   | -                                    | 0.31                            | 0.31            |
|   | (-)                                 | (-)                                  | (1.09)                          | (1.09)          |
| Hinduja Global Solutions Limited                      | -                                   | -                                    | 46.10                           | 46.10           |
|   | (-)                                 | (-)                                  | (56.25)                         | (56.25)         |
| IN Entertainment (India) Limited                      | -                                   | -                                    | 8.20                            | 8.20            |
|   | (-)                                 | (-)                                  | (20.00)                         | (20.00)         |
| ONEOTT Entertainment Limited                          | -                                   | -                                    | 355.36                          | 355.36          |
|   | (-)                                 | (-)                                  | (1.26)                          | (1.26)          |
| <b>Total</b>  | -                                   | -                                    | <b>409.97</b>                   | <b>409.97</b>   |
|   | (-)                                 | (-)                                  | (78.60)                         | (78.60)         |
| <b>Reimbursement of Expenses to Other Companies</b>   |                                     |                                      |                                 |                 |
| Hinduja Group Limited                                 | -                                   | -                                    | -                               | -               |
|   | (-)                                 | (-)                                  | (15.00)                         | (15.00)         |
| Hinduja Realty Ventures Limited                       | -                                   | -                                    | 9.00                            | 9.00            |
|   | (-)                                 | (-)                                  | (9.00)                          | (9.00)          |
| Hinduja Global Solutions Limited                      | -                                   | -                                    | 1.88                            | 1.88            |
|   | (-)                                 | (-)                                  | -                               | -               |
| IN Entertainment (India) Limited                      | -                                   | -                                    | 2.99                            | 2.99            |
|   | (-)                                 | (-)                                  | (59.59)                         | (59.59)         |
| ONEOTT Entertainment India Limited                    | -                                   | -                                    | 1,365.31                        | 1,365.31        |
|   | (-)                                 | (-)                                  | (0.31)                          | (0.31)          |
| Castle Media Private Limited                          | -                                   | -                                    | -                               | -               |
|   | (-)                                 | (0.81)                               | (-)                             | (0.81)          |
| Spyke Technologies Private Limited                    | -                                   | 106.23                               | -                               | 106.23          |
|   | (-)                                 | (72.96)                              | (-)                             | (72.96)         |
| Bhima Riddhi Cable Network                            | -                                   | -                                    | 320.00                          | 320.00          |
|   | (-)                                 | (-)                                  | (-)                             | (-)             |
| Prakash Shah  | -                                   | 2.16                                 | -                               | 2.16            |
|   | (-)                                 | (-)                                  | (-)                             | (-)             |
| <b>Total</b>  | -                                   | <b>108.39</b>                        | <b>1,699.18</b>                 | <b>1,807.57</b> |
|   | (-)                                 | (73.77)                              | (83.90)                         | (157.67)        |

## Notes to the consolidated financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Nature of Transaction                               | Parties referred to in I & II above | Parties referred to in III & V above | Parties referred to in IV above | Total                       |
|---|-------------------------------------|--------------------------------------|---------------------------------|-----------------------------|
| <b>Internet Expenses</b>                            |                                     |                                      |                                 |                             |
| ONEOTT Intertainment Limited                        | -<br>(-)                            | -<br>(-)                             | 351.84<br>(1,430.23)            | 351.84<br>(1,430.23)        |
| <b>Total</b>  | -<br>(-)                            | -<br>(-)                             | <b>351.84</b><br>(1,430.23)     | <b>351.84</b><br>(1,430.23) |
| <b>Link Charges</b>                                 |                                     |                                      |                                 |                             |
| ONEOTT Intertainment Limited                        | -<br>(-)                            | -<br>(-)                             | 113.72<br>(-)                   | 113.72<br>(-)               |
| <b>Total</b>  | -<br>(-)                            | -<br>(-)                             | <b>113.72</b><br>(-)            | <b>113.72</b><br>(-)        |
| <b>Miscellaneous Expenses</b>                       |                                     |                                      |                                 |                             |
| IN Entertainment (India) Limited                    | -<br>(-)                            | -<br>(-)                             | 0.01<br>(25.00)                 | 0.01<br>(25.00)             |
| <b>Total</b>  | -<br>(-)                            | -<br>(-)                             | <b>0.01</b><br>(25.00)          | <b>0.01</b><br>(25.00)      |
| <b>Interest Expense</b>                             |                                     |                                      |                                 |                             |
| Hinduja Realty Ventures Limited                     | -<br>(-)                            | -<br>(-)                             | 53.31<br>(316.12)               | 53.31<br>(316.12)           |
| Hinduja Group Limited                               | -<br>(-)                            | -<br>(-)                             | 1,105.25<br>(1.21)              | 1,105.25<br>(1.21)          |
| Hinduja Properties Limited                          | -<br>(-)                            | -<br>(-)                             | 8.76<br>(-)                     | 8.76<br>(-)                 |
| IN Entertainment (India) Limited                    | -<br>(-)                            | -<br>(-)                             | 21.51<br>(32.31)                | 21.51<br>(32.31)            |
| ONEOTT Intertainment Limited                        | -<br>(-)                            | -<br>(-)                             | 3.51<br>(8.33)                  | 3.51<br>(8.33)              |
| The British Metal Corporation India Private Limited | -<br>(-)                            | -<br>(-)                             | 46.34<br>(-)                    | 46.34<br>(-)                |
| <b>Total</b>  | -<br>(-)                            | -<br>(-)                             | <b>1,238.68</b><br>(357.97)     | <b>1,238.68</b><br>(357.97) |
| <b>Professional / Technical Fees</b>                |                                     |                                      |                                 |                             |
| Crawford Bayley & Co.                               | -<br>(-)                            | 4.00<br>(3.00)                       | -<br>(-)                        | 4.00<br>(3.00)              |
| D M Harish & Co.                                    | -<br>(-)                            | 7.00<br>(10.00)                      | -<br>(-)                        | 7.00<br>(10.00)             |
| Hinduja Group Limited                               | -<br>(-)                            | -<br>(-)                             | 356.33<br>(165.00)              | 356.33<br>(165.00)          |
| Hinduja Finance Limited (Refer note no. 3)          | -<br>(-)                            | -<br>(-)                             | 79.10<br>(75.20)                | 79.10<br>(75.20)            |
| Castle Media Private Limited                        | -<br>(-)                            | 1,111.61<br>(567.00)                 | -<br>(-)                        | 1,111.61<br>(567.00)        |
| <b>Total</b>  | -<br>(-)                            | <b>1,122.61</b><br>(580.00)          | <b>435.43</b><br>(249.20)       | <b>1,558.04</b><br>(829.20) |
| <b>Rent (Refer note no. 45)</b>                     |                                     |                                      |                                 |                             |
| Hinduja Group Limited                               | -<br>(-)                            | -<br>(-)                             | 72.66<br>(88.02)                | 72.66<br>(88.02)            |

## Notes to the consolidated financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Nature of Transaction                    | Parties referred to in I & II above | Parties referred to in III & V above | Parties referred to in IV above | Total         |
|--|-------------------------------------|--------------------------------------|---------------------------------|---------------|
| Aasia Corporation LLP                    | -                                   | -                                    | 22.72                           | 22.72         |
|  | (-)                                 | (-)                                  | (-)                             | (-)           |
| <b>Total</b>                             | -                                   | -                                    | <b>95.38</b>                    | <b>95.38</b>  |
|  | (-)                                 | (-)                                  | (88.02)                         | (88.02)       |
| <b>Director Sitting Fees</b>             |                                     |                                      |                                 |               |
| Mr. Ashok P. Hinduja                     | 5.00                                | -                                    | -                               | 5.00          |
|  | (2.00)                              | (-)                                  | (-)                             | (2.00)        |
| Mr. Anil Harish                          | -                                   | 11.50                                | -                               | 11.50         |
|  | (-)                                 | (9.00)                               | (-)                             | (14.50)       |
| Mr. Rajendra P. Chitale                  | -                                   | 6.50                                 | -                               | 6.50          |
|  | (-)                                 | (9.00)                               | (-)                             | (14.50)       |
| Mr. Prashant Asher                       | -                                   | 14.50                                | -                               | 14.50         |
|  | (-)                                 | (9.00)                               | (-)                             | (9.00)        |
| Ms. Bhumika Batra                        | -                                   | 13.25                                | -                               | 13.25         |
|  | (-)                                 | (5.50)                               | (-)                             | (6.50)        |
| Mr. Sudhanshu Tripathi                   | -                                   | 11.00                                | -                               | 11.00         |
|  | (-)                                 | (8.50)                               | (-)                             | (12.00)       |
| Mr. Prakash Shah                         | -                                   | 27.47                                | -                               | 27.47         |
|  | (-)                                 | (9.00)                               | (-)                             | (9.00)        |
| Ms. Kanchan Chitale                      | -                                   | 15.30                                | -                               | 15.30         |
|  | (-)                                 | (9.50)                               | (-)                             | (9.50)        |
| <b>Total</b>                             | <b>5.00</b>                         | <b>99.52</b>                         | -                               | <b>104.52</b> |
|  | (2.00)                              | (59.50)                              | {-}                             | (61.50)       |
| <b>Commission Expense</b>                |                                     |                                      |                                 |               |
| ONEOTT Entertainment Limited             | -                                   | -                                    | -                               | -             |
|  | (-)                                 | (-)                                  | (3.81)                          | (3.81)        |
| In Entertainment (India) Limited         | -                                   | -                                    | 0.67                            | 0.67          |
|  | (-)                                 | (-)                                  | (-)                             | (-)           |
| Bhima riddhi cable network               | -                                   | -                                    | 18.03                           | 18.03         |
|  | (-)                                 | (-)                                  | (-)                             | (-)           |
| <b>Total</b>                             | -                                   | -                                    | <b>18.70</b>                    | <b>18.70</b>  |
|  | (-)                                 | (-)                                  | (3.81)                          | (3.81)        |
| <b>Managerial Remuneration</b>           |                                     |                                      |                                 |               |
| Mr. Ashok Mansukhani (Refer note no. 2)  | -                                   | 138.13                               | -                               | 138.13        |
|  | (-)                                 | (147.67)                             | (-)                             | (147.67)      |
| Mr. Amar Chintopanth (Refer note no. 5)  | -                                   | 111.67                               | -                               | 111.67        |
|  | (-)                                 | (111.67)                             | (-)                             | (111.67)      |
| Mr. Vynsley Fernandes (Refer note no. 5) | -                                   | 333.32                               | -                               | 333.32        |
|  | (-)                                 | (288.89)                             | (-)                             | (288.89)      |
| Mr. Yugal Kishore Sharma                 | -                                   | 139.00                               | -                               | 139.00        |
|  | (-)                                 | (-)                                  | (-)                             | (-)           |
| <b>Total</b>                             | -                                   | <b>722.12</b>                        | -                               | <b>722.12</b> |
|  | (-)                                 | (548.23)                             | (-)                             | (548.23)      |



