

B S R & Associates LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of Delta Softpro Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Delta Softpro Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2020, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (together referred to as "the financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31 March 2020, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the 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 on the financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's board 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.

Management's and Board of Director's Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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.

In preparing the financial statements, the management and Board of Directors are 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.

Board of Directors is 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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.

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 (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, 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. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2020 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) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' 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 litigation as on 31 March 2020 which could impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. The Company does not have any dues on account of Investor Education and Protection Fund; and
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have

B S R & Associates LLP

not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

According to the information and explanation given to us, the Company has not paid any managerial remuneration during the current year and accordingly the requirement as stipulated by the provisions of Section 197(16) of the act are not applicable to the Company.

For B S R & Associates LLP

Chartered Accountants

ICAI Firm's Registration No.: 116231W/W-100024

RAKESH Digitally signed
by RAKESH
DEWAN
DEWAN Date: 2020.06.22
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Rakesh Dewan

Partner

Membership No. 092212

UDIN: 20092212AAAACH4714

Place: Gurugram

Date: 22 June 2020

Annexure A referred to in our Independent Auditor's Report of even date to the members of Delta Softpro Private Limited on the financial statements for the year ended 31 March 2020.

- (i) According to the information and explanation given to us, the Company does not hold any fixed assets. Accordingly, paragraph 3(i)(a), 3(i)(b) and 3(i)(c) of the Order are not applicable to the Company.
- (ii) According to the information and explanations given to us, the Company does not hold any physical inventory. Accordingly, paragraph 3(ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3 (iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013, to the extent applicable with respect to guarantees given. Further, the Company has not given any loans and made any investments as specified under Section 185 and 186 of the Act.
- (v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income-tax, cess and other statutory dues have generally been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of provident fund, duty of customs, goods and services tax and employees' state insurance.

According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, cess and other statutory dues were in arrears as at 31 March 2020, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, the Company did not have any outstanding dues to any financial institutions, government or debenture holders during the year. Accordingly, paragraph 3 (viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not paid any managerial remuneration as stipulated under the provisions of Section 197 of the Companies Act, 2013. Accordingly, paragraph 3(xi) of the Order is not applicable.
- (xii) According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the 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 financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him covered by Section 192 of the Act. Accordingly, paragraph 3(xv) of the Order is not applicable.

For B S R & Associates LLP
Chartered Accountants
ICAI Firm's Registration No.: 116231W/W-100024

RAKESH
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Date: 2020.06.22
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Rakesh Dewan
Partner
Membership No. 092212
UDIN: 20092212AAAACH4714

Place: Gurugram
Date: 22 June 2020

Annexure B to the Independent Auditor's report on the financial statements of Delta Softpro Private Limited for the year ended 31 March 2020

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Delta Softpro Private Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 with Reference to Financial Statements

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

For B S R & Associates LLP

Chartered Accountants

ICAI Firm's Registration No.: 116231W/W-100024

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Rakesh Dewan

Partner

Membership No. 092212

UDIN: 20092212AAAACH4714

Place: Gurugram

Date: 22 June 2020

Delta Softpro Private Limited
Balance Sheet as at 31 March 2020

(All amounts in INR millions, unless otherwise stated)

	Note	As at 31 March 2020	As at 31 March 2019
Assets			
Non-current assets			
Investment property	3	64.45	65.08
Total non-current assets		64.45	65.08
Current assets			
Financial assets			
Cash and cash equivalents	4	0.93	0.08
Other current assets	5	0.06	-
Total current assets		0.99	0.08
Total assets		65.44	65.16
Equity and liabilities			
Equity			
Equity share capital	6	79.76	79.76
Other equity	7	(26.80)	(25.16)
Total equity		52.96	54.60
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	8	9.75	10.00
Total non-current liabilities		9.75	10.00
Current liabilities			
Financial liabilities			
Borrowings	9	2.00	-
Trade payables			
(a) total outstanding dues of micro and small enterprises		0.12	-
(b) total outstanding dues of creditors other than micro and small enterprises	10	0.60	0.55
Other current liabilities	11	0.01	0.01
Total current liabilities		2.73	0.56
Total liabilities		12.48	10.56
Total equity and liabilities		65.44	65.16

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/W-100024

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Date: 2020.06.22
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Rakesh Dewan
Partner
Membership Number: 092212

