

P. PARIKH & ASSOCIATES
CHARTERED ACCOUNTANTS

H.O. 501, SUJATA, OFF. NARSI NATHA STREET, MUMBAI 400 009. TEL.2344 3549, 2343 7853. FAX.23415455.

web: www.pparikh.com.

Independent Auditor's Report

To the Members of SAB Media Networks Private Limited

Report on the Audit of the Standalone Financial Statements

Adverse Opinion

We have audited the standalone financial statements of SAB Media Networks Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the statement of Profit and Loss, statement of Changes in Equity and the statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to explanation given to us, because of the significance of the matter discussed in the Basis of Adverse Opinion section of our report, the accompanying standalone financial statements do not give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company, of its loss, position of changes in equity and cash flows for the year then ended.

Basis for Adverse Opinion

- i) *The aggregate carrying value of Business and Commercial Rights and Channel Development Cost in the books of the Company as on March 31, 2020 is Rs. 98,47,20,824/-. There is no revenue generation from monetization of these assets during the year ended March 31, 2020 due to which the Company has incurred substantial losses during the year ended March 31, 2020 and previous financial years. There is a strong indication of impairment in the value of these Business and Commercial Rights and Channel Development Cost and therefore we are of the opinion that the impairment loss of Rs. 98,47,20,824/- should be provided on all such assets in the books of accounts of the Company as on March 31, 2020. The assets of the Company are overstated and net loss for the year ended March 31, 2020 is understated to that extent.*
- ii) *Due to defaults in repayment of loans taken from Bank/s, the Account of the Company has been classified as Non-Performing Asset by Banks in the previous financial years. Further bank has taken possession and sold the collateral securities belonging to the promoters and its group entities and has invoked the shares pledged as collaterals provided by third party and adjusted sale proceeds of Rs.25,78,01,079/- against the interest liability. No provision has been made in the books of accounts maintained by the Company for interest / penal interest, if any, on these term loans amounting to Rs. 26,81,93,660/- as on March 31, 2020, hence to that extent, finance cost, total loss for the year ended March 31, 2020, Negative "Other Equity" balances (as it includes interest expense of previous*

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financial years) and current financial liabilities are understated by Rs. 26,81,93,660/- as on March 31, 2020.

Material uncertainty related to Going Concern of Company:

- i) The financial statements are prepared on going concern basis notwithstanding the fact that loan accounts are classified as non-performing by bank, loans have been recalled back by secured lenders, current liabilities are substantially higher than the current assets, sale of mortgaged property provided as collateral by promoter and promoter group companies, invocation of part of the shares pledged as collaterals by bank, further as discussed in the Basis of Adverse Opinion paragraph, the carrying value of non-current assets has been fully impaired and also that there is no business activity has been carried out during the financial year under audit and substantial losses incurred by the Company during the year ending March 31, 2020 and previous financial years and negative net worth of Rs. 32,49,83,866 /- as on March 31, 2020. All of the above conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Emphasis of Matters

- i) The Adverse Opinion expressed in the present report is based on the limited information, facts and inputs made available to us through electronic means by the Company. We wish to highlight that due to the COVID-19 induced restrictions on physical movement and strict timelines, the entire audit team could not visit the office of the Company for undertaking the required audit procedures as prescribed under ICAI issued Standards on Auditing, including but not limited to:

- Inspection, Observation, examination and verification of the original documents of invoices, legal agreements, bank accounts statements / loan accounts statements and files.
- Physical verification of Cash, including adequate internal controls thereof.
- Any other processes which required physical presence of the audit team.

Our opinion is not modified in respect of these matters.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2019 included in this financial statement has been audited by the predecessor auditor's. The report

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of the predecessor auditor's on comparative financial information for the year ended March 31, 2019 expressed an adverse opinion; and we have considered the qualifications reported by the previous auditor's for the year ended March 31, 2019 in our audit report. Our opinion is not modified in respect of this matter.