## Notes to the consolidated financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Nature of Transaction                    | Parties referred to in I & II above | Parties referred to in III & V above | Parties referred to in IV above | Total                         |
|--|-------------------------------------|--------------------------------------|---------------------------------|-------------------------------|
| <b>Purchase of Fixed Assets</b>          |                                     |                                      |                                 |                               |
| IN Entertainment (India) Limited         | -<br>(-)                            | -<br>(-)                             | 12.12<br>(17.86)                | 12.12<br>(17.86)              |
| Bhima Riddhi Cable Network               | -<br>(-)                            | -<br>(-)                             | 226.16<br>(-)                   | 226.16<br>(-)                 |
| Spyke Technologies Private Limited       | -<br>(-)                            | 66.08<br>(-)                         | -<br>(-)                        | 66.08<br>(-)                  |
| One OTT Intertainment India Limited      | -<br>(-)                            | -<br>(-)                             | 28.02<br>(-)                    | 28.02<br>(-)                  |
| <b>Total</b>                             | -<br>(-)                            | <b>66.08</b><br>(-)                  | <b>266.30</b><br>(17.86)        | <b>332.38</b><br>(17.86)      |
| <b>Royalty Expense</b>                   |                                     |                                      |                                 |                               |
| Bhima Riddhi Cable Networks              | -<br>(-)                            | -<br>(-)                             | 299.66<br>(-)                   | 299.66<br>(-)                 |
| <b>Total</b>                             | -<br>(-)                            | -<br>(-)                             | <b>299.66</b><br>(-)            | <b>299.66</b><br>(-)          |
| <b>Inventory</b>                         |                                     |                                      |                                 |                               |
| Spyke Technologies Pvt Ltd               | -<br>(-)                            | 43.28<br>(-)                         | -<br>(-)                        | 43.28<br>(-)                  |
| <b>Total</b>                             | -<br>(-)                            | <b>43.28</b><br>(-)                  | -<br>(-)                        | <b>43.28</b><br>(-)           |
| <b>Dividend Paid</b>                     |                                     |                                      |                                 |                               |
| Mr. Ashok P. Hinduja                     | 116.15<br>(116.15)                  | -<br>(-)                             | -<br>(-)                        | 116.15<br>(116.15)            |
| Mrs. Harsha A. Hinduja                   | 85.61<br>(85.61)                    | -<br>(-)                             | -<br>(-)                        | 85.61<br>(85.61)              |
| Ms. Ambika A. Hinduja                    | 31.02<br>(31.02)                    | -<br>(-)                             | -<br>(-)                        | 31.02<br>(31.02)              |
| Mr. Shom A. Hinduja                      | 24.50<br>(24.50)                    | -<br>(-)                             | -<br>(-)                        | 24.50<br>(24.50)              |
| Mr. Ashok Mansukhani                     | -<br>(-)                            | 0.09<br>(0.09)                       | -<br>(-)                        | 0.09<br>(0.09)                |
| Mr. Prashant Asher                       | -<br>(-)                            | 0.02<br>(0.02)                       | -<br>(-)                        | 0.02<br>(0.02)                |
| Aasia Corporation LLP                    | -<br>(-)                            | -<br>(-)                             | 245.15<br>(245.15)              | 245.15<br>(245.15)            |
| Hinduja Group Limited (Refer note no. 4) | -<br>(-)                            | -<br>(-)                             | 1,496.35<br>(1,520.85)          | 1,496.35<br>(1,505.98)        |
| Hinduja Properties Limited               | -<br>(-)                            | -<br>(-)                             | 37.25<br>(30.25)                | 37.25<br>(30.25)              |
| Hinduja Finance Limited                  | -<br>(-)                            | -<br>(-)                             | 17.50<br>(17.50)                | 17.50<br>(17.50)              |
| <b>Total</b>                             | <b>257.28</b><br>(257.28)           | <b>0.11</b><br>(0.11)                | <b>1,796.25</b><br>(1,813.75)   | <b>2,053.64</b><br>(2,071.14) |

## Notes to the consolidated financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Nature of Transaction                               | Parties referred to in I & II above | Parties referred to in III & V above | Parties referred to in IV above | Total            |
|---|-------------------------------------|--------------------------------------|---------------------------------|------------------|
| <b>Inter-Corporate Deposits Given</b>               |                                     |                                      |                                 |                  |
| Aasia Corporation LLP                               | -                                   | -                                    | -                               | -                |
|   | (-)                                 | (-)                                  | (2,000.00)                      | (2,000.00)       |
| Hinduja Group Limited                               | -                                   | -                                    | 757.00                          | 757.00           |
|   | (-)                                 | (-)                                  | (6,460.00)                      | (6,460.00)       |
| Hinduja Finance Limited                             | -                                   | -                                    | 6,400.00                        | 6,400.00         |
|   | (-)                                 | (-)                                  | (-)                             | (-)              |
| Hinduja Realty Ventures Limited                     | -                                   | -                                    | 8,100.00                        | 8,100.00         |
|   | (-)                                 | (-)                                  | (8,779.00)                      | (8,779.00)       |
| IN Entertainment (India) Limited                    | -                                   | -                                    | -                               | -                |
|   | (-)                                 | (-)                                  | (184.00)                        | (184.00)         |
| ONEOTT Intertainment Limited                        | -                                   | -                                    | -                               | -                |
|   | (-)                                 | (-)                                  | (-)                             | (-)              |
| <b>Total</b>  | -                                   | -                                    | <b>15,257.00</b>                | <b>15,257.00</b> |
|   | (-)                                 | (-)                                  | (17,423.00)                     | (17,423.00)      |
| <b>Inter-Corporate Deposits Received Back</b>       |                                     |                                      |                                 |                  |
| Aasia Corporation LLP                               | -                                   | -                                    | -                               | -                |
|   | (-)                                 | (-)                                  | (2,000.00)                      | (2,000.00)       |
| Hinduja Group Limited                               | -                                   | -                                    | 10,100.00                       | 10,100.00        |
|   | (-)                                 | (-)                                  | (13,810.00)                     | (13,810.00)      |
| Hinduja Realty Ventures Limited                     | -                                   | -                                    | 3,700.00                        | 3,700.00         |
|   | (-)                                 | (-)                                  | (8,657.00)                      | (8,657.00)       |
| IN Entertainment (India) Limited                    | -                                   | -                                    | -                               | -                |
|   | (-)                                 | (-)                                  | (485.00)                        | (485.00)         |
| Hinduja Properties Limited                          | -                                   | -                                    | 125.00                          | 125.00           |
|   | (-)                                 | (-)                                  | (-)                             | (-)              |
| <b>Total</b>  | -                                   | -                                    | <b>13,800.00</b>                | <b>13,800.00</b> |
|   | (-)                                 | (-)                                  | (24,952.00)                     | (24,952.00)      |
| <b>Inter-Corporate Deposits Taken</b>               |                                     |                                      |                                 |                  |
| Hinduja Realty Ventures Limited                     | -                                   | -                                    | 4,434.00                        | 4,434.00         |
|   | (-)                                 | (-)                                  | (24,638.00)                     | (24,638.00)      |
| Hinduja Group Limited                               | -                                   | -                                    | 49,043.00                       | 49,043.00        |
|   | (-)                                 | (-)                                  | (1,000.00)                      | (1,000.00)       |
| IN Entertainment (India) Limited                    | -                                   | -                                    | 885.00                          | 885.00           |
|   | (-)                                 | (-)                                  | (3,950.00)                      | (3,950.00)       |
| ONEOTT Intertainment Limited                        | -                                   | -                                    | 1,155.00                        | 1,155.00         |
|   | (-)                                 | (-)                                  | (815.00)                        | (815.00)         |
| The British Metal Corporation India Private Limited | -                                   | -                                    | 30.00                           | 30.00            |
|   | (-)                                 | (-)                                  | (-)                             | (-)              |
| <b>Total</b>  | -                                   | -                                    | <b>55,547.00</b>                | <b>55,547.00</b> |
|   | (-)                                 | (-)                                  | (30,403.00)                     | (30,403.00)      |
| <b>Inter-Corporate Deposits Repaid</b>              |                                     |                                      |                                 |                  |
| Hinduja Group Limited                               | -                                   | -                                    | 28,700.00                       | 28,700.00        |
|   | (-)                                 | (-)                                  | (-)                             | (-)              |
| Hinduja Realty Ventures Limited                     | -                                   | -                                    | 10,934.00                       | 10,934.00        |
|   | (-)                                 | (-)                                  | (26,721.00)                     | (26,721.00)      |

## Notes to the consolidated financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Nature of Transaction   | Parties referred to in I & II above | Parties referred to in III & V above | Parties referred to in IV above | Total                           |
|---|-------------------------------------|--------------------------------------|---------------------------------|---------------------------------|
| IN Entertainment (India) Limited  | -<br>(-)                            | -<br>(-)                             | 878.00<br>(3,475.00)            | 878.00<br>(3,475.00)            |
| ONEOTT Intertainment Limited  | -<br>(-)                            | -<br>(-)                             | 1,155.00<br>(815.00)            | 1,155.00<br>(815.00)            |
| <b>Total</b>  | -<br>(-)                            | -<br>(-)                             | <b>41,667.00</b><br>(31,011.00) | <b>41,667.00</b><br>(31,011.00) |
| <b>Outstanding Security Deposit</b>   |                                     |                                      |                                 |                                 |
| Hinduja Realty Ventures Limited   | -<br>(-)                            | -<br>(-)                             | 46.15<br>(46.15)                | 46.15<br>(46.15)                |
| <b>Total</b>  | -<br>(-)                            | -<br>(-)                             | <b>46.15</b><br>(46.15)         | <b>46.15</b><br>(46.15)         |
| <b>Inter-Corporate Deposits including Interest Receivable as at the Year-end</b>      |                                     |                                      |                                 |                                 |
| Hinduja Group Limited   | -<br>(-)                            | -<br>(-)                             | -<br>(20.00)                    | -<br>(20.00)                    |
| Hinduja Finance Limited   | -<br>(-)                            | -<br>(-)                             | 6,400.00<br>(-)                 | 6,400.00<br>(-)                 |
| <b>Total</b>  | -<br>(-)                            | -<br>(-)                             | <b>6,400.00</b><br>(20.00)      | <b>6,400.00</b><br>(20.00)      |
| <b>Inter-Corporate Deposits Payable including Interest Payable as at the Year-end</b> |                                     |                                      |                                 |                                 |
| IN Entertainment (India) Limited  | -<br>(-)                            | -<br>(-)                             | -<br>(463.45)                   | -<br>(463.45)                   |
| Hinduja Group Limited   | -<br>(-)                            | -<br>(-)                             | 10,419.27<br>(980.74)           | 10,419.27<br>(980.74)           |
| Hinduja Realty Ventures Limited   | -<br>(-)                            | -<br>(-)                             | -<br>(6,999.51)                 | -<br>(6,999.51)                 |
| <b>Total</b>  | -<br>(-)                            | -<br>(-)                             | -<br>(8,443.70)                 | <b>10,419.27</b><br>(8,443.70)  |
| <b>Investments as at the Year-end</b>   |                                     |                                      |                                 |                                 |
| IN Entertainment (India) Limited  | -<br>(-)                            | -<br>(-)                             | -<br>(264.56)                   | -<br>(264.56)                   |
| ONEOTT Intertainment Limited  | -<br>(-)                            | -<br>(-)                             | -<br>(14,801.08)                | -<br>(14,801.08)                |
| <b>Total</b>  | -<br>(-)                            | -<br>(-)                             | -<br>(15,065.64)                | -<br>(15,065.64)                |
| <b>Trade Receivables</b>  |                                     |                                      |                                 |                                 |
| ONEOTT Intertainment Limited  | -<br>(-)                            | -<br>(-)                             | -<br>(809.44)                   | -<br>(809.44)                   |
| IN Entertainment (India) Limited  | -<br>(-)                            | -<br>(-)                             | -<br>(301.52)                   | -<br>(301.52)                   |
| Spyke Technologies Private Limited  | -<br>(-)                            | 9.83<br>(-)                          | -<br>(-)                        | 9.83<br>(-)                     |
| <b>Total</b>  | -<br>(-)                            | <b>9.83</b><br>(-)                   | -<br>(1,110.96)                 | <b>9.83</b><br>(1,110.96)       |

