Sumit Gupta & Co.
Chartered Accountants

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Independent Auditor's Report

To the Members of VARIETY ENTERTAINMENT PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of VARIETY ENTERTAINMENT PRIVATE LIMITED ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the 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 standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2020, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

5. We have determined the matter described below to be the key audit matters to be communicated in our report.

Sumit Gupta & Co. Delhi Chartered Accountants

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

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management for the Standalone Financial Statements

7. 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 standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS 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.

8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. 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

10. 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 Standards on Auditing will

Sunil Gupta & Co. ★ Chartered Accountants Delhi 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.

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

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

12. 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.

13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current

Delhi

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

15. As required by section 197(16) of the Act, we report that the Company has not paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

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

17. Further to our comments in Annexure II, 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 booksand proper returns adequate for the purposes of our audit have been received from the branches not visited by us;

    c) the standalone financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 26th June 2020 as per Annexure I expressed unmodified opinion;

    g) 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, as detailed to the standalone financial statements, has disclosed the impact of pending litigation on its financial position as at 31 March 2020;

Independent Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Cont'd)

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020;

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Sumit Gupta & Co**
Chartered Accountants
FRN.: 022622N

CA **Sumit Gupta**
Partner
Membership No.: 513086
UDIN:
Place: Delhi
Date: 26-06-2020

Sumit Gupta & Co. Delhi Chartered Accountants

Annexure1 to the Independent Auditor's Report of even date to the members of (Variety Entertainment Private Limited), on the financial statements for the year ended 31 March 2020

Annexure I

Independent Auditor's report on the Internal Financial Controls 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 standalone financial statements of Variety Entertainment Private Limited ("the Company") as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI)and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Sunil Gupta & Co. * Delhi * Chartered Accountants

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR 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 IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR 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, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the respective company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Sumit Gupta & Co
Chartered Accountants
FRN:, 022622N

Sumit Gupta & Co. Delhi Chartered Accountants

CA Sumit Gupta
Partner
Membership No.: 513086
UDIN:

Place:Delhi
Date: 26-06-2020

Annexure II to the Independent Auditor's Report of even date to the members of Variety Entertainment Private Limited, on the financial statements for the year ended 31 March 2020

Annexure II

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets comprising of property, plant and equipment, capital work-in-progress and other intangible assets, except for Set Top Boxes capitalized/installed at customer premises.

(b) According to the information and explanations given to us, the fixed assets (other than Set top boxes installed at customer premises and those in transit or lying with the distributors/ cable operators and distribution equipment comprising overhead and underground cables, physical verification of which is infeasible owing to the nature and location of these assets) have been physically verified by the management during the year in a phased periodical manner which, in our opinion, is reasonable, having regard to the size of the Company and nature of the assets. No material discrepancies were noticed on such verification.

(c)The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

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

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, GST, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

Sumit Gupta & Co. Delhi Chartered Accountants

Annexure II to the Independent Auditor's Report of even date to the members of Variety Entertainment Private Limited, on the financial statements for the year ended 31 March 2020

(b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company has no loans or borrowings payable to government and no dues payable to debenture-holders during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.

(xii)In our opinion, the Company is not a Nidhi Company. Accordingly, provisions ofclause 3(xii) of the Order are not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable accounting standards. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.

(xiv) During the year, the Company did not make any private placement and preferential allotment of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

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

For Sumit Gupta & Co
Chartered Accountants
FRN: 022622N

Delhi

CA Sumit Gupta
Partner
Membership No.: 513086
Place: Delhi
Date: 26-06-2020

VARIETY ENTERTAINMENT PRIVATE LIMITED
Standalone Balance sheet as at March 31, 2020
CIN: U92132TG1998PTC029754