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 Director's report but does not include the Standalone financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

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In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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

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ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieve fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, subject to Basis of Adverse Opinion and Emphasis of Matters section in our report, the aforesaid standalone financial statements comply with the Accounting

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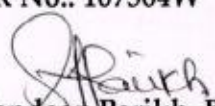
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Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations on its financial position in its financial statements.
 - ii. The Company did not have any long term contracts including derivate contracts for which there were any material foreseeable losses.
 - iii. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.

For P. Parikh and Associates
Chartered Accountants
FR No.: 107564W


Sandeep Parikh, Partner
Membership No.: 039713
Mumbai
July 30, 2020
UDIN : 20039713AAAAAT8119



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"Annexure A" forming part of Independent Auditor's Report

The Annexure referred to in our Independent Auditor's Report of even date to the members of the Company on the standalone financial statements for the year ended March 31, 2020, we report that:

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (a) There are no fixed assets in the books of the Company as on March 31, 2020 therefore this clause (i)(a) of paragraph 3 of the Order is not applicable to the Company.
- (b) There are no fixed assets in the books of the Company as on March 31, 2020 therefore this clause (i)(b) of paragraph 3 of the Order is not applicable to the Company.
- (c) According to the information and explanation given to us and on the basis of records furnished to us, the company does not have any immovable property, hence, Clause (i)(c) of paragraph 3 of the Order are not applicable to the Company.
- ii) The Company is not having any inventory of material amount at any time during the year; hence this clause is not applicable to the Company.
- iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained u/s 189 of the Act; hence the Clause (iii) of paragraph 3 of the Order are not applicable to the Company.
- iv) According to the information and explanation given to us and on the basis of records furnished before us, the company has not given any loan or made any investment or given any guarantee or security during the year for which compliance under section 185 and 186 is required, hence the Clause (iv) of paragraph 3 of the Order are not applicable to the Company.
- v) The company has not accepted any deposit and hence directive issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other provisions of Companies Act, 2013 and Rules framed thereunder will not be applicable to the Company.
- vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the Company; hence the Clause (vi) of paragraph 3 of the Order are not applicable to the Company.

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- vii) a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has been generally regular in depositing undisputed statutory dues including Income Tax, GST and other statutory dues with the appropriate authorities.

According to the information and explanations given to us, there were no outstanding statutory dues as on March 31, 2020 for a period of more than six months from the date they became payable.

According to information and explanation given to us, there are no disputed statutory dues including Income Tax, GST and other statutory dues which have not been deposited on account of dispute.

- viii) The company has defaulted in repayment of loans or borrowings to banks. The details with the period and amount of default is as follows :-

Serial No.	Name of Bank	Period of default (in months)	Amount of default as on March 31, 2020 (in Rs.)
1	Union Bank of India	33	Rs. 77,99,31,633/-

The default of interest / penal interest / late payment / other charges, if any, on loans outstanding as on March 31, 2020 cannot be precisely ascertained, as the account of the Company has turned non-performing and some banks have not charged interest from the date the account has turned non-performing. The disclosure of the same is also mentioned in Point (ii) of Basis of Adverse Opinion paragraph of our audit report. Further, since all the loans have been recalled, the entire outstanding amount as per books of accounts is disclosed as amount of default as on March 31, 2020.

- ix) Based upon the audit procedures performed and according to the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the financial year, hence clause (ix) of paragraph 3 of the Order is not applicable to the company.
- x) To the best of our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of the Company's

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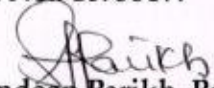
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- operations, no fraud of material significance on or by the Company have been noticed or reported during the year and nor have we been informed of such case by the management.
- xi) According to the information and explanation given to us and based on our examination of the records, the Company has not paid/provided for managerial remuneration during the year, hence clause (xi) of paragraph 3 of the Order is not applicable to the Company.
- xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company; hence Clause (xii) of paragraph 3 of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv) Based upon the audit procedures performed and according to the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year; hence the clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
- xv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him; hence the clause (xv) of paragraph 3 of the Order is not applicable.
- xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45 – IA of Reserve Bank of India Act, 1934.