## Notes to the consolidated financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Nature of Transaction                               | Parties referred to in I & II above | Parties referred to in III & V above | Parties referred to in IV above | Total           |
|---|-------------------------------------|--------------------------------------|---------------------------------|-----------------|
| <b>Other Receivables</b>                            |                                     |                                      |                                 |                 |
| Hinduja Group Limited                               | -                                   | -                                    | 31.29                           | 31.29           |
|   | (-)                                 | (-)                                  | (-)                             | (-)             |
| Hinduja Global Solutions Limited                    | -                                   | -                                    | 2.43                            | 2.43            |
|   | (-)                                 | (-)                                  | (1.13)                          | (1.13)          |
| Hinduja Healthcare Limited                          | -                                   | -                                    | 5.77                            | 5.77            |
|   | (-)                                 | (-)                                  | (-)                             | (-)             |
| Bhima Riddhi Cable Networks                         | -                                   | -                                    | 203.65                          | 203.65          |
|   | (-)                                 | (-)                                  | (-)                             | (-)             |
| <b>Total</b>  | -                                   | -                                    | <b>243.14</b>                   | <b>243.14</b>   |
|   | (-)                                 | (-)                                  | (1.13)                          | (1.13)          |
| <b>Interest Receivable</b>                          |                                     |                                      |                                 |                 |
| Hinduja Realty Ventures Limited                     | -                                   | -                                    | 3.42                            | 3.42            |
|   | (-)                                 | (-)                                  | (1.63)                          | (1.63)          |
| <b>Total</b>  | -                                   | -                                    | <b>3.42</b>                     | <b>3.42</b>     |
|   | (-)                                 | (-)                                  | (1.63)                          | (1.63)          |
| <b>Trade / Balance Payables</b>                     |                                     |                                      |                                 |                 |
| Aasia Corporation LLP                               | -                                   | -                                    | 8.76                            | 8.76            |
|   | (-)                                 | (-)                                  | (-)                             | (-)             |
| Ashok Mansukhani                                    | -                                   | 1.35                                 | -                               | 1.35            |
|   | (-)                                 | (-)                                  | (-)                             | (-)             |
| Hinduja Realty Ventures Limited                     | -                                   | -                                    | 585.02                          | 585.02          |
|   | (-)                                 | (-)                                  | (1.62)                          | (1.62)          |
| Hinduja Group Limited                               | -                                   | -                                    | -                               | -               |
|   | (-)                                 | (-)                                  | (4.68)                          | (4.68)          |
| Hinduja Finance Limited                             | -                                   | -                                    | -                               | -               |
|   | (-)                                 | (-)                                  | (10.80)                         | (10.80)         |
| Hinduja Global Solutions Limited                    | -                                   | -                                    | 6.75                            | 6.75            |
|   | (-)                                 | (-)                                  | (-)                             | (-)             |
| Hinduja Properties Limited                          | -                                   | -                                    | 137.38                          | 137.38          |
|   | (-)                                 | (-)                                  | (-)                             | (-)             |
| ONEOTT Entertainment Limited                        | -                                   | -                                    | -                               | -               |
|   | (-)                                 | (-)                                  | (13.60)                         | (13.60)         |
| Castle Media Private Limited                        | -                                   | 147.11                               | -                               | 147.11          |
|   | (-)                                 | (77.90)                              | (-)                             | (77.90)         |
| Spyke Technologies Private Limited                  | -                                   | 62.67                                | -                               | 62.67           |
|   | (-)                                 | (52.97)                              | (-)                             | (52.97)         |
| The British Metal Corporation India Private Limited | -                                   | -                                    | 779.25                          | 779.25          |
|   | (-)                                 | (-)                                  | (-)                             | (-)             |
| Bhima Riddhi Cable Networks                         | -                                   | 6.75                                 | -                               | 6.75            |
|   | (-)                                 | (-)                                  | (-)                             | (-)             |
| Bhima Riddhi Cable Net                              | -                                   | 22.00                                | -                               | 22.00           |
|   | (-)                                 | (-)                                  | (-)                             | (-)             |
| <b>Total</b>  | -                                   | <b>239.88</b>                        | <b>1,517.16</b>                 | <b>1,757.04</b> |
|   | (-)                                 | (130.87)                             | (30.70)                         | (161.57)        |

## Notes to the consolidated financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Nature of Transaction                    | Parties referred to in I & II above | Parties referred to in III & V above | Parties referred to in IV above | Total                     |
|--|-------------------------------------|--------------------------------------|---------------------------------|---------------------------|
| <b>Interest Payable</b>                  |                                     |                                      |                                 |                           |
| Hinduja Realty Ventures Limited          | -<br>(-)                            | -<br>(-)                             | -<br>(55.83)                    | -<br>(55.83)              |
| <b>Total</b>                             | -<br>(-)                            | -<br>(-)                             | -<br>(55.83)                    | -<br>(55.83)              |
| <b>Employees Benefit Payable</b>         |                                     |                                      |                                 |                           |
| Mr. Amar Chintopanth (Refer note no. 5)  | -<br>(-)                            | 33.50<br>(33.50)                     | -<br>(-)                        | 33.50<br>(33.50)          |
| Mr. Vynsley Fernandes (Refer note no. 5) | -<br>(-)                            | 153.33<br>(102.22)                   | -<br>(-)                        | 153.33<br>(102.22)        |
| Mr. Yugal Kishore Sharma                 | -<br>(-)                            | -<br>(-)                             | -<br>(-)                        | -<br>(-)                  |
| <b>Total</b>                             | -<br>(-)                            | <b>186.83</b><br>(135.72)            | -<br>(-)                        | <b>186.83</b><br>(135.72) |

**Notes :**

- Figures in brackets () represent transactions in respect of previous year 2018-19 and balances are as on March 31, 2019 respectively.
- Includes other long term benefits amounting to ₹ 6.78 lakh (Previous Year ₹ 6.57 lakh).
- Includes ₹ NIL (Previous Year 37.10 lakh) under unamortised borrowing cost.
- Including shares held jointly with Hinduja Realty Ventures Limited.
- Excluding employee shared based payments, compensated absences and gratuity.

**48 Employee benefits expense**

The Company has classified various benefits provided to employees as under:

**i. Defined contribution plan**

- Provident fund
- State defined contribution plans
  - Employer's contribution to employees' state insurance
  - Employer's contribution to Employees' Pension Scheme, 1995.

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| -Employer's contribution to provident fund<br>[Includes EDLI charges and employer's contribution to Employee's Pension Scheme, 1995] * | <b>399.13</b>                | 276.32                       |

\*included in contribution to employees provident and other funds - Refer note no. 33 of the Financial statements.

**ii. Defined benefit plan****Contribution to Gratuity fund**

The Group provides the eligible employees with a gratuity scheme where a lump sum amount gets vested to the employees at the time of retirement, death while in employment or on termination of employment. The same is determined based on the salary payable for each completed year of service. Vesting of such gratuity plan occurs upon completion of five continuous years of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

## Notes to the consolidated financial statements for the year ended March 31, 2020

The following table shows a reconciliation from the opening balance to the closing balance for the net defined benefit (assets) / liabilities and its components and the assumptions used to determine the same.

| Description  | March 31, 2020 |               | March 31, 2019  |               |
|--|----------------|---------------|-----------------|---------------|
|  | Funded         | Unfunded      | Funded          | Unfunded      |
| <b>Changes in the present value of defined benefit obligation</b>  |                |               |                 |               |
| Balance at the beginning of the year   | 437.51         | 122.05        | 320.51          | 152.96        |
| Balance transferred on account of acquisitions / (demerger)  | 121.35         | -             | -               | -             |
| Interest cost  | 38.89          | 8.87          | 25.00           | 7.80          |
| Current service cost   | 49.83          | 8.77          | 32.00           | 9.49          |
| Actuarial (gains) / losses recognized in other comprehensive income ('OCI')                                  |                |               |                 |               |
| - change in demographic assumption   | 5.31           | 9.52          | -               | -             |
| - change in financial assumption changes   | 49.77          | 5.19          | 1.00            | 0.43          |
| - experience adjustment  | 95.89          | (11.36)       | 86.00           | 0.97          |
| Benefits paid  | (61.60)        | (38.48)       | (27.00)         | (49.61)       |
| <b>Benefit obligation at the end of the year</b>   | <b>736.95</b>  | <b>104.56</b> | <b>437.51</b>   | <b>122.05</b> |
| <b>Changes in the Fair value of plan assets</b>  |                |               |                 |               |
| Balance at beginning of the year   | 394.57         | -             | 445.57          | -             |
| Interest income  | 35.54          | -             | 35.00           | -             |
| Contributions paid to the fund   | 167.08         | -             | 6.00            | -             |
| Balance transferred on account of acquisitions / (demerger)  | 112.37         | -             | (56.00)         | -             |
| Benefits paid  | (61.60)        | -             | (27.00)         | -             |
| Return on plan assets excluding amounts included in interest income recognised in Other Comprehensive Income | (4.84)         | -             | (9.00)          | -             |
| <b>Fair Value of Plan Assets at the end of the year</b>  | <b>643.12</b>  | <b>-</b>      | <b>394.57</b>   | <b>-</b>      |
| <b>Assets and liabilities recognised in the Consolidated balance sheet</b>                                   |                |               |                 |               |
| Present value of the defined benefit obligation at the end of the year                                       | 736.95         | 104.56        | 437.51          | 122.05        |
| Less: Fair value of plan assets at the end of the year   | (643.12)       | -             | (394.57)        | -             |
| <b>Net liability / (asset) recognised</b>  | <b>93.83</b>   | <b>104.56</b> | <b>42.94</b>    | <b>122.05</b> |
| <b>Net Interest Cost for Current Period</b>  |                |               |                 |               |
| Present Value of Benefit Obligation at the Beginning of the year   | 437.51         | 122.05        | 320.51          | 152.96        |
| (Fair Value of Plan Assets at the Beginning of the year)   | (394.57)       | -             | (445.57)        | -             |
| <b>Net Liability / (Asset) at the beginning</b>  | <b>42.94</b>   | <b>122.05</b> | <b>(125.06)</b> | <b>152.96</b> |
| Interest Cost  | 38.89          | 8.87          | 25.00           | 7.80          |
| (Interest Income)  | (35.54)        | -             | (35.00)         | -             |
| <b>Net interest cost for current year</b>  | <b>3.35</b>    | <b>8.87</b>   | <b>(10.00)</b>  | <b>7.80</b>   |
| <b>Expenses recognised in the Consolidated Statement of profit and loss</b>                                  |                |               |                 |               |
| Current Service Cost   | 49.83          | 8.77          | 32.00           | 9.49          |
| Net interest (income) / expense  | 3.35           | 8.87          | (10.00)         | 7.80          |
| <b>Net gratuity cost recognised in the current year</b>  | <b>53.18</b>   | <b>17.64</b>  | <b>22.00</b>    | <b>17.29</b>  |
| (included in note no. 33 on Employee benefits expense)   | 53.18          | 13.89         | 22.00           | 13.28         |
| (included in note no. 49 on Discontinued operations )  | -              | 3.75          | -               | 4.01          |



## Notes to the consolidated financial statements for the year ended March 31, 2020

### 48 Employee benefits expense (Continued)

#### ii Defined benefit plan (Continued)

| Description  | March 31, 2020 |               | March 31, 2019 |               |
|--|----------------|---------------|----------------|---------------|
|  | Funded         | Unfunded      | Funded         | Unfunded      |
| <b>Expenses recognised in the Consolidated Statement of Other comprehensive income ('OCI')</b> |                |               |                |               |
| Remeasurements of the net defined benefit liability / (asset)                                  |                |               |                |               |
| Actuarial (gains) / losses on obligation for the Period  | 153.24         | 3.35          | 87.00          | 1.40          |
| Loss on plan assets excluding amount included in the net interest on the net defined liability | 2.58           | -             | 9.00           | -             |
|  | <b>155.81</b>  | <b>3.35</b>   | <b>96.00</b>   | <b>1.40</b>   |
| <b>Reconciliation of Net asset / (liability) recognised:</b>                                   |                |               |                |               |
| Net asset / (liability) recognised at the beginning of the year                                | 51.92          | 122.05        | (125.06)       | 152.96        |
| Company contributions  | (167.08)       | -             | (6.00)         | -             |
| Net Liability / (Asset) transferred on account of acquisitions / (demerger)                    | -              | -             | 56.00          | -             |
| Expenses / (Income) recognised in other comprehensive income                                   | 155.81         | 3.35          | 96.00          | 1.40          |
| Expenses recognised in the Statement of Profit and Loss  | 53.18          | 17.64         | 22.00          | 17.29         |
| Benefits Paid  | -              | (38.48)       | -              | 49.61         |
| <b>Net (asset) / liability recognised at the end of the year</b>                               | <b>93.83</b>   | <b>104.56</b> | <b>42.94</b>   | <b>221.27</b> |

(included in note no. 24A & 24B of Provisions)

| Actuarial assumptions                      | March 31, 2020                           | March 31, 2019                           |
|--|--|--|
| Mortality rate                             | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) |
| Discount rate (per annum)                  | 6.87% - 7.76%                            | 7.76% - 7.79%                            |
| Expected rate of return on plan assets     | 6.87% - 7.76%                            | 7.76%                                    |
| Future salary growth                       | 5.00% - 6.00%                            | 5.00% - 6.00%                            |
| Rate of employee turnover (Attrition rate) |  |  |
| - for services below 4 years               | 12.00% - 20.00%                          | 20.00%                                   |
| - for services 5 years and above           | 2.00%                                    | 2.00%                                    |

Notes:

- Assumptions regarding future mortality are based on published statistics by the Life Insurance Corporation of India.
- The Company assesses above assumptions with its projected long-term growth plans and prevalent industry standards. The discount rate is based on the government securities yield.