₹ in million

	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
a) Property, plant and equipment	4	0.62	0.62
b) Financial assets			
i) Investments	5	95.27	60.00
		95.89	**60.62**
Current assets			
a) Financial assets			
i) Trade receivables	6	251.95	234.04
ii) Cash and cash equivalents	7	5.22	16.85
iii) Loans	8	433.19	620.52
iv) Others - unbilled revenue	9	11.81	-
b) Other current assets	10	80.70	73.14
		782.87	**944.54**
Total assets		**878.76**	**1,005.16**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	11 (a)	0.10	0.10
b) Other equity	11 (b)	(19.57)	(23.99)
		(19.47)	**(23.89)**
LIABILITIES			
Non-current liabilities			
a) Financial liabilities			
(i) Other financial liabilities	12	673.40	949.85
(b) Deferred tax liability (net)		1.08	1.08
		674.48	**950.93**
Current liabilities			
a) Financial liabilities			
i) Trade payables	13		
(A) Total outstanding dues of micro enterprises and small enterprises		-	-
(B) Total outstanding dues of other than micro enterprises and small enterprises		167.84	5.51
b) Other current liabilities	14	55.91	72.61
		223.75	**78.12**
Total equity and liabilities		**878.76**	**1,005.16**

The accompanying notes are an integral part of these standalone financial statements.
This is the standalone balance sheet referred to in our report of even date.

For Sumit Gupta & Co
Firm Registration No:- 022622N
Chartered Accountants

Sumit Gupta & Co. Chartered Accountants Delhi

CA Sumit Gupta
Partner
M.NO:- 513086
Place : New Delhi
Date:- 26-06-2020

For and on behalf of the Board of Directors of
VARIETY ENTERTAINMANT PVT LTD

PAWAN KUMAR GUPTA
Director
DIN: 8582273

VENKATA NAGESWARA THRINATH ITIKA
Director
DIN:8194113

VARIETY ENTERTAINMENT PVT. LTD.

VARIETY ENTERTAINMENT PRIVATE LIMITED
Statement of Standalone Profit and loss for the year ended March 31, 2020
CIN: U92132TG1998PTC029754

	Note	March 31, 2020	` in million March 31, 2019
Income			
Revenue from operations	15	94.06	50.02
Other income	16	0.01	-
Total income		**94.07**	**50.02**
Expenses			
Other expenses	17	89.65	64.78
Total expenses		**89.65**	**64.78**
Loss before exceptional item and tax		**4.42**	**(14.76)**
Exceptional item		-	-
Loss before tax		**4.42**	**(14.76)**
Tax expense			
Previous Year Tax		-	0.08
Loss for the year		**4.42**	**(14.84)**
Total comprehensive income		**4.42**	**(14.84)**
Earnings (loss) per share			
Basic (loss) per share	18	442.07	(1,484.18)
Diluted (loss) per share	18	442.07	(1,484.18)

The accompanying notes are an integral part of these standalone financial statements.
This is the standalone statement of profit and loss referred to in our report of even date.

For Sumit Gupta & Co
Firm Registration No:- 022622N
Chartered Accountants

Sumit Gupta & Co. Delhi Chartered Accountants

CA Sumit Gupta
Partner
M.NO:- 513086
Place : New Delhi
Date:- 26-06-2020

For and on behalf of the Board of Directors of
VARIETY ENTERTAINMANT PVT LTD

Director	PAWAN KUMAR GUPTA	VENKATA NAGESWARA THRINATH ITIKA
DIN:	**8582273**	**8194113**

VARIETY ENTERTAINMENT PVT. LTD.

VARIETY ENTERTAINMENT PRIVATE LIMITED
Cash flow statement for the year ended March 31, 2020
CIN NO:- [illegible]

Standalone Cash Flow Statement

	Year ended March 31, 2020	Year ended March 31, 2019
		In million
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/Loss before tax	4.42	(14.84)
Operating profit before working capital changes	4.42	(14.84)
Adjustments for changes in:		
Decrease/(Increase) in trade receivables	(57.32)	(7.30)
(Increase)/Decrease in other financial assets		
Decrease/(Increase) in other current and non-current assets	107.00	(932.65)
(Decrease)/Increase in other financial liabilities	(276.45)	948.95
(Decrease)/Increase in other current and non-current liabilities	(36.70)	8.41
(Decrease)/Increase in trade payables	101.13	0.76
Cash generated from operations	73.04	20.84
Income taxes paid		
Net cash flow generated from operating activities	73.04	20.84
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment made during the year	(35.27)	(11.00)
Net cash flow used in investing activities	(35.27)	(11.00)
Net cash flow used in financing activities		
Net decrease/(increase) in cash and cash equivalents	(11.63)	4.96
Cash and cash equivalents at the beginning of the period	15.85	7.89
Cash and cash equivalents at the end of the period	4.22	15.85