For P. Parikh and Associates

Chartered Accountants

FR No.: 107564W


Sandeep Parikh, Partner

Membership No.: 039713

Mumbai

July 30, 2020

UDIN : 20039713AAAAAT8119



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"Annexure B" forming part of Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of SAB Media Networks Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding

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of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



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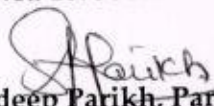
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P. Parikh and Associates

Chartered Accountants

FR No.: 107564W


Sandeep Parikh, Partner

Membership No.: 039713

Mumbai

July 30, 2020

UDIN : 20039713AAAAAT8119



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SAB MEDIA NETWORKS PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH 2020

Particulars	Notes	as at 31.03.2020 (Rupees)	as at 31.03.2019 (Rupees)
ASSETS			
Non-Current Assets			
a) Intangible Assets	2	984,720,824	1,133,483,209
Total Non Current Assets		<u>984,720,824</u>	<u>1,133,483,209</u>
Current Assets			
a) Financial Assets			
i) Cash and Bank Balances	3	23,820	12,582
b) Other Current Assets	4	6,000	4,200
Total Current Assets		<u>29,820</u>	<u>16,782</u>
TOTAL ASSETS		<u><u>984,750,644</u></u>	<u><u>1,133,499,991</u></u>
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	5	185,000,000	185,000,000
b) Other Equity*		(509,983,866)	(361,197,818)
Total Equity		<u>(324,983,866)</u>	<u>(176,197,818)</u>
Non Current Liabilities			
Current Liabilities			
a) Financial Liabilities			
i) Short Term Borrowings	6	271,980,000	271,930,000
ii) Trade Payables	7	11,800	25,097
b) Other Financial Liabilities	8	779,931,633	1,015,056,633
c) Other Current Liabilities	9	257,801,079	22,676,079
d) Provisions	10	10,000	10,000
Total Current Liabilities		<u>1,309,734,512</u>	<u>1,309,697,809</u>
TOTAL EQUITY & LIABILITIES		<u><u>984,750,644</u></u>	<u><u>1,133,499,991</u></u>

* Refer statement of changes in equity

Significant Accounting Policies

1

Accompanying notes are integral parts of the Financial Statements

As per our report of even date

For P. Parikh and Associates

Chartered Accountants

FRN: 107564W

Sandeep Parikh

Partner

Membership No: 039713

Mumbai

July 30, 2020



For & on behalf of the Board of Directors

Markand Adhikari

Markand Adhikari

Director

DIN:00032016

Latasha Jadhav

Latasha Jadhav

Director

DIN:08141498



SAB MEDIA NETWORKS PRIVATE LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

	Note	For the year ended 31/03/2020	For the year ended 31/03/2019
INCOME			
Revenue from Operations			
Sales		-	-
Other Income		-	-
Total		-	-
EXPENSES			
Other Expenses	11	23,003	436,980
Finance Cost	12	660	22,681,261
Depreciation	2	148,762,385	148,762,385
Total		148,786,048	171,880,626
Profit before Tax		(148,786,048)	(171,880,626)
Tax Expenses			
Current Tax		-	-
Deferred Tax		-	-
Prfit/(Loss) after tax		(148,786,048)	(171,880,626)
Other Comprehensive Income			
Items that will not be reclassified to Profit & Loss			
Income Tax relating to items that will not be reclassified to Profit & Loss		-	-
Items that will be reclassified to Profit & Loss			
Income Tax relating to items that will be reclassified to Profit & Loss		-	-
Total Comprehensive Income for the period		(148,786,048)	(171,880,626)
Earnings per share (Basic & Diluted) (refer note 23)		(8.04)	(9.29)

Significant Accounting Policies

1

The accompanying notes are forming an integral part of the Financial Statements.
As per our report attached

As per our report of even date
For P. Parikh and Associates
Chartered Accountants
FRN: 107564W

For & on behalf of the Board of Directors

Sandeep Parikh
Partner
Membership No: 039713
Mumbai
July 30, 2020



Markand Adhikari
Director
DIN:00032016

Latasha Jadhav
Director
DIN:08141498



SAB MEDIA NETWORKS PRIVATE LIMITED
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020

(Amount in Rupees)