#### Sensitivity Analysis:

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation ('PVO') and aids in understanding the uncertainty of reported amounts. Sensitivity analysis done by varying one parameter at a time and studying its impact.

## Notes to the consolidated financial statements for the year ended March 31, 2020

| Particulars   | March 31, 2020 |          | March 31, 2019 |          |
|---|----------------|----------|----------------|----------|
|   | Funded         | Unfunded | Funded         | Unfunded |
| Projected Benefit Obligation on Current assumptions     | 736.95         | 104.56   | 437.51         | 122.05   |
| Delta Effect of +1% Change in Rate of Discounting       | (65.90)        | (3.16)   | (35.49)        | (5.73)   |
| Delta Effect of -1% Change in Rate of Discounting       | 76.37          | 3.56     | 40.77          | 6.83     |
| Delta Effect of +1% Change in Rate of Salary Increase   | 75.49          | 3.56     | 41.49          | 6.94     |
| Delta Effect of -1% Change in Rate of Salary Increase   | (66.24)        | (3.22)   | (37.68)        | (5.91)   |
| Delta Effect of +1% Change in Rate of Employee Turnover | 9.90           | 0.02     | 8.21           | 1.50     |
| Delta Effect of -1% Change in Rate of Employee Turnover | (11.26)        | (0.04)   | (9.00)         | (1.75)   |

**Note:**

Sensitivity for significant actuarial assumption is computed by varying one actuarial assumption used for the valuation of defined benefit obligation by one percentage, keeping all other assumptions constant. The methods and types of assumptions used in preparing the sensitivity analysis has not changed as compared to previous year.

**Projected Benefits Payable in Future Years From the Date of Reporting:**

| Particulars         | March 31, 2020 |          | March 31, 2019 |          |
|---------------------|----------------|----------|----------------|----------|
|                     | Funded         | Unfunded | Funded         | Unfunded |
| 2020                | 41.53          | 40.94    | 36.00          | 65.23    |
| 2021                | 25.94          | 8.94     | 21.00          | 1.42     |
| 2022                | 34.39          | 8.77     | 20.00          | 1.62     |
| 2023                | 37.65          | 7.36     | 26.00          | 2.36     |
| 2024                | 47.40          | 6.47     | 28.00          | 1.88     |
| 2025 and thereafter | 1,410.69       | 56.80    | 874.00         | 156.28   |

**b Compensated absences**

Provision in respect of Compensated absences / leave encashment benefits has been made based on actuarial valuation carried out by an independent actuary at the Balance sheet date using Projected Unit Credit method. The liability for leave encashment and compensated absences as at March 31, 2020 aggregates ₹ 799.28 lakh [March 31, 2019 - ₹ 465.65 lakh]

**49 Discontinued operations:****a. Financial performance:**

|   | (₹ in Lakh)                  |                              |
|---|------------------------------|------------------------------|
| Actuarial assumptions   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
| Revenue from operations   | 373.91                       | 597.84                       |
| <b>Total Income</b>   | <b>373.91</b>                | <b>597.84</b>                |
| <b>Expenses</b>   |                              |                              |
| Net (Profit) / Loss on fair valuation of financial instruments at fair value through profit or loss | 671.07                       | 159.63                       |
| Net (Profit) / Loss on sale of financial instruments at fair value through profit or loss           | 28,580.22                    | 2,371.90                     |
| Employee benefits expense   | 123.77                       | 167.74                       |
| Finance costs   | 3,386.22                     | 4,466.25                     |
| Other expenses  | 411.69                       | 402.20                       |
| <b>Total Expenses</b>   | <b>33,172.97</b>             | <b>7,567.72</b>              |
| <b>Loss before tax</b>  | <b>(32,799.06)</b>           | <b>(6,969.88)</b>            |
| Current tax   | -                            | 8,225.95                     |

## Notes to the consolidated financial statements for the year ended March 31, 2020

(₹ in Lakh)

| <b>Actuarial assumptions</b>   | <b>Year ended<br/>March 31, 2020</b> | <b>Year ended<br/>March 31, 2019</b> |
|--|--------------------------------------|--------------------------------------|
| Deferred tax / (reversal)  | (8,458.18)                           | (11,326.84)                          |
| Short provision for tax relating to prior years  | 35.81                                | 57.69                                |
| <b>Loss after tax from discontinued operations</b>   | <b>(24,376.69)</b>                   | <b>(3,926.68)</b>                    |
| <b>Other comprehensive income</b>  |                                      |                                      |
| Net Profit / (Loss) on fair valuation of equity instruments through other comprehensive income | (3,743.46)                           | 1,416.34                             |
| Net Profit / (Loss) on sale of equity instruments through other comprehensive income           | (24,477.97)                          | 657.52                               |
| Current tax  | -                                    | 2,360.64                             |
| Deferred tax / (reversal)  | 3,802.86                             | (2,691.73)                           |
| <b>Other comprehensive income</b>  | <b>(24,418.57)</b>                   | <b>2,404.95</b>                      |
| <b>Total comprehensive income</b>  | <b>(48,795.26)</b>                   | <b>(1,521.73)</b>                    |

### b. Cash flows

(₹ in Lakh)

| <b>Particulars</b>                      | <b>Year ended<br/>March 31, 2020</b> | <b>Year ended<br/>March 31, 2019</b> |
|---|--------------------------------------|--------------------------------------|
| a. Cash flows from operating activities | (1,475.88)                           | (545.28)                             |
| b. Cash flows from investing activities | 40,515.07                            | 60,899.50                            |
| c. Cash flows from financing activities | (39,136.54)                          | (4,301.91)                           |

### c. Analysis of assets and liabilities over which control was lost:

(₹ in Lakh)

| <b>Actuarial assumptions</b>                  | <b>As at<br/>March 31, 2020</b> | <b>As at<br/>March 31, 2019</b> |
|---|---------------------------------|---------------------------------|
| <b>Non-current Assets</b>                     |                                 |                                 |
| Property, plant and equipment                 | -                               | 84.36                           |
| Other intangible assets                       | -                               | 0.24                            |
| Investments                                   | -                               | 60,808.22                       |
| <b>Total Non-current Assets</b>               | <b>-</b>                        | <b>60,892.82</b>                |
| <b>Current Assets</b>                         |                                 |                                 |
| Investments                                   | -                               | 46,626.59                       |
| Trade receivables                             | -                               | 0.24                            |
| Other bank balances                           | -                               | 0.35                            |
| Loans   | -                               | -                               |
| Other financial assets                        | -                               | 1.63                            |
| Financials Assets classified as held for sale | 9,819.27                        | -                               |
| <b>Total Current Assets</b>                   | <b>9,819.27</b>                 | <b>46,628.81</b>                |
| <b>Total Assets</b>                           | <b>9,819.27</b>                 | <b>107,521.63</b>               |

## Notes to the consolidated financial statements for the year ended March 31, 2020

(₹ in Lakh)

| Actuarial assumptions  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>Liabilities</b>   |                         |                         |
| <b>Non-current Liabilities</b>   |                         |                         |
| Provisions   | -                       | 7.77                    |
| <b>Total Non-current Liabilities</b>                                     | <b>-</b>                | <b>7.77</b>             |
| <b>Current Liabilities</b>   |                         |                         |
| Borrowings   | -                       | 34,867.90               |
| Trade payables   | -                       | 10.80                   |
| Other financial liabilities  | -                       | 882.42                  |
| Liabilities associated with Financial Assets classified as held for sale | -                       | -                       |
| Provisions   | -                       | 41.65                   |
| <b>Total Current Liabilities</b>   | <b>-</b>                | <b>35,802.77</b>        |
| <b>Total Liabilities</b>   | <b>-</b>                | <b>35,810.54</b>        |

### 50 Categories of financial instruments and fair value hierarchy

Details as at March 31, 2020 are as follows:

(₹ in Lakh)

| Particulars                             | Amortised cost*   | Fair value hedging instruments | Fair value through other comprehensive income | Fair value through profit or loss | Total carrying value | Fair Value Hierarchy |
|---|-------------------|--------------------------------|---|-----------------------------------|----------------------|----------------------|
| <b>Financial Assets</b>                 |                   |                                |   |                                   |                      |                      |
| Cash and cash equivalents               | 2,693.64          | -                              | -   | -                                 | 2,693.64             | -                    |
| Other bank balances                     | 9,812.04          | -                              | -   | -                                 | 9,812.04             | -                    |
| Derivative financial instruments        | -                 | 2,131.69                       | -   | -                                 | 2,131.69             | Level 2              |
| Trade receivables                       | 7,678.27          | -                              | -   | -                                 | 7,678.27             | -                    |
| Loans                                   | 6,784.15          | -                              | -   | -                                 | 6,784.15             | -                    |
| Investments in equity shares            | -                 | -                              | 41.50   | 164.77                            | 206.27               | Level 1              |
| Investments in equity shares            | -                 | -                              | 9,613.00                                      | -                                 | 9,613.00             | Level 3              |
| Investments in other securities         | 771.25            | -                              | -   | -                                 | 771.25               | -                    |
| Other financial assets                  | 913.86            | -                              | -   | -                                 | 913.86               | -                    |
| <b>Total</b>                            | <b>28,653.21</b>  | <b>2,131.69</b>                | <b>9,654.50</b>                               | <b>164.77</b>                     | <b>40,604.17</b>     |                      |
| <b>Financial Liabilities</b>            |                   |                                |   |                                   |                      |                      |
| Derivative financial instruments        | -                 | 44.89                          | -   | -                                 | 44.89                | Level 2              |
| Trade payables                          | 29,777.04         | -                              | -   | -                                 | 29,777.04            | -                    |
| Borrowings (other than debt securities) | 70,362.65         | -                              | -   | -                                 | 70,362.65            | -                    |
| Deposits                                | -                 | -                              | -   | -                                 | -                    | -                    |
| Other financial liabilities             | 45,876.90         | -                              | -   | -                                 | 45,876.90            | -                    |
| <b>Total</b>                            | <b>146,016.59</b> | <b>44.89</b>                   | <b>-</b>                                      | <b>-</b>                          | <b>146,061.48</b>    | <b>-</b>             |

\* The Group considers that the carrying amounts of these financial instruments recognised in the financial statements approximates its fair values.