Notes:

i. Cash and cash equivalents include:

	As at March 31, 2020	As at March 31, 2019
		In million
Cash on hand		0.04
Balances with banks in current accounts	4.10	11.28
Cheques and drafts on hand	0.12	4.53
	4.22	15.85

This is standalone cash flow statement referred to in our report of even date

For Sumit Gupta & Co
Firm Registration No.: [illegible]
Chartered Accountants

Delhi

CA Sumit Gupta
Partner
M.No.- [illegible]
Place : New Delhi
Date: [illegible]

For and on behalf of the Board of Directors of
VARIETY ENTERTAINMENT PVT LTD

PAWAN KUMAR GUPTA
Director
DIN: [illegible]

[illegible]
Director
DIN: [illegible]

Variety Entertainment Private Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2020

1. **Nature of operations**

Variety Entertainment Private Limited (hereinafter referred to as 'the Company') was incorporated in the state of Hydrabad on 14th July,1998 . The Company is in the business of providing Advertisement management services to the end consumers.

2. **General information**

Variety Entertainment Private Limited, is a private company incorporated and domiciled in India. Its registered office is at 6-2-935/2, Savithri Nilayam, Khairathabad, Hyderabad TG 500004, India. and is a wholly owned subsidiary of SITI Networks Limited (hereinafter referred to as the 'Parent Company')

3. **Summary of significant accounting policies and other explanatory information**

a)

The financial statements have been prepared in accordance with the accounting principals generally accepted in India, including the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read together with Companies (Indian Accounting Standards) Rules, 2015 (as amended). These financial statements have been prepared and presented under the historical cost convention except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period as stated in the accounting policies below.

These financial statements have been prepared using the significant accounting policies and measurement basis summarised below. These accounting policies have been used consistently throughout all periods presented in these financial statements

These financial statements for the year ended March 31, 2020 continue to be prepared on a going concern basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the aquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

b) Foreign currency translation

Functional and presentation currency

These standalone financial statements are presented in currency Indian Rupee ( ), which is also the functional currency of the Company.

Foreign currency transactions and balances

There has been no foreign currency transaction reported during the year

c) Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the Company and it can be reliably measured.

Revenue is measured at the fair value of the consideration received/receivable net of rebates and taxes. The Company applies the revenue recognition criteria to each separately identifiable component of the sales transaction as set out below.

Revenue from rendering of services

Advertisement income is recognised when the related advertisement gets telecasted and when no significant uncertainty exists regarding the amount of consideration that will be derived. Other advertisement revenue for slot sale is recognised on period basis.

d) Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the related service or as incurred.

e) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price (net of CENVAT/GST credit availed), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted.

Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Subsequent measurement (depreciation and useful lives)

All the fixed assets are fully depreciated; Hence no depreciation charged for the year

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition (calculated as the difference between the net disposal proceeds and its carrying amount) is included in the profit or loss when the respective asset is derecognised.

Chartered Accountants Delhi

VARIETY ENTERTAINMENT PVT. LTD.

f) Impairment of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss.

If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the Statement of Comprehensive Income.

g) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments and are measured initially at:
a) fair value, in case of financial instruments subsequently carried at fair value through profit or loss (FVTPL);
b) fair value adjusted for transaction costs, in case of all other financial instruments.

Subsequent measurement

Financial instruments at amortised cost – the financial instrument is measured at the amortised cost if both the following conditions are met:

i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

All other debt instruments are measured at fair value through other comprehensive income or FVTPL based on Company's business model.

Equity investments – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification is made on initial recognition and is irrevocable.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

Subsequent measurement

Subsequent to initial recognition, these liabilities are measured at amortised cost using the EIR method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.
When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Sunil Gupta & Co. Chartered Accountants Delhi

VARIETY ENTERTAINMENT PVT. LTD.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss ('ECL') model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company consider the following –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

As a practical expedient the Company has adopted 'simplified approach' for recognition of lifetime expected loss on trade receivables. The estimate is based on three years average default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. These average default rates are applied on total credit risk exposure on trade receivables at the reporting date to determine lifetime expected credit losses.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

h) Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are disclosed when probable and recognised when realisation of income is virtually certain.

i) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for the effects of mandatorily convertible instrument in compliance with Ind AS 33.