PARTICULARS	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
A Cash flow from Operating Activities:		
Profit before Tax	(148,786,048)	(171,880,626)
Adjustment for:		
Depreciation	148,762,385	148,762,385
Operating Profit/(Loss) before Working Capital changes	-23,663	(23,118,241)
Adjustment for change in working capital:		
(Increase) / Decrease in Advances & Assets	(1,800)	(3,600)
Increase / (Decrease) in Trade Payables	(13,299)	13,597
Increase / (Decrease) in Current Liabilities	235,125,000	22,662,479
Net Cash generated from Operating Activities	235,086,238	(445,765)
B Cash flow from Investing Activities:		
Additions to Fixed Assets	-	-
Net Cash used in Investing Activities	-	-
C Cash flow from Financing Activities:		
Proceeds/(repayment) from Long Term Borrowing	(235,125,000)	-
Increase/(decrease) in Short Term Borrowing	50,000	420,000
Net Cash used in Financing Activities	(235,075,000)	420,000
Net increase/(decrease) in Cash and Cash equivalents	11,238	(25,766)
Opening balance of Cash and Cash equivalents	12,582	38,346
Closing balance of Cash and Cash equivalents	23,820	12,582

As per our report of even date
For P. Parikh and Associates
Chartered Accountants
FRN : 107564W

For & on behalf of the Board of Directors

CA Sandeep Parikh
Partner
Membership No: 039713
Mumbai
July 30, 2020



Markand Adhikari Latasha Jadhav
Director Director
DIN:00032016 DIN:08141498



SAB MEDIA NETWORKS PRIVATE LIMITED

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

a. EQUITY SHARE CAPITAL

Particulars	Amount(Rs.)
As at 31 March, 2018	185,000,000
Changes in equity share capital	-
As at 31 March, 2019	185,000,000
Changes in equity share capital	-
As at 31 March, 2020	185,000,000

b. OTHER EQUITY

Particulars	Other Equity				
	Reserve and Surplus			Other Comprehensive Income	Total other Equity
	Securities Premium	General Reserve	Retained Earnings		
As at 1 April, 2018			(189,317,192)		(189,317,192)
Total Comprehensive Income for the year			(171,880,626)		(171,880,626)
As at 1 April, 2019	-	-	(361,197,818)	-	(361,197,818)
Total Comprehensive Income for the year	-	-	(148,786,048)	-	(148,786,048)
As at 31st March, 2020	-	-	(509,983,866)	-	(509,983,866)

As per our report of even date
For P. Parikh and Associates
Chartered Accountants
FRN : 107564W

Sandeep Parikh
Sandeep Parikh
Partner

Membership No: 039713
Mumbai
July 30, 2020

For & on behalf of the Board of Directors

Markand Adhikari
Latasha Jadhav

Markand Adhikari
Director
DIN:00032016

Latasha Jadhav
Director
DIN:08141498



SAB MEDIA NETWORKS PVT.LTD

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

NOTE 1:- SIGNIFICANT ACCOUNTING POLICIES

1.1 General

The financial statements of the Company comprising of Balance Sheet, Statement of Profit and Loss, Statement of changes in Equity and Cash Flow Statement together with the notes have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") as amended.

These financial statements for the year ended 31st March 2018 are the first financials with comparatives, prepared under Ind AS. For all previous periods including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with the accounting standards notified under the section 133 of

the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the date of transition to Ind AS. Reconciliations and descriptions of the effect of the transition have been summarized in Note no. 21.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies stated out below.

1.2 Use of Estimate

The preparation of financial statements requires management to exercise judgment in applying the Company's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future periods affected.

1.3 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the company has a present obligation as a result of past event 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. If the effect of 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.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements, however they are disclosed where the inflow of economic benefits is probable. When the realisation of income is virtually certain, then the related asset is no longer a contingent asset and is recognised as an asset.

1.4 Fixed Assets

Intangible Fixed Assets

Intangible Fixed Assets are carried at cost less accumulated amortisation and impairment losses, if any. The Cost of intangible assets comprises of cost of purchase, production cost and any attributable expenditure on making the asset ready for its intended use.

1.5 Depreciation/Amortisation

Intangible Fixed Assets

Business and Commercial Rights are amortized 10% in the year of purchase/production or in the year in which Company starts commercial operations of respective channel, whichever is later and remaining 90% are amortized in subsequent nine years on a straight line basis.