## Notes to the consolidated financial statements for the year ended March 31, 2020

Details as at March 31, 2019 are as follows:

(₹ in Lakh)

| Particulars                             | Amortised cost*   | Fair value - hedging instruments | Fair value through other comprehensive income | Fair value through profit or loss | Total carrying value | Fair Value Hierarchy |
|---|-------------------|----------------------------------|---|-----------------------------------|----------------------|----------------------|
| <b>Financial Assets</b>                 |                   |                                  |   |                                   |                      |                      |
| Cash and cash equivalents               | 3,155.18          | -                                | -   | -                                 | 3,155.18             | -                    |
| Other bank balances                     | 7,790.41          | -                                | -   | -                                 | 7,790.41             | -                    |
| Derivative financial instruments        | -                 | 712.80                           | -   | -                                 | 712.80               | Level 2              |
| Trade receivables                       | 9,533.31          | -                                | -   | -                                 | 9,533.31             | -                    |
| Loans                                   | 83.57             | -                                | -   | -                                 | 83.57                | -                    |
| Investments in equity shares            | -                 | -                                | 34,154.31                                     | 61,819.62                         | 95,973.93            | Level 1              |
| Investments in equity shares            | -                 | -                                | 26,653.91                                     | -                                 | 26,653.91            | Level 3              |
| Investments in other securities         | 11.18             | -                                | -   | -                                 | 11.18                | -                    |
| Other financial assets                  | 1,728.05          | -                                | -   | -                                 | 1,728.05             | -                    |
| <b>Total</b>                            | <b>22,301.70</b>  | <b>712.80</b>                    | <b>60,808.22</b>                              | <b>61,819.62</b>                  | <b>145,642.34</b>    | -                    |
| <b>Financial Liabilities</b>            |                   |                                  |   |                                   |                      |                      |
| Derivative financial instruments        | -                 | 1,064.38                         | -   | -                                 | 1,064.38             | Level 2              |
| Trade payables                          | 24,309.97         | -                                | -   | -                                 | 24,309.97            | -                    |
| Borrowings (other than debt securities) | 111,920.29        | -                                | -   | -                                 | 111,920.29           | -                    |
| Deposits                                | 9,309.65          | -                                | -   | -                                 | 9,309.65             | -                    |
| Other financial liabilities             | 14,029.53         | -                                | -   | -                                 | 14,029.53            | -                    |
| <b>Total</b>                            | <b>159,569.44</b> | <b>1,064.38</b>                  | -   | -                                 | <b>160,633.82</b>    | -                    |

\* The Group considers that the carrying amounts of these financial instruments recognised in the financial statements approximates its fair values.

### Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values for financial instruments measured at fair value in the statement of financial position as well as the significant unobservable inputs used.

| Type                             | Valuation technique           | Significant unobservable inputs             | Increase / decrease of 5% or so in the discount rate would result in decrease / increase in the fair value | Valuation process   |
|----------------------------------|-------------------------------|---|--|---|
| Derivative and hedge instruments | Discounted cash flow approach | Discount rate determined as per market rate | Increase/decrease of 5% or so in the discount rate would result in decrease/increase in the fair value *   | The valuation model considers the present value of expected payments discounted using appropriate discounting rates.                        |
| Investments                      | Discounted cash flow approach | Discount rate determined as per market rate | Increase/decrease of 5% or so in the discount rate would result in decrease/increase in the fair value *   | Group has referred the fair valuation report of external valuation consultants for certain equity instruments measured at FVTOCI and FVTPL. |

\* holding all other variables constant

## Notes to the consolidated financial statements for the year ended March 31, 2020

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

### Changes in level 3 items

| Particulars  | (Rs in lakh)     |
|--|------------------|
| <b>As at March 31, 2019</b>                            | <b>26,653.91</b> |
| Additions  | -                |
| Disposals  | (9,748.59)       |
| Gain / (loss) recognised in other comprehensive income | (7,292.32)       |
| <b>As at March 31, 2020</b>                            | <b>9,613.00</b>  |

### 50 Financial risk management

The Group's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The Group's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Group. The Group's principal financial assets include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Group is exposed to credit risk, currency risk, liquidity risk and market risk. The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

#### i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The carrying amounts of financial assets represent the maximum credit exposure.

#### Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

#### Expected credit loss assessment for Trade and other receivables from customers

The Group has a practical expedient by computing the expected credit loss allowance for trade receivable based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward - looking information. The expected credit loss rates are based on actual credit loss experience over the past three years.

Allowance percentage are calculated separately for exposures in different streams of revenue based on common credit risk characteristics for a set of customers, age of customer relationship and type of service rendered.

The following table provides information about the exposure to credit risk and expected credit loss allowance (including specific allowance) for trade and other receivables:

| Particulars   | (Rs. in Lakh)           |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Gross carrying amount (trade and other receivables) | 8,280.37                | 14,310.46               |
| Weighed average loss rate - range                   | 6.05%                   | 30.64%                  |
| Loss allowance                                      | 501.28                  | 4,385.29                |

Loss rates are based on actual credit loss experience over the past three years. The movement in the allowance for impairment in respect of trade and other receivables is as follows :



## Notes to the consolidated financial statements for the year ended March 31, 2020

(Rs. in Lakh)

| Particulars              | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------|-------------------------|-------------------------|
| Balance as at April 1    | 4,385.29                | 4,559.46                |
| Movement during the year | (3,884.01)              | (174.17)                |
| Balance as at March 31   | 501.28                  | 4,385.29                |

The Trade Receivables includes amount due from disconnected / inactive customers / LCOs with whom no interconnect documents have been executed and outstanding in excess of one year. The Group is taking adequate steps for recovery of overdue debts and advances and wherever necessary, write off/adequate provisions as per expected credit loss model have been made.

### Cash and cash equivalents and other bank balances

The Group held cash and cash equivalents and other bank balances of ₹ 12,505.68 lakh as at March 31, 2020 (March 31, 2019: ₹ 10,945.59 lakh). The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

### Investments

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

### Loans

Loan is given to related parties for which credit risk is managed by monitoring the recoveries of such amounts on regular basis. The Group does not perceive any credit risk related to such loans given to group companies since these will have an additional financial support from promoters as and when necessary.

### Other financial assets

Other financial assets measured at amortised cost includes deposits, loans to employees, etc. Credit risk related to these financial assets are managed by monitoring the recoveries of such amounts on regular basis and the Group does not perceive any credit risk related to these financial assets.

Other than trade and other receivables, the Group has no other financial assets that are past due but not impaired.

## ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its financial liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

For the Group, liquidity risk arises from obligations on account of financial liabilities – borrowings (other than debt securities), trade payables and other financial liabilities.

### Liquidity risk management

The Group's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses for a month, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

### Exposure to liquidity risk

The following are the remaining contractual maturities of non-derivative financial liabilities at the reporting date. The amounts are gross and undiscounted, and include interest payments and exclude the impact of netting agreements.

## Notes to the consolidated financial statements for the year ended March 31, 2020

| Particulars   | Carrying amount | Contractual cash flows |           |           |                   |            |
|---|-----------------|------------------------|-----------|-----------|-------------------|------------|
|   |                 | Less than 12 months    | 1-2 years | 2-5 years | More than 5 years | Total      |
| <b>March 31, 2020</b>                                 |                 |                        |           |           |                   |            |
| <b>Non-derivative financial liabilities</b>           |                 |                        |           |           |                   |            |
| Borrowings (other than debt securities)               | 70,362.65       | 83,968.37              | 14,046.36 | 16,895.99 | 3,270.00          | 118,180.72 |
| Trade payables  | 29,777.04       | 29,777.04              | -         | -         | -                 | 29,777.04  |
| Deposits  | -               | -                      | -         | -         | -                 | -          |
| Other financial liabilities                           | 45,876.90       | 45,876.90              | -         | -         | -                 | 45,876.90  |
| <b>Derivative financial liabilities (net settled)</b> |                 |                        |           |           |                   |            |
| Interest rate swaps used for hedging                  | 44.89           | 44.89                  | -         | -         | -                 | 44.89      |
| <b>March 31, 2019</b>                                 |                 |                        |           |           |                   |            |
| <b>Non-derivative financial liabilities</b>           |                 |                        |           |           |                   |            |
| Borrowings (other than debt securities)               | 111,920.29      | 66,228.46              | 29,078.41 | 25,183.55 | 7,465.42          | 127,955.84 |
| Trade payables  | 24,309.97       | 24,309.97              | -         | -         | -                 | 24,309.97  |
| Deposits  | 9,309.65        | 9,309.65               | -         | -         | -                 | 9,309.65   |
| Other financial liabilities                           | 14,029.53       | 14,029.53              | -         | -         | -                 | 14,029.53  |
| <b>Derivative financial liabilities (net settled)</b> |                 |                        |           |           |                   |            |
| Interest rate swaps used for hedging                  | 1,064.38        | 1,064.38               |           |           |                   | 1,064.38   |

As disclosed in note no. 55, the Group has secured bank loans that contain loan covenants. A future breach of such covenants may require the Group to repay the loan earlier than indicated in above. Under the agreement, the covenants are monitored on a regular basis by the management to ensure compliance.

The interest payments on variable interest rate borrowings as stated above, reflect market interest rates at the reporting date and these amounts may change as market interest rates change.

Equity share capital and other equity are considered for the purpose of Group's capital management. The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgment of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The management and the Board of Directors monitors the return on capital to shareholders. The Group, if necessary, may take appropriate steps in order to maintain or adjust its capital structure.

### iii. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk. Thus, the Group's exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return, in foreign currency revenues and costs.

#### Currency risk

The Group is exposed to currency risk mainly on account of its purchase of set top box. The Group has a policy to hedge the foreign currency risks through forwards and swaps in order to mitigate risks due to adverse currency fluctuations.

The exchange rate between the domestic and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are affected as the domestic currency appreciates/depreciates against these foreign currencies.

## Notes to the consolidated financial statements for the year ended March 31, 2020

### Exposure to currency risk

The following table analyzes the foreign currency risk from financial instruments:

(Rs. in Lakh)

| Particulars                       | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------------------------------|-------------------------|-------------------------|
| <b>Liabilities:</b>               |                         |                         |
| <b>Trade payables</b>             |                         |                         |
| - USD                             | (183.00)                | (174.00)                |
| - INR                             | (13,789.00)             | (12,071.00)             |
| <b>Net assets / (liabilities)</b> |                         |                         |
| - USD                             | (183.00)                | (174.00)                |
| - INR                             | (13,789.00)             | (12,071.00)             |

The following significant exchange rates have been applied during the year:

(Rs. in Lakh)

| Particulars                      | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|----------------------------------|-------------------------|-------------------------|
| Average rate (USD 1 = Rs.)       | 71.57                   | 70.00                   |
| Year-end spot rate (USD 1 = Rs.) | 75.66                   | 69.17                   |

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollar at balance sheet date would have affected the measurement of financial instruments denominated in US dollar and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(Rs. in Lakh)

| Particulars                         | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-------------------------------------|-------------------------|-------------------------|
| <b>Effect in INR</b>                |                         |                         |
| <b>Profit or loss (1% movement)</b> |                         |                         |
| Strengthening                       | 137.89                  | 120.71                  |
| Weakening                           | (137.89)                | (120.71)                |
| <b>Equity (1% movement)</b>         |                         |                         |
| Strengthening                       | 137.89                  | 120.71                  |
| Weakening                           | (137.89)                | (120.71)                |

### Hedge accounting

The Group holds 28 instruments to hedge exposures to changes in foreign currency and interest rates. The counterparty for these contracts is a bank. Of the 28 instruments, 26 instruments are valued at fair value through hedging and the balance 2 forward contracts are valued at fair value through profit and loss.

The following table gives details in respect of outstanding hedge contracts:

(Rs. in Lakh)

| Particulars  | As at<br>March 31, 2020 |                  | As at<br>March 31, 2019 |                  |
|--|-------------------------|------------------|-------------------------|------------------|
|  | USD                     | INR              | USD                     | INR              |
| <b>Interest rate swaps</b><br>(fair valuation through cash flow reserve) | 295.48                  | 22,274.66        | 316.28                  | 21,877.23        |
| <b>Forward contracts</b><br>(fair valuation through profit and loss)     | 176.00                  | 13,283.00        | 176.32                  | 12,196.51        |
| <b>Total</b>   | <b>471.48</b>           | <b>35,557.66</b> | <b>492.60</b>           | <b>34,073.74</b> |

## Notes to the consolidated financial statements for the year ended March 31, 2020

The below table analyses the hedging instruments into relevant maturity Group's based on the remaining period as of the reporting date.