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.

j) Tax expense

Tax expense comprises current tax and deferred tax. Current tax is the amount of the tax for the period determined in accordance with the Income-tax Act, 1961. Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted at the end of the reporting period. Current income-tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in Other comprehensive income or in equity). Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Such assets are reviewed at each balance sheet date to reassess realisation. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss, in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income-tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

k) Inventories

Stores and spares are valued at cost on weighted average basis or at net realisable value whichever is lower.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. There has been no inventory held by the company.

Sumit Gupta & Co. Chartered Accountants Delhi

VARIETY ENTERTAINMENT PVT. LTD.

Variety Entertainment Private Limited
Summary of significant accounting policies and other explanatory information for the year ended March 31, 2020

l) Significant management judgement in applying accounting policies and estimation uncertainty

These financial statements have been prepared in accordance with generally accepted accounting principles in India which require management to make estimates and assumptions that affect the reported balances of assets, liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the periods. Although these estimates and assumptions used in accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of date of these standalone financial statements which in management's opinion are prudent and reasonable, actual results may differ from estimates and assumptions used in preparing accompanying financial statements. Any revision to accounting estimates is recognised prospectively from the period in which results are known materialise in accordance with applicable Accounting Standards.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect.

Recognition of deferred tax assets - The extent to which deferred tax assets can be recognised is based on the assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised.

Evaluation of indicators for impairment of non-financial assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Property, plant and equipment - Management assess the remaining useful lives and residual values of property, plant and equipment and believes that the assigned useful lives and residual values are reasonable.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below:

Recoverability of advances/receivables- The management from time to time reviews the recoverability of advances and receivables. The review is done at least once in a financial year and such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.

Contingencies- Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies, claim, litigations etc against the Company as it is not possible to predict the outcome of pending matters with accuracy.

Fair value measurement

The Company measures certain financial instruments at fair value at each balance sheet date.

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. Company uses following measurement techniques:

• The fair value measurement for financial instruments where active market quotes are available is based on the quotes available in the principal market for selling the asset or transferring the liability.

• The Company uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

• The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or

m) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition. Cash and cash equivalent are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

n) Equity and reserves

Share capital represents the nominal (par) value of shares that have been issued.
Retained earnings includes all current and prior period retained profits

o) Recent accounting pronouncements (standards issued but not yet effective)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. However, there are no such notifications which have been issued but are not yet effective or would have been applicable from April 1, 2020.

Sumit Gupta & Co. Delhi Chartered Accountants

VARIETY ENTERTAINMENT PVT. LTD.

VARIETY ENTERTAINMENT PRIVATE LIMITED
Summary of significant accounting policies and other explanatory information for the year ended March 31, 2020

4 Property, plant and equipment

in million

	Plant and equipment	Office equipment	Furniture and fixtures	Total
Gross carrying amount				
Balance as at April 01, 2018	2.64	16.64	0.78	20.06
Additions	-	-	-	-
Balance as at March 31, 2019	2.64	16.64	0.78	20.06
Gross carrying amount				
Balance as at April 01, 2019	2.64	16.64	0.78	20.06
Additions	-	-	-	-
Balance as at March 31, 2020	2.64	16.64	0.78	20.06
Accumulated depreciation				
Balance as at April 01, 2018	2.22	16.45	0.78	19.46
Charge for the year				-
Balance as at March 31, 2019	2.22	16.45	0.78	19.46
Accumulated depreciation				
Balance as at April 01, 2019	2.22	16.45	0.78	19.46
Charge for the year	-	-	-	-
Balance as at March 31, 2020	2.22	16.45	0.78	19.46
Net carrying amount as at March 31, 2019	0.42	0.18	0.00	0.62
Net carrying amount as at March 31, 2020	0.42	0.18	0.00	0.62

Sumit Gupta & Co. Delhi Chartered Accountants

VARIETY ENTERTAINMENT PVT. LTD.