Channel Development cost is amortized on straight line basis over a period of ten years on time proportionate basis.

1.6 Borrowing Cost

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR.

Borrowing costs directly attributable to development of qualifying asset are capitalized till the date qualifying asset is ready for put to use for its intended purpose. All other Borrowing costs are recognized as expense and charged to profit & loss account.

1.7 Revenue Recognition

Revenue from Sale of Content is recognised when the relevant content is delivered.

1.8 Financial Instruments

i) Financial Assets

a Initial recognition and measurement

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

b Subsequent Measurement

Financial assets carried at amortised cost (AC)

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



A handwritten signature in blue ink, appearing to be "N".

SAB MEDIA NETWORKS PVT.LTD

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

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

Financial assets at fair value through profit or loss

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

c Impairment of financial assets

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

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

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

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

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

e De-recognition of financial instruments

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

II) Financial Liabilities

a Initial Recognition and Measurement

All Financial Liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost, Fee of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

- b For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

1.9 Taxes on Income

Current Tax provision is made based on the tax liability computed after considering tax allowances and exemptions at the balance sheet date as per Income Tax Act, 1961.

Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax asset is recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits.

The carrying amount of Deferred Tax Assets are reviewed at each balance sheet date and written down or written up, to reflect the amount that is reasonably or virtually certain, as the case may be, to be realized.

1.10 Preliminary & Pre-Operative Expenses

Preliminary and Pre-operative expenses were written off in the year in which commercial activities have begun.

1.11 Earning 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 calculation diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



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SAB MEDIA NETWORKS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2 Intangible Assets

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 01.04.2019	Additions	Deductions	As at 31.03.2020	As at 01.04.2019	For the Year	As at 31.03.2020	As at 31.03.2019
Intangible Assets:								
Business & Commercial Rights	1,175,993,000	-	-	1,175,993,000	279,424,899	117,599,300	778,968,801	896,568,101
Channel Development	311,630,845	-	-	311,630,845	74,715,738	31,163,085	205,752,023	236,915,107
Sub-total	1,487,623,845	-	-	1,487,623,845	354,140,637	148,762,385	984,720,824	1,133,483,208
Previous Year	1,487,623,845	-	-	1,487,623,845	205,378,252	148,762,385	1,133,483,208	



SAB MEDIA NETWORKS PVT.LTD					
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020					
Particulars		As at 31/03/2020		As at 31/03/2019	
3	Cash & Bank Balance				
	Cash-on-Hand	2,466		4,266	
	Balances with Banks	21,354		8,316	
		23,820		12,582	
4	Other Current Assets				
	Other Receivables	6,000		4,200	
		6,000		4,200	
5	SHARE CAPITAL				
	<u>Authorized</u>				
	18,500,000 equity shares (P.Y 10,000 Equity Shares of Rs. 10/- each).	185,000,000		185,000,000	
		185,000,000		185,000,000	
	<u>Issued, Subscribed and Paid-Up</u>				
	18,500,000 equity shares (P.Y 10,000 Equity Shares of Rs. 10/- each).	185,000,000		185,000,000	
	Total	185,000,000		185,000,000	
<p>The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.</p> <p>In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.</p> <p>The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2020 is set out below:-</p>					
Particulars		As at 31/03/2020		As at 31/03/2019	
		Numbers	Rs.	Numbers	Rs.
Opening at the beginning of the year		18,500,000	185,000,000	18,500,000	185,000,000
Add:- Issued During the Period		-	-	-	-
Outstanding at the end of the period		18,500,000	185,000,000	18,500,000	185,000,000
<p>The details of shareholder holding more than 5% shares as at Mar 31 2020 set out below :-</p>					
Name of the shareholder		As at 31/03/2020		As at 31/03/2019	
		Numbers	%	Numbers	Numbers
Sri Adhikari Brothers Television Network Ltd		8,880,098	48.00%	8,880,098	48.00%
Gautam Adhikari		4,959,951	26.81%	4,959,951	26.81%
Markand Adhikari		4,659,951	25.19%	4,659,951	25.19%
		18,500,000	100.00%	18,500,000	100.00%