(Rs. in Lakh)

| Particulars                | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|----------------------------|-------------------------|-------------------------|
| <b>Interest rate swaps</b> |                         |                         |
| Not later than one month   | 3,035.22                | -                       |
| One to six months          | 15,889.99               | 52.93                   |
| Six months to one year     | 2,692.87                | 1,385.90                |
| More than one year         | 656.57                  | 20,438.40               |
| <b>Total</b>               | <b>22,274.65</b>        | <b>21,877.23</b>        |
| <b>Forward contracts</b>   |                         |                         |
| Not later than one month   | -                       | -                       |
| One to six months          | 13,283.01               | 3,147.46                |
| Six months to one year     | -                       | 9,049.05                |
| More than one year         | -                       | -                       |
| <b>Total</b>               | <b>13,283.01</b>        | <b>12,196.51</b>        |

### Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

### Exposure to interest rate risk

The Group's exposure to interest rate risks relates primarily to the Group's interest obligations on its borrowings. Borrowings issued at variable rates are exposed to fair value interest rate risk. To mitigate this risk the Group's enters into derivative financial instruments like interest rate swaps. The interest rate profile of the Group's interest-bearing financial instruments as reported by the management of the Group is as follows.

(Rs. in Lakh)

| Particulars              | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------|-------------------------|-------------------------|
| Fixed rate borrowings    | 26,102.81               | 9,153.85                |
| Variable rate borrowings | 71,022.77               | 102,766.44              |
| <b>Total</b>             | <b>97,125.58</b>        | <b>111,920.29</b>       |

### Fair value sensitivity analysis for fixed-rate instruments

The Group accounts for fixed-rate borrowings at amortised cost. Therefore, it would not affect profit or loss.

### Interest rate sensitivity analysis - variable rate borrowings

The below table mentions the impact of increase or decrease in the interest rates of variable rate borrowings on statement of profit and loss.

(Rs. in Lakh)

| Particulars                       | Impact on Statement of Profit and Loss |                              |
|-----------------------------------|--|------------------------------|
|                                   | Year ended<br>March 31, 2020           | Year ended<br>March 31, 2019 |
| Interest Rate increase by 100bps* | 710.23                                 | 1,027.66                     |
| Interest Rate decrease by 100bps* | (710.23)                               | (1,027.66)                   |

\* holding all other variables constant

## Notes to the consolidated financial statements for the year ended March 31, 2020

The Group has also considered the effect of changes, if any, in effectiveness and measuring hedge ineffectiveness. The Group continues to believe that there is no impact on effectiveness of its hedges due to COVID -19.

### Utilisation of proceeds from issue of shares / borrowings:

The Group has taken term loans, buyer's credit, LC discounting and intercorporate deposits from banks, financial institutions and related parties for the purpose of normal business operations. The Group has utilised the funds for the purpose for which they were taken.

### Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the Consolidated balance sheet either at fair value through profit and loss (FVTPL).

The majority of the Company's equity investments are unquoted. The financial assets are carried at fair value as at March 31, 2020 after considering the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19.

### Capital Management

The Group establishes its capital structure considering the key objective of maximising the shareholder's return. The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to maintain investor, creditor and market confidence, better credit rating and to sustain future development of the business, and
- maintain an optimal capital structure (optimum mix of debt to equity) to reduce the cost of capital thus leading to achieving the Group's objective of maximising shareholder's return. The Group sets the amount of capital required on the basis of its long term business plans – operations and new businesses.

The capital structure of the Group consists of net debt and total equity of the Group. The Group manages its capital to ensure that the Group will be able to continue as going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure. The Group Management reviews the capital structure of the Group considering the cost of capital and the risks associated with each class of capital.

The Group monitors its capital by using gearing ratio, which is net debt divided to total equity. Net debt includes borrowings net of cash and bank balances and total equity comprises of equity share capital, securities premium, other comprehensive income and retained earnings.

The capital composition is as follows:

(Rs. in Lakh)

| Particulars           | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------------------|-------------------------|-------------------------|
| Gross debt            | 97,125.58               | 120,395.29              |
| Less: Cash and bank   | 4,555.68                | 6,325.59                |
| Net debt (A)          | 92,569.90               | 114,069.70              |
| Equity (B)            | 24,815.34               | 55,618.22               |
| Gearing ratio (A / B) | 3.73                    | 2.05                    |

### Loan covenants

The variable rate borrowing facility availed requires the Group to comply with the following financial covenant:  
- External debt to total net worth should not exceed 3 times"

The Group has complied with these covenants during the reporting period.

## Notes to the consolidated financial statements for the year ended March 31, 2020

### 51 Details of material non-controlling interests

(Rs. in Lakh)

| Particulars   | Year ended<br>March 31,<br>2020  | Year ended<br>March 31,<br>2019 |
|---|--|---------------------------------|
| <b>IndusInd Media &amp; Communications Limited (IMCL) including its subsidiaries</b>    |  |                                 |
| Principal activity  | Multi system operator in operation and distribution of television channels through medium of analogue, digital and terrestrial satellite cable transmission and distribution network |                                 |
| Place of incorporation and principal place of business                                  | India  |                                 |
| Proportion of ownership of interests and voting rights held by non-controlling interest | 22.45  | 23.02                           |
| Loss allocated to non-controlling interests   | 3,294.06   | (8,055.22)                      |
| Accumulated non-controlling interests   | 12,439.85  | 1,824.78                        |

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

(Rs. in Lakh)

| IMCL and its subsidiaries                    | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Financial Assets                             | 30,932.32               | 50,223.13               |
| Non-financial Assets                         | 145,573.94              | 91,158.74               |
| Financial Liabilities                        | 129,375.44              | 97,618.13               |
| Non-financial Liabilities                    | 13,327.41               | 24,843.99               |
| Equity attributable to owners of the Company | 22,607.79               | 18,578.16               |
| Non-controlling interests                    | 11,194.69               | 342.00                  |

(Rs. in Lakh)

| IMCL and its subsidiaries  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| Revenue  | 103,018.75                   | 65,329.46                    |
| Expenses   | 111,564.83                   | 100,756.08                   |
| Gain on loss of control  | -                            | 3,583.00                     |
| <b>Loss for the year</b>   | <b>(8,546.08)</b>            | <b>(31,843.62)</b>           |
| Tax Expense  | (9,602.33)                   | 2.73                         |
| <b>Profit / (Loss) for the year after tax</b>                            | <b>1,055.75</b>              | <b>(31,846.35)</b>           |
| <b>Other comprehensive income for the year</b>                           | <b>271.87</b>                | <b>(1,395.74)</b>            |
| <b>Total comprehensive income for the year</b>                           | <b>1,327.62</b>              | <b>(33,242.09)</b>           |
| Loss attributable to owners of the Company                               | 692.84                       | (31,719.80)                  |
| Profit / (Loss) attributable to the non-controlling interests            | 362.91                       | (126.55)                     |
| <b>Loss for the year after tax</b>                                       | <b>1,055.75</b>              | <b>(31,846.35)</b>           |
| Other comprehensive income attributable to owners of the Company         | 303.70                       | (1,396.57)                   |
| Other comprehensive income attributable to the non-controlling interests | (31.83)                      | 0.83                         |



## Notes to the consolidated financial statements for the year ended March 31, 2020

(Rs. in Lakh)

| IMCL and its subsidiaries  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| <b>Other comprehensive income for the year</b>                           | <b>271.87</b>                | <b>(1,395.74)</b>            |
| Total comprehensive income attributable to owners of the Company         | <b>996.94</b>                | (33,116.36)                  |
| Total comprehensive income attributable to the non-controlling interests | <b>330.68</b>                | (125.73)                     |
| <b>Total comprehensive income for the year</b>                           | <b>1,327.62</b>              | <b>(33,242.09)</b>           |
| Dividends paid to non-controlling interests                              | -                            | -                            |
| Net cash inflow / (outflow) from operating activities                    | <b>15,898.58</b>             | (13,277.37)                  |
| Net cash inflow / (outflow) from investing activities                    | <b>(8,396.77)</b>            | (6,801.59)                   |
| Net cash inflow / (outflow) from financing activities                    | <b>(7,805.67)</b>            | 18,930.44                    |
| <b>Net cash inflow / (outflow)</b>                                       | <b>(303.86)</b>              | <b>(1,148.52)</b>            |

### 52 Dues to Micro, Small and Medium enterprises

Micro, Small and Medium enterprises have been identified on the basis of the information to the extent provided by the suppliers. Total outstanding dues of Micro, Small and Medium enterprises as on March 31, 2020 which are outstanding for more than the stipulated period are given below.

(Rs. in Lakh)

| IMCL and its subsidiaries   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---|------------------------------|------------------------------|
| Dues remaining unpaid as at March 31  |                              |                              |
| - Principal   | <b>14.26</b>                 | 162.35                       |
| - Interest  | <b>6.74</b>                  | 5.00                         |
| I. Interest paid in terms of Section 16 of the Act  | -                            | -                            |
| II. Amount of Interest due and payable for the period of delay on payments made beyond the appointed day during the year                                  | -                            | -                            |
| III. Amount of interest accrued and remaining unpaid as at March 31   | <b>6.74</b>                  | 5.00                         |
| IV. Further interest due and payable even in succeeding years, until such date when the interest due as above are actually paid to the small enterprises. | -                            | -                            |

Notes to the consolidated financial statements  
for the year ended March 31, 2020

53 Additional information pursuant to paragraph 2 of Division II - Schedule III to the Companies Act 2013 - " Part II - General instructions for the preparation of the consolidated financial statements

| Name of the entities in the Group                   | Net Assets , i.e. Total Assets minus total liabilities |                    | Share in Profit or loss             |                    | Share in Other comprehensive income             |                    | Share in Total Comprehensive Income |                    |
|---|--|--------------------|-------------------------------------|--------------------|---|--------------------|-------------------------------------|--------------------|
|   | As % of Consolidated Net Assets                        | Amount             | As % of Consolidated Profit or Loss | Amount             | As % of Consolidated Other comprehensive income | Amount             | As % of Total comprehensive income  | Amount             |
| <b>March 31, 2020</b>                               |  |                    |                                     |                    |   |                    |                                     |                    |
| <b>Parent</b>                                       |  |                    |                                     |                    |   |                    |                                     |                    |
| NXTDIGITAL LIMITED                                  | -36%   | (8,987.77)         | 105%                                | (14,064.81)        | 101%  | (24,448.26)        | 103%                                | (38,513.47)        |
| <b>Subsidiary</b>                                   |  |                    |                                     |                    |   |                    |                                     |                    |
| <b>Indian</b>                                       |  |                    |                                     |                    |   |                    |                                     |                    |
| Indusind Media & Communications Limited             | 30%  | 7,458.70           | -13%                                | 1,729.49           | -1%   | 314.40             | -5%                                 | 2043.89            |
| OneOTT Interainment Limited                         | 147%   | 36,458.34          | 1%                                  | (90.04)            | 0%  | (112.43)           | 1%                                  | (202.47)           |
| <b>Non controlling interest in all subsidiaries</b> | <b>-41%</b>  | <b>(10,151.36)</b> | <b>7%</b>                           | <b>(983.61)</b>    | <b>0%</b>                                       | <b>101.73</b>      | <b>2%</b>                           | <b>(881.88)</b>    |
| <b>Total</b>  | <b>100%</b>  | <b>24,777.91</b>   | <b>100%</b>                         | <b>(13,408.97)</b> | <b>100%</b>                                     | <b>(24,144.56)</b> | <b>100%</b>                         | <b>(37,553.53)</b> |
| <b>March 31, 2019</b>                               |  |                    |                                     |                    |   |                    |                                     |                    |
| <b>Parent</b>                                       |  |                    |                                     |                    |   |                    |                                     |                    |
| NXTDIGITAL LIMITED                                  | 66%  | 36,698.22          | 12%                                 | (4,164.13)         | 239%  | 2,401.23           | 5%                                  | (1,762.90)         |
| <b>Subsidiary</b>                                   |  |                    |                                     |                    |   |                    |                                     |                    |
| <b>Indian</b>                                       |  |                    |                                     |                    |   |                    |                                     |                    |
| Indusind Media & Communications Limited             | 31%  | 17,095.22          | 65%                                 | (22,443.57)        | -104%   | (1,045.87)         | 71%                                 | (23,489.44)        |
| <b>Non controlling interest in all subsidiaries</b> | <b>3%</b>  | <b>1,824.78</b>    | <b>23%</b>                          | <b>(7,704.09)</b>  | <b>-35%</b>                                     | <b>(351.13)</b>    | <b>24%</b>                          | <b>(8,055.22)</b>  |
| <b>Total</b>  | <b>100%</b>  | <b>55,618.22</b>   | <b>100%</b>                         | <b>(34,311.79)</b> | <b>100%</b>                                     | <b>1,004.23</b>    | <b>100%</b>                         | <b>(33,307.56)</b> |

## Notes to the consolidated financial statements for the year ended March 31, 2020

### 54 Disaggregate Revenue

The Group's subsidiary ("IMCL") has disaggregated the revenue from contracts with customers on the basis of nature of services. The Group believes that the disaggregation of revenue on the basis of nature of services has no impact on the nature, amount, timing and uncertainty of revenue and cash flows.