VARIETY ENTERTAINMENT PRIVATE LIMITED

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2020

5 **Investments**

	` in million	
	March 31, 2020	March 31, 2019
Investments in shares (Voice Snap)	60.00	60.00
Investments in shares (Paramount)	35.27	-
	95.27	60.00
	95.27	60.00

6 **Trade Recievable**

	` in million	
	March 31, 2020	March 31, 2019
Unsecured, considered good	251.95	234.04
Unsecured, considered doubtful	1.33	1.33
Less: Allowance for expected credit losses	(1.33)	(1.33)
	251.95	234.04
Classified as:		
Non-current trade receivables		
Current trade receivables	251.95	234.04
	251.95	234.04

7 **Cash and cash equivalents**

	` in million	
	March 31, 2020	March 31, 2019
Cash on hand	-	0.04
Balances with banks		
on current accounts	5.10	13.28
Cheques and drafts on hand	0.12	3.53
	5.22	16.85
Other balances with banks		
Deposits with maturity of upto three months		
	5.22	16.85

8 **Loans (current, financial assets)**

	` in million	
	March 31, 2020	March 31, 2019
Unsecured, considered good		
Other Advances	433.19	620.52
	433.19	620.52

9 **Others - unbilled revenue**

	` in million	
	March 31, 2020	March 31, 2019
Unbilled revenue	11.81	-
	11.81	-

10 **Other current assets**

	` in million	
	March 31, 2020	March 31, 2019
Unsecured, considered good unless otherwise stated		
Prepaid Expenses	-	0.02
Tds recievable	3.35	0.71
GST credit recievable	11.09	6.04
Other recevables	66.26	66.37
	80.70	73.14

VARIETY ENTERTAINMENT PVT. LTD.

Sumit Gupta & Co. Delhi Chartered Accountants

VARIETY ENTERTAINMENT PRIVATE LIMITED

Statement of changes in equity for the year ended March 31, 2020

A **Equity share capital**

	Notes	In million Amount
Balance as at April 01, 2018		0.10
Balance as at March 31, 2019		0.10
Balance as at March 31, 2020		0.10

B **Other equity**

	Reserves and surplus					Other Components of Equity			
	Securities premium reserve	Retained earnings (refer note 11(b))	General reserve	Optionally fully convertible debentures	Money received against warrants	Other comprehensive Income	Foreign currency monetary item translation difference account	Employee shares based reserve	Total other equity
Balance as at April 01, 2018	-	(9.15)	-	-	-	-	-	-	(9.15)
Loss for the year	-	(14.84)	-	-	-	-	-	-	(14.84)
Total comprehensive income for the year	-	(14.84)	-	-	-	-	-	-	(14.84)
Balance as at March 31, 2019	-	(23.99)	-	-	-	-	-	-	(23.99)
Balance as at April 01, 2019	-	(23.99)	-	-	-	-	-	-	(23.99)
Loss for the year		4.42							4.42
Total comprehensive income for the year	-	4.42	-	-	-	-	-	-	4.42
Balance as at March 31, 2020	-	(19.57)	-	-	-	-	-	-	(19.57)

* * Transaction with owner in capacity as owners

The accompanying notes are an integral part of these standalone financial statements.

This is the statement of changes in equity referred to in our report of even date

For Sumit Gupta & Co
Firm Registration No:- 022622N
Chartered Accountants

Sumit Gupta & Co. Delhi Chartered Accountants

CA Sumit Gupta
Partner
M.NO:- 513086
Place : New Delhi
Date:- 26-06-2020

VARIETY ENTERTAINMENT PVT. LTD.