Particulars		As at 31/03/2020	As at 31/03/2019
6	Short Term Borrowings		
	Unsecured, repayable on demand		
	From Directors	27,19,80,000	27,19,30,000
		27,19,80,000	27,19,30,000
7	Trade Payable		
	Other than Acceptance	11,800	25,097
		11,800	25,097
8	Other Financial Liabilities		
	Long Term Borrowings recalled by Bank	77,99,31,633	1,01,50,56,633
		77,99,31,633	1,01,50,56,633
9	Other Current Liabilities		
	Other Payable	25,78,01,079	2,26,76,079
		25,78,01,079	2,26,76,079
<p>Note:- During the previous and current financial year, the bank has invoked the pledged shares and also sold the collateral securities of promoter and promoter group companies totalling to Rs 25,78,01,079/- (P.Y Rs 2,26,76,079/-) which was subsequently sold by the banks and adjusted against the outstanding bank loan / Interest liability, the proceeds of which have been treated as "Other Payable" from promoter and promoter group companies.</p>			
10	Provisions		
	Provision for Expenses	10,000	10,000
		10,000	10,000
Particulars		For the year ended 31.03.2020	For the year ended 31.03.2019
11	Other Expenses		
	General Expenses	13,003	4,26,980
	Audit Fees	10,000	10,000
		23,003	4,36,980
12	Finance Cost		
	Bank Charges & Others	660	5,182
	Bank Interest	-	2,26,76,079
		660	2,26,81,261



SAB MEDIA NETWORKS PVT.LTD

13 Related Party Disclosures

a) List of Related Parties & Relationship:-

i. Company having substantial interest (CSI)

Sri Adhikari Brothers Television Network Limited

ii. Key Management Personnel (KMP)

Markand Adhikari: Director

Latasha Jadhav: Director

iii. Others

Armaan Projects Private Limited Director having significant influence

b) Transaction with Related Parties

Nature of Transaction	KMP	Others	Total
Loan/Other Taken (net)	50,250,000	184,925,000	235,175,000
(P.Y)	(420,000)	-	(420,000)
Loan/Other Payable Outstanding at Ye	322,180,000	207,601,079	529,781,079
(P.Y)	(271,930,000)	(22,676,079)	(294,606,079)

14 Earnings Per Share

Particulars	31.03.2020	31.03.2019
Profit/(Loss) for the Year	(148,786,048)	(171,880,626)
Weighted Average Number of Shares (Face Value Rs.10 per Share)	18,500,000	18,500,000
Basic and Diluted Earnings per Share (Rs.)	(8.04)	(9.29)

15 Payment To Auditors (Excluding Tax)

Particulars	31.03.2020	31.03.2019
Audit Fees	10,000	10,000

16 Event Occurring After Balance Sheet Date

The management of the company does not anticipate any contingent liability having material effect on financial statements at the year end. To the best of knowledge of the management, there are no events occurring after Balance Sheet date that provides additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet date that requires adjustment to the assets and liabilities.

17 Preparation of Financials on Going Concern

The Company's loan facilities from bank has turned Non performing due default in repayment of dues. The Banks have not charged interest on the Company's borrowings from the date account has turned Non Performing and had reversed the unpaid interest. Management of the Company has submitted its resolution plan. However the same has not been considered by the bank. No provision has been made for interest on one of the Loan. Further bank has taken the possession of collateral securities belonging to promoters and its group entities and has revoked the shares pledged as collateral provided by third party and adjusted the sales proceeds against the part interest liability.

18 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006


Company has not received any confirmation from its vendors that whether they are covered under the Micro, Small and Medium Enterprises Development Act, 2006, hence the amounts unpaid at the year end together with interest paid / payable under this Act cannot be identified.

As per our report of even date

For P. Parikh and Associates

Chartered Accountants

FRN: 107564W


Sandeep Parikh
Partner

Membership No: 039713

Mumbai

July 30, 2020



For and on behalf of the Board of Directors



Markand Adhikari
Director
DIN:00032016



Latasha Jadhav
Director
DIN:08141498