The following table provides a reconciliation of the revenue recognised in the statement of profit and loss with the contract price:

(Rs. in Lakh)

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| Subscription revenue   |                              |                              |
| Contracted price   | 60,283.36                    | 39,125.24                    |
| Add: Allocation of transaction price from bundled contracts        | -                            | 478.00                       |
| Less / Add: Deferred and unbilled revenue adjustments              | 155.00                       | 171.00                       |
| Discounts to LCO's / incentive / refund                            | (327.82)                     | (82.13)                      |
| <b>Revenues recognised as per the statement of profit and loss</b> | <b>60,110.54</b>             | <b>39,692.11</b>             |

(Rs. in Lakh)

| Particulars   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---|------------------------------|------------------------------|
| Installation revenue  |                              |                              |
| Contracted price  | 2,762.36                     | 6,421.00                     |
| Less: Allocation of transaction price to subscription revenue for bundled contracts | -                            | (478.27)                     |
| Less: Adjustment for deferral for installation revenue                              | 13,639.36                    | 5,442.00                     |
| <b>Revenues recognised as per the statement of profit and loss</b>                  | <b>16,401.72</b>             | <b>11,384.73</b>             |

(Rs. in Lakh)

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| Channel placement fees   |                              |                              |
| Contracted price   | 6,201.46                     | 11,314.91                    |
| Add: Adjustment for deferral for channel placement revenue revenue | 82.00                        | 15.00                        |
| <b>Revenues recognised as per the statement of profit and loss</b> | <b>6,283.46</b>              | <b>11,329.91</b>             |

(Rs. in Lakh)

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| Subscription - internet service                                    |                              |                              |
| Contracted price   | 8,129.69                     | -                            |
| Add: Allocation of transaction price from bundled contracts        | -                            | -                            |
| Less / Add: Deferred and unbilled revenue adjustments              | (1,479.78)                   | -                            |
| Discounts to LCO's   | -                            | -                            |
| <b>Revenues recognised as per the statement of profit and loss</b> | <b>6,649.91</b>              | <b>-</b>                     |

(Rs. in Lakh)

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| Sub Broking  | -                            | 9.27                         |
| <b>Revenues recognised as per the Statement of profit and loss</b> | <b>-</b>                     | <b>9.27</b>                  |

## Notes to the consolidated financial statements for the year ended March 31, 2020

### Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

| (Rs. in Lakh)   |                         |                         |
|---|-------------------------|-------------------------|
| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Contract Liabilities (unbilled revenue)</b>  |                         |                         |
| Opening balance   | 21,774.29               | 26,791.80               |
| Addition on business combination (refer note no. 59)  | 1,713.00                | -                       |
| Less: revenue recognised that was included in the contract liabilities at the beginning of the year | (18,964.41)             | (11,675.51)             |
| Add: invoices raised for which no revenue is recognised during the year                             | 4,885.15                | 6,658.00                |
| <b>Closing balance</b>  | <b>9,408.03</b>         | <b>21,774.29</b>        |
| <b>Contract Liabilities (Advance or deferred income)</b>  |                         |                         |
| Opening balance   | 555.87                  | 826.00                  |
| Addition on business combination (refer note no. 59)  | 835.88                  | -                       |
| Less: revenue recognised that was included in the contract liabilities at the beginning of the year | (1,012.50)              | (826.00)                |
| Add: invoices raised for which no revenue is recognised during the year                             | 681.83                  | 555.87                  |
| <b>Closing balance</b>  | <b>1,061.08</b>         | <b>555.87</b>           |

Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

| (Rs. in Lakh)  |                              |                              |
|--|------------------------------|------------------------------|
| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
| Revenue from contracts with customers                        | 89,445.63                    | 62,416.02                    |
| Add: Discounts, rebates, refunds, credits, price concessions | 327.82                       | 82.13                        |
| Less / Add: Deferred and unbilled revenue adjustments        | (12,396.58)                  | (5,628.00)                   |
| Add: Allocation of transaction price from bundled contracts  | -                            | 0.27                         |
| <b>Contracted price with the customers</b>                   | <b>77,376.87</b>             | <b>56,870.42</b>             |

The services of the Company are categorised into essential services. There may be delays in new installation in pro-longed COVID -19 situation, however existing revenue is not expected to be much impacted.

### 55 Details of the outstanding principal (including unamortised borrowing cost), interest rate, security and repayment terms:

| Particulars      | As at March 31, 2020 |         |                          |  | As at March 31, 2019 |          |                    |  |
|------------------|----------------------|---------|--------------------------|--|----------------------|----------|--------------------|--|
|                  | Non-current          | Current | Interest Rate p.a.       | Particulars of redemption / repayment          | Non-current          | Current  | Interest Rate p.a. | Particulars of redemption / repayment      |
| <b>Secured</b>   |                      |         |                          |  |                      |          |                    |  |
| <b>From Bank</b> |                      |         |                          |  |                      |          |                    |  |
| TL – 1           | 18,205.15            | 959.40  | Refer note 1 and 4 below | Repayable Between April 2018 to September 2025 | 19,176.97            | 1,028.43 | Refer note 1 below | Repayable Between April 2018 to March 2025 |
| TL – 2           | -                    | -       | -                        | -  | -                    | 3,438.26 | 11.25%             | Repayable in December, 2019                |
| TL – 3           | -                    | -       | -                        | -  | -                    | 4,305.18 | 11.00%             | Repayable in February, 2020                |

## Notes to the consolidated financial statements for the year ended March 31, 2020

| Particulars   | As at March 31, 2020 |                  |                    |  | As at March 31, 2019 |                  |                    |   |
|---|----------------------|------------------|--------------------|--|----------------------|------------------|--------------------|---|
|   | Non-current          | Current          | Interest Rate p.a. | Particulars of redemption / repayment        | Non-current          | Current          | Interest Rate p.a. | Particulars of redemption / repayment   |
| TL – 4  | -                    | -                | -                  | -  | -                    | 8,635.57         | 11.25%             | Repayable in January, 2020  |
| TL – 5  | 9,050.15             | 3,816.30         | 11.75%             | Repayable between April 2020 to October 2022 | -                    | 15,910.03        | 12.00%             | Repayable in October, 2020  |
| TL – 6  | -                    | 1,342.34         | -                  | Cash Credit facility                         | -                    | 1,976.20         | -                  | Cash Credit facility  |
| TL – 7  | -                    | 1,000.00         | -                  | Working capital demand loans                 | -                    | 1,000.00         | -                  | Working capital demand loans  |
| Buyer's Credit  | 645.13               | 21,987.23        | -                  | Repayable between May 2020 to June 2021      | -                    | 21,967.45        | -                  | -   |
| <b>From Non-Banking Financial Institutions (Refer note no. 2 below)</b> |                      |                  |                    |  |                      |                  |                    |   |
| TL – 8  | 733.00               | 247.00           | -                  | -  | -                    | 4,998.19         | 9.15%              | Financial liability as per Ind AS 109. The said liability is to be repaid over the period of 8 years. |
| TL – 9  | -                    | -                | -                  | -  | -                    | 9,986.36         | 10.00%             | Repayable in December, 2019   |
| TL – 10   | -                    | -                | -                  | -  | -                    | 7,497.29         | 9.15%              | Repayable in June, 2019   |
| TL – 11   | -                    | -                | -                  | -  | -                    | 4,990.38         | 9.85%              | Repayable in March, 2020  |
| TL – 14   | -                    | 128.81           | -                  | -  | -                    | 4,494.01         | 10.95%             | Repayable in December, 2020*  |
| TL – 15   | 18.97                | -                | -                  | -  | -                    | 2,496.67         | 10.95%             | Repayable in November, 2020*  |
| <b>Total</b>  | <b>28,652.40</b>     | <b>29,481.08</b> |                    |  | <b>19,176.97</b>     | <b>92,724.02</b> |                    |   |
| <b>Unsecured Loans</b>  |                      |                  |                    |  |                      |                  |                    |   |
| Inter Corporate Deposit   | -                    | 39,239.10        | 8.5% to 12.25 %    | Repayable on demand                          | -                    | 8,475.00         | 10.00%-12.00%      | Repayable on demand   |
| <b>Total</b>  | <b>-</b>             | <b>39,239.10</b> |                    |  | <b>-</b>             | <b>8,475.00</b>  |                    |   |

\* Put / call Option at every 365 days interval from initial disbursement date.

### Notes:

- TL-1- The Loan is repayable in 7 years in 28 quarterly instalments, for each tranche of disbursement. First repayment will commence from 4th month of the date of each tranche of disbursement. Interest rate 6 months MCLR and Yes Bank Limited shall reset the 6 months MCLR on 1st day of the month falling after six calendar months including the month in which drawdown has been made. First Charge on all current and movable assets (both present and future) and Escrow Account for collection of proceeds of lease rentals to be created in favour of Vistra ITCL India Ltd.
- TL-8 to TL-15 were secured against pledge of shares in IndusInd Bank Ltd. 17,482 equity shares pledged against TDS certificates [March 31, 2019: 3,946,148 equity shares pledged against loan availed].
- Long term loans (TL-2 to TL-7) and Buyer's credits are secured by a first charge on all present and future assets of IMCL including fixed and current, immovable and movable, tangible and intangible assets ranking pari-passu with the charges created for other loans.
- In line with the RBI Directive dated March 27, 2020 for moratorium of loan; the management has exercised option to defer the loan installments for a period of three months from the date it became due. Also, as per further RBI Directive dated May 22, 2020; the management has exercised option to defer the loan installments for a period of further three months from 1st moratorium.