For and on behalf of the Board of Directors of
VARIETY ENTERTAINMANT PVT LTD

PAWAN KUMAR GUPTA
Director
DIN: 8582273

VENKATA NAGESWARA THRINATH ITIKA
Director
DIN: 8194113

VARIETY ENTERTAINMENT PRIVATE LIMITED

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2020

	` in million	
	March 31, 2020	March 31, 2019
11 (a) Equity share capital		
Authorised share capital		
10000 (Previous year10000) equity shares of INR 10 each	0.10	0.10
Total authorised capital	**0.10**	**0.10**
Issued share capital		
10000 (Previous year: 10000) equity shares of ` 10 each fully paid up	0.10	0.10
Total issued capital	**0.10**	**0.10**
Subscribed and fully paid up capital		
10000 (Previous year: 10000) equity shares of ` 10 each fully paid up	0.10	0.10
Total paid up capital	**0.10**	**0.10**
	0.10	**0.10**

(A) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

	March 31, 2020		March 31, 2019	
	No. of shares	` in million	No. of shares	` in million
Balance at the beginning of the year	10,000	0.01	10,000	0.01
Add:				
Issued during the year	-	-	-	-
Balance at the end of the year	**10,000**	**0.01**	**10,000**	**0.01**

(B) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(C) Details of shareholders holding more than 5% shares in the Company

Equity shares	March 31, 2020		March 31, 2019	
	No. of shares	% of holding	No. of shares	% of holding
Siti Networks Ltd.	10,000	100%	10,000	100%

	31-Mar-20	31-Mar-19
11 (b) Other reserve		
Retained earnings	(19.57)	(23.99)

A Notes:

Particulars	31-Mar-20	31-Mar-19
1 **Retained earnings**		
Opening balance	(23.99)	(9.15)
Addition during the year	4.42	(14.84)
Closing balance	**(19.57)**	**(23.99)**

VARIETY ENTERTAINMENT PVT. LTD.

Sumit Gupta & Co. Delhi Chartered Accountants

VARIETY ENTERTAINMENT PRIVATE LIMITED
Summary of significant accounting policies and other explanatory information for the year ended March 31, 2020

12 **Other financial liabilities**

	March 31, 2020	March 31, 2019
	` in million	
Creditors for capital goods	673.40	949.85
	673.40	949.85

13 **Trade payables**

	March 31, 2020	March 31, 2019
	` in million	
- Total outstanding dues of micro enterprises and small enterprises; and	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	167.84	5.51
	167.84	5.51

14 **Other (current, non-financial liabilities)**

	March 31, 2020	March 31, 2019
	` in million	
Advance from customers	41.55	41.55
Statutory dues payable	13.01	0.28
Others Payable	1.35	30.79
	55.91	72.61

VARIETY ENTERTAINMENT PVT. LTD.

Sumit Gupta & Co. Chartered Accountants Delhi

VARIETY ENTERTAINMENT PRIVATE LIMITED
Summary of significant accounting policies and other explanatory information for the year ended March 31, 2020

15 Revenue from operations

	₹ in million	
	March 31, 2020	**March 31, 2019**
Sale of services		
Advertisement income	94.06	62.52
Other Networking and management income	-	(12.50)
	94.06	**50.02**

16 Other income

	₹ in million	
	March 31, 2020	**March 31, 2019**
Misc income	0.00	-
Excess provisions written back	0.01	-
	0.01	-

17 Other expenses

	₹ in million	
	March 31, 2020	**March 31, 2019**
Communication expenses	0.75	-
Auditors' remuneration*	0.15	0.10
Rebate and Discount	0.55	0.30
Other operational expenses	88.16	64.38
Miscellaneous expenses	0.04	0.01
	89.65	**64.78**

18 Earnings (loss) per share

	March 31, 2020	**March 31, 2019**
Loss attributable to equity shareholders	4.42	(14.84)
Weighted average number of equity shares outstanding during the year (nos.)	10,000	10,000
Weighted average number of equity shares outstanding during the year for calculating basic and diluted earnings per share (nos.)	**10,000**	**10,000**
Effect of dilutive potential equity shares ~		
Nominal value of per equity share (₹)	10.00	10.00
Loss per share (₹)		
Basic	**442.07**	**(1,484.18)**
Diluted	442.07	(1,484.18)

VARIETY ENTERTAINMENT PVT. LTD.

Sumit Gupta & Co.
Delhi
Chartered Accountants

19 Fair value measurements

A. Financial instruments by category

₹ in million

	Notes	March 31, 2020		
		FVTPL	Amortised cost	Total
Financial assets				
Investment (Non Current, financial assets)	5	-	95.27	95.27
Trade receivables	6	-	251.95	251.95
Cash and cash equivalents	7	-	5.22	5.22
Loans & other recoverables	8	-	433.19	433.19
Other financial assets (current)		-	11.81	11.81
Total financial assets		-	797.44	797.44
Financial liabilities				
Other financial liabilities (non current)	12	-	673.40	673.40
Trade payables	13	-	167.84	167.84
Total financial liabilities		-	841.24	841.24

	Notes	March 31, 2019		
		FVTPL	Amortised cost	Total
Financial assets				
Investment (Non Current, financial assets)	5	-	60.00	60.00
Trade receivables	6	-	234.04	234.04
Cash and cash equivalents	7	-	16.85	16.85
Loans & other recoverables	8	-	620.52	620.52
Other financial assets (current)	9	-	-	-
Total financial assets		-	931.40	931.40
Other financial liabilities (non current)	12	-	949.85	949.85
Trade payables	13	-	5.51	5.51
Total financial liabilities		-	955.36	955.36

B. Fair value of financial assets and liabilities measured at amortised cost

₹ in million

	March 31, 2020		March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investment (Non Current, financial assets)	95.27	95.27	60.00	60.00
Trade receivables	251.95	251.95	234.04	234.04
Cash and cash equivalents	5.22	5.22	16.85	16.85
Loans & other recoverables	433.19	433.19	620.52	620.52
Other financial assets (current)	11.81	11.81	-	-
Total financial assets	797.44	797.44	931.40	931.40
Financial liabilities				
Other financial liabilities (non current)	673.40	673.40	949.85	949.85
Trade payables	167.84	167.84	5.51	5.51
Total financial liabilities	841.24	841.24	955.36	955.36

C. Financial risk management objectives and policies

Financial risk management

The Company is exposed to various risks in relation to financial instruments. The main types of risks are credit risk, liquidity risk and market risk.

The Company's risk management is coordinated in close co-operation with the board of directors, and focuses on securing

A. Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Company causing financial loss. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk management

Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of

A: Low credit risk on financial reporting date

B: High credit risk

The Company provides for expected credit loss based on the following:

Asset group	Provision for expected credit loss
Low credit risk	12 month expected credit loss
High credit risk	Life time expected credit loss or fully provided for

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Credit rating	March 31, 2020	March 31, 2019
A: Low credit risk (Investment, Cash and cash equivalents and other financial assets except security deposits and amount recoverable)	100.49	76.85
B: High credit risk Trade receivables, security deposits and amount recoverable	696.95	854.56

Concentration of trade receivables

The Company has widespread customers and there is no concentration of trade

Credit risk exposure

Provision for expected credit losses

The Company provides for 12 month expected credit losses for followi

For the purpose of computation of expected credit loss, the Company has analysed the trend of provisions for doubtful debts created in earlier years. The average rate of provision has been computed based on the adjusted sales (excluding those where the Company does not have any historical provision) and provision for doubtful debtors created against those sales. As per this methodology, the Company has determined the expected credit loss as 5% for customers of subscription

Expected credit loss for trade receivables under simplified approach

as at March 31, 2020

₹ in million

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	251.95	-	251.95
Advances recoverable	433.19	-	433.19

as at March 31, 2019

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	234.04		234.04
Advances recoverable	620.52	-	620.52

B. Liquidity risk

Liquidity risk is the risk that suitable sources of funding for the Company's business activities may not be available.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. Short term liquidity requirements comprises mainly of trade payables and employee dues arising during normal course of business as on each balance sheet date. Long-

Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities	Less than one year	One to two years	More than two years
March 31, 2020			
Non-derivatives			
Trade payables	167.84	-	-
Total non-derivative liabilities	**167.84**	**-**	**-**
March 31, 2019			
Non-derivatives			
Trade payables	5.51	-	-
Total non-derivative liabilities	**5.51**	**-**	**-**