## Notes to the consolidated financial statements for the year ended March 31, 2020

### 56 Loans (current)

**A Details of loans given during the year in the form of Inter Corporate Deposits and the purpose for which the loan is proposed to be utilised by the recipient of the loan as required under Section 186 (4) of the Companies Act, 2013 are as under:**

(Rs. in Lakh)

| Name of the Company              | Loans given during the year | Loans given during the year | Loans repaid during the year | Loans repaid during the year | Terms and conditions  | Purpose / utilisation by the borrower |
|----------------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|---|---------------------------------------|
|                                  | 2019-2020                   | 2018-2019                   | 2019-2020                    | 2018-2019                    |   |                                       |
| Asia Coporation LLP              | -                           | 2,000.00                    | -                            | 2,000.00                     | Loan is repayable on demand and the interest rate is 10.00% p.a.                            | To meet working capital requirement   |
| AJ Media                         | 170.00                      | -                           | -                            | -                            | Loan is repayable on demand and the interest rate is 18.00% p.a.                            | To meet working capital requirement   |
| Hinduja Energy India Limited     | 5,000.00                    | -                           | 5,000.00                     | -                            | Loan is repayable on demand and the interest rate is 11.25% p.a.                            | To meet working capital requirement   |
| Hinduja Finance Limited          | 6,400.00                    | -                           | -                            | -                            | Loan is repayable on demand and the interest rate is 11.25% p.a.                            | To meet working capital requirement   |
| IN Entertainment (India) Limited | 3,590.00                    | 184.00                      | -                            | 485.00                       | Loan is repayable on demand and the interest rate is 11.00% p.a. (Previous Year 10.00% p.a) | To meet working capital requirement   |
| Hinduja Realty Ventures Limited  | 8,100.00                    | 8,779.00                    | 8,100.00                     | 11,879.00                    | Loan is repayable on demand and interest rate is 12.10% p.a.                                | To meet working capital requirement   |
| Hinduja Group Limited            | 757.00                      | 6,460.00                    | 700.00                       | 13,810.00                    | Loan is repayable on demand and interest rate is 12.10% p.a.                                | To meet working capital requirement   |

### 57 Impairment of investment in Group subsidiary companies IndusInd Media and Communiation Limited ("IMCL")

The Group subsidiary company ("IMCL") management was in process of corporate restructuring of its Subsidiary Companies Gold Star Noida Network Limited ("Goldstar") and Ajanta Sky Darshan Private Limited ("Ajanta"). However, subsequent to proposed scheme of arrangement for demerger of Company's Cable TV business between IndusInd Media and Communications Limited ("Demerged Company") and Hinduja Ventures Limited ("Resulting Company") (now known as NXTDIGITAL LIMITED), the management believes that IMCL may not have any viable business opportunity for Goldstar and Ajanta. Thus, IMCL has decided to write off the Goodwill of these companies amounting to ₹ 15.00 lakh and 29.00 lakh respectively.

### 58 Change in estimate

The Group recognises revenue from installation fees over the period from which the Group is expected to realise the economic benefits from such installation. The Group's business was in the process of stabilization under New Tariff Order (NTO) notified by the Telecom Regulatory Authority of India (TRAI) effective from February 1, 2019. The customer churn period has undergone a change, accordingly Group has amended the expected pattern of economic benefit from four years to three years. The effect of this change has resulted in recognition of additional installation revenue amounting to ₹ 5,212.00 lakh during the year.

### 59 Acquisition of shares in ONEOTT Intertainment Limited (OIL)

- a) IMCL previously held 2,67,00,000, 9% Redeemable Preference Shares ("RPS") in OIL, aggregating ₹ 267.00 crores and 5,00,000, 9% RPS in OIL, aggregating ₹ 5.00 crores. The Board of Directors of OIL and IMCL at their respective meetings held on August 6, 2019 and August 7, 2019 respectively agreed to vary the terms of these Redeemable Preference Shares by converting them into Compulsorily Convertible Preference Shares which were simultaneously converted into Equity shares of OIL at a value determined by an independent external valuer. Accordingly 2,02,21,169 Equity Shares of OIL of ₹ 10 each at a premium of ₹ 124.51 per share were allotted to IMCL on August 12, 2019. Subsequent to this allotment IMCL held 71.65% of the paid up share capital of OIL.



## Notes to the consolidated financial statements for the year ended March 31, 2020

- b) Consequent to the above conversion, ₹ 12,137.62 lakh, being the net balance of the previously recognised fair valuation loss on the redeemable preference shares, has been credited to Other Income in the current year ended March 31, 2020.
- c) Effective August 12, 2019 OIL (including subsidiaries of OIL) became subsidiaries of IMCL on account of which the consolidated financial statements of the group for the current year ended March 31, 2020 includes the profit or loss of consolidated operations of OIL for the period August 12, 2019 to March 31, 2020 and hence not strictly comparable with the previous periods.
- d) The transaction has been accounted for under the acquisition method as per Ind AS 103 – Business Combination. Purchase consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. IMCL has identified intangible assets acquired under business combination separate from goodwill. The purchase price was allocated based on the valuation."

Purchase price has been allocated as set out below, to the assets acquired and liabilities assumed in the business combination:

|   |                | (Rs. in Lakh) |
|---|----------------|---------------|
| Component   |                | Amount        |
| Property plant & equipment  |                | 2,185.00      |
| Capital work-in-progress  |                | 219.67        |
| Right of use assets   |                | 7,179.00      |
| Other intangible assets   |                | 39.00         |
| Movie rights  |                | 10,447.00     |
| Cash & cash equivalents   |                | 145.00        |
| Trade & other receivables   |                | 2,127.00      |
| Inventory   |                | 406.00        |
| Intercorporate deposits   |                | 5,405.00      |
| Other assets  |                | 5,527.00      |
| Other liabilities   |                | (10,985.12)   |
| Lease liabilities   |                | (7,708.00)    |
| Income received in advance  |                | (1,713.00)    |
| Advance from customer   |                | (835.88)      |
| Deferred tax liability  |                | (43.00)       |
| Identified under Business combination   |                |               |
| Customer relationship   |                | 10,680.00     |
| Trade name  |                | 3,820.00      |
| <b>Fair value of net assets as on the date of acquisition</b>                     | <b>(A)</b>     | 26,894.67     |
| Total fair vale of ONEOTT group as on August 12, 2019                             | (B)            | 37,960.00     |
| <b>Goodwill</b>   | <b>(C=B-A)</b> | 11,065.33     |
| Purchase consideration  | (D)            | 27,200.00     |
| IMCL share in fair value of net assets as on the date of acquisition (E=A*71.65%) |                | 19,270.03     |
| Fair value of Non-controlling interests as on date of acquisition (F=B*28.35%)    |                | 10,761.66     |

## Notes to the consolidated financial statements for the year ended March 31, 2020

### 60 Exceptional items

#### a Amaravara Indigital Media Services Private Limited

Due to certain differences between the Group subsidiary company ("IMCL") and the other shareholders in respect of a subsidiary, Amaravara Indigital Media Services Private Limited, the operation of the subsidiary had been severely impacted leading to stoppage of business during the previous year. IMCL has entered into Share purchase agreement on March 29, 2019 with Rajendra Prabhakar Padte, to sell its equity interest in Amaravara for ₹ 1.00 lakh. In the consolidated financial statements for the year ended March 31, 2019, Amaravara has been consolidated based on management accounts (last available accounts). Excess of consideration receivable over net-worth of ₹ 3,455.00 lakh is recognised as 'gain on loss of control'.

#### b Advance Multisystem Broadband Communications Limited (AMBC)

In the previous year, the Group subsidiary company ("IMCL") received notice of resignation from two directors representing shareholders holding 40.39% of the shares in AMBC and requiring IMCL to take charge of the operations on an as-is where-is basis. In response, IMCL had filed a complaint with ROC Kolkata for mismanagement of the affairs of AMBC by the said Directors including inter-alia transfer of subscribers to the IMCL's competitor. IMCL has entered into Share purchase agreement on March 29, 2019 with Rajendra Prabhakar Padte, to sell its equity interest in AMBC for ₹ 1.00 lakh. In the consolidated financial statements for the year ended March 31, 2019, AMBC has been consolidated based on management accounts (last available accounts) till the date of loss of control. Excess of consideration receivable over net-worth of ₹ 128.00 lakh is recognised as 'gain on loss of control'.

- 61 Towards the end of the financial year, COVID-19 was declared a global pandemic and the Government of India announced a country wide lockdown which still continues across large swathes of the country with some variations. In this nation-wide lock-down, the company has continued to operate and provide its services to its customers, which has been declared as an essential service, without much disruption. The Company has evaluated the carrying value of the assets, recoverability of trade receivable and liquidity position and have concluded that no material adjustments required at this stage in the financial result.

### 62 Dividend remitted in foreign currency

| Particulars                         | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|-------------------------------------|------------------------------|------------------------------|
| Amount remitted (Rs. in Lakh)       | 486.55                       | 486.55                       |
| Dividend related to financial year  | 2018-19                      | 2017-18                      |
| Number of non-resident shareholders | 13                           | 13                           |
| Number of shares                    | 2,780,312                    | 2,780,312                    |

- 63 Government of India, Ministry of Corporate Affairs, office of registrar of Companies, Maharashtra has issued fresh certificate of incorporation dated 25th October, 2019 consequent upon change of name of the Company from "HINDUJA VENTURES LIMITED" to "NXTDIGITAL LIMITED".
- 64 The Taxation Laws (Amendment) Ordinance, 2019 has inserted a new section 115BAA in the Income Tax Act, 1961 ("Act") which gives an option to a Domestic Company to consider a concessional tax rate of 25.168% (effective tax rate). Further, the Company which has exercised the option to pay tax under the new section 115BAA will not be liable to pay minimum alternate tax (MAT) u/s 115JB and also forego the accumulated MAT Credit. After evaluating the options some of the Group Companies including NXTDIGITAL Limited and IndusInd Media and Communications Limited have decided to adopt the new Section 115 BAA and avail of the benefit of lower rate of tax, as the same is beneficial to the respective companies. The Group has opted to adopt the reduced tax rate and accordingly, adoption of the new effective tax rate resulted in an additional reversal of deferred tax liability amounting to ₹ 2,721.45 Lakhs during the year in the Statement of Profit and Loss Account.
- 65 Consequent to a technical incident reported on 20 December 2019, by Thaicom Public Company Limited (Thaicom) a satellite transponder service provider, based on an independent expert legal opinion, the contract was deemed to be terminated on the said date and accordingly, the company subsidiary IndusInd Media and Communications Limited ("IMCL") derecognised the balance in the lease liability and right of use of assets, recognized as per Ind AS 116, with a net gain of ₹ 668.00 lakh credited to the Statement of profit and loss. IMCL has not made provision towards the satellite transponder service charges from the date of incident reported till the date of migration to new service provider amounting to ₹ 253.80 Lakhs as it is confident of the waiver of the same by Thaicom.

IMCL has entered into an agreement on 27 January 2020 with a new service provider, Intelsat Global Sales &

## Notes to the consolidated financial statements for the year ended March 31, 2020

Marketing Limited for transponder service. The same has been accounted for in the current year as per Ind AS 116 and accordingly recognised right to use of asset amounting to ₹ 10,885 lakhs. The related depreciation and finance cost was charged to Statement of Profit and Loss.

### 66 Foreseeable losses

The Group has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year-end, the Group has reviewed all such contracts and confirmed that no provision is required to be created under any law / accounting standard towards any foreseeable loss.

### 67 Previous year comparatives

| Particulars                     | ₹ in Lakh | Regrouped from                                   | Regrouped to                                |
|---------------------------------|-----------|--|---|
| Entertainment tax under protest | 20.00     | Current assets-Loans receivables                 | Non-current assets-Other non-current assets |
| Group company balance           | 392.00    | Current assets- Trade receivables                | Current assets- Other financial assets      |
| LCN incentive                   | 294.00    | Channel placement fees - Revenue from operations | LCN incentive - Revenue from operations     |
| Online collection charges       | 186.00    | Commission - Other expenses                      | Bank charges - Other expenses               |

68 The Board of Directors at its meeting held on July 31, 2020 have recommended a dividend of ₹ 5.00 /- per share (on par value of ₹ 10.00/- each per equity share) for the year ended March 31, 2020, to be approved by the Shareholders in the ensuing Annual General Meeting of the Company.

69 The Group has acquired One OTT Entertainment private limited on 12 August 2019. Accordingly, the figures of current year are not comparable with those of previous year.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018

**Anjum A. Qazi**  
Partner  
Membership No. 104968

Place : Mumbai  
Date : September 6, 2020

For and on behalf of the Board of Directors

**Anil Harish**  
Director  
DIN 00001685

**Hasmukh Shah**  
Company Secretary  
FCS No. 2029

Place : Mumbai  
Date : September 4, 2020

**Ashok Mansukhani**  
Managing Director  
DIN 00143001

**Amar Chintopanth**  
Chief Financial Officer





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**25**

Entertaining You. Empowering You. On Demand.

**NXTDIGITAL** LIMITED

(Formerly known as Hinduja Ventures Limited)

(CIN: L51900MH1985PLC036896)

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HINDUJA GROUP