20 Related party transactions

(i) Names of related parties where control exists

Fellow Subsidiary companies	
Siti Networks Limited	Holding Company
Indian Cable Net Company Limited	Fellow Subsidiary
Central Bombay Cable Network Limited	Fellow Subsidiary
Siticable Broadband South Limited	Fellow Subsidiary
Master Channel Community Network Private	Fellow Subsidiary
Siti Vision Digital Media Private Limited	Fellow Subsidiary
Siti Jind Digital Media Communications Private Limited	Fellow Subsidiary
Siti Jai Maa Durgee Communications Private Limited	Fellow Subsidiary
Siti Bhatia Network Entertainment Private Limited	Fellow Subsidiary (till June 14, 2018)
Siti Jony Digital Cable Network Private Limited	Fellow Subsidiary
Siti Krishna Digital Media Private Limited	Fellow Subsidiary
Siti Faction Digital Private Limited	Fellow Subsidiary
Siti Guntur Digital Network Private Limited	Fellow Subsidiary
Siti Maurya Cable Net Private Limited (Subsidiary of Indian Cable Net	Fellow Subsidiary
Siti Karnal Digital Media Network Private Limited	Fellow Subsidiary
Siti Global Private Limited	Fellow Subsidiary
Siti Siri Digital Network Private Limited	Fellow Subsidiary
Siti Broadband Services Private Limited	Fellow Subsidiary
Siti Prime Uttaranchal Communication Private	Fellow Subsidiary
Siti Sagar Digital Cable Network Private Limited	Fellow Subsidiary
Paramount Digital Media Services Private Limited	Joint Venture (Joint Venture of Variety Entertainment Private Limited)(w.e.f. 30/01/2020)
Siti Networks India LLP	Fellow Subsidiary (w.e.f May 07, 2018)
Siti Saistar Digital Media Private Limited	Fellow Subsidiary
Siti Godaari Digital Services Private Limited	Fellow Subsidiary (till November 20, 2019)
Indinet Service Private Limited	Fellow Subsidiary
Axom Communication & Cable Private Limited	Subsidiary of Indian Cable Net Company Limited (till December 31, 2018)

(ii) Associate companies

Voice Snap Services Private Limited w.e.f. September 19, 2016

(iii) Key Management Personnel (KMP)

Abhijet Dey

Ankit Kumar Arya till 23.08.2019

VARIETY ENTERTAINMENT PVT. LTD.

Sumit Gupta & Co. Delhi Chartered Accountants

Pawan Kumar Gupta
Venkata Nageswara Thrinath Itika

a) **Purchase of services during the year**
Holding companies

	₹ in million	
	March 31, 2020	March 31, 2019
Siti Networks Limited	79.36	64.38

b) **Closing Balance at the end of the year**
Holding companies

	₹ in million	
	March 31, 2020	March 31, 2019
Siti Networks Limited	50.48	266.97

21 Previous year's amounts have been regrouped

22 The breakup of year end deferred tax assets and liabilities into major components of the respective

Particulars	' in million	
	March 31, 2020	March 31, 2019
Deferred tax liabilities		
Temporary difference in depreciation and amortisation of property,	1.08	1.08
Gross deferred tax liabilities	1.08	1.08
Deferred tax assets		
Provision for doubtful debts	-	-
Gross deferred tax assets	-	-
Net deferred tax liability/(assets)	1.08	1.08

23 **Information under Section 186 (4) of the Companies Act, 2013**
There are no investments or loan given or guarantee provided or security given by the Company in these standalone financial statements, which have been made predominantly for the purpose of business.

24 The Company predominantly operates in a single business segment of cable distribution in India only. Hence there are no separately reportable business or geographical segments as per Indian Accounting Standard ('Ind AS') 108 on Operating

25 **Post reporting date events**
No adjusting or significant non-adjusting events have occurred between March 31, 2020 and the date of authorisation of these financial statements.

For Sumit Gupta & Co
Firm Registration No:- 022622N
Chartered Accountants

Sumit Gupta & Co. Delhi Chartered Accountants

CA Sumit Gupta
Partner
M.NO:- 513086
Place : New Delhi
Date:- 26-06-2020

For and on behalf of the Board of Directors of
VARIETY ENTERTAINMANT PVT LTD

PAWAN KUMAR GUPTA
Director
DIN:8582273

VENKATA NAGESWARA THRINATH ITIKA
Director
DIN:8194113

VARIETY ENTERTAINMENT PVT. LTD.