Place: Gurugram
Date: 22 June 2020

For and on behalf of the Board of Directors of
Delta Softpro Private Limited

ARIJIT CHATTERJEE
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ARIJIT CHATTERJEE
Date: 2020.06.16
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Arijit Chatterjee
Director
DIN: 07284184
Place: Gurugram
Date: 16 June 2020

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Rajneesh Gupta
CFO, NDTV Group
Place: Gurugram
Date: 16 June 2020

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Basker Kasinathan
Director
DIN: 05172301
Place: New Delhi
Date: 16 June 2020

Delta Softpro Private Limited
Statement of Profit and Loss for the year ended 31 March 2020

(All amounts in INR millions, unless otherwise stated)

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Other income	12	0.27	-
Total income		0.27	-
Expenses			
Finance costs	13	1.11	1.05
Depreciation and amortisation	14	0.63	0.79
Operations and administration	15	0.17	0.29
Total expenses		1.91	2.13
Loss for the year		(1.64)	(2.13)
Other comprehensive income / (loss) for the year		-	-
Total comprehensive income / (loss) for the year		(1.64)	(2.13)
Earnings / (loss) per share			
Basic earnings / (loss) per share (INR)	18	(0.21)	(0.27)
Diluted earnings / (loss) per share (INR)	18	(0.21)	(0.27)

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants

Firm registration number: 116231W /W-100024

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Date: 2020.06.22 18:01:14 +05'30'

Rakesh Dewan
Partner
Membership Number: 092212

Place: Gurugram
Date: 22 June 2020

For and on behalf of the Board of Directors of
Delta Softpro Private Limited

ARJIT CHATTERJEE
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Arijit Chatterjee
Director
DIN: 07284184
Place: Gurugram
Date: 16 June 2020

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Rajneesh Gupta
CFO, NDTV Group
Place: Gurugram
Date: 16 June 2020

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Basker Kasinathan
Director
DIN: 05172301
Place: New Delhi
Date: 16 June 2020

Delta Softpro Private Limited
Statement of Cash Flows for the year ended 31 March 2020

Particulars	(All amounts in INR millions, unless otherwise stated)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flow from operating activities		
Loss before income tax	(1.64)	(2.13)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortisation expense	0.63	0.79
Finance costs	1.11	1.05
Liabilities no longer required written back	(0.27)	-
Cash used in operations before working capital changes	(0.17)	(0.29)
Working capital adjustments		
Change in other assets	(0.06)	-
Change in trade payables	0.44	0.06
Change in other liabilities	-	(0.02)
Cash used in operating activities	0.21	(0.25)
Income taxes paid (net)	-	-
Net cash used in operating activities (A)	0.21	(0.25)
Cash flows from financing activities		
Proceeds from short term borrowings	2.00	-
Finance cost paid	(1.36)	(1.05)
Net cash generated from/ (used in) financing activities (B)	0.64	(1.05)
Net increase/ (decrease) in cash and cash equivalents (A+B)	0.85	(1.30)
Cash and cash equivalents at the beginning of the year (refer note 4)	0.08	1.38
Cash and cash equivalents at the end of the year (refer note 4)	0.93	0.08
Notes to the statement of cash flows:		
Components of cash and cash equivalents:-		
Cash on hand	0.02	0.02
Balance with banks:		
- in current accounts	0.91	0.06
Balances per statement of cash flows	0.93	0.08
(b) Movement in financial liabilities*		
Opening balance (including current maturities of long term debt)	10.00	10.00
Proceeds from short term borrowings	2.00	-
Interest expense on borrowings	0.10	-
Interest on lease liability	1.01	1.01
Finance cost paid	(1.11)	(1.01)
Closing balance	12.00	10.00

*Amendment to Ind AS 7: Effective 01 April 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

(c) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm registration number: 116231W /W-100024

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RAKESH DEWAN
Date: 2020.06.22
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Rakesh Dewan
Partner
Membership Number: 092212

Place: Gurugram
Date: 22 June 2020

For and on behalf of the Board of Directors of
Delta Softpro Private Limited

ARJIT CHATTERJEE
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Date: 2020.06.16
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Arijit Chatterjee
Director
DIN: 07284184
Place: Gurugram
Date: 16 June 2020

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Date: 2020.06.16
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Basker Kasinathan
Director
DIN: 05172301
Place: New Delhi
Date: 16 June 2020

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Rajneesh Gupta
CFO, NDTV Group
Place: Gurugram
Date: 16 June 2020

Delta Softpro Private Limited
Statement of Changes in Equity for the year ended 31 March , 2020
 (All amounts in INR millions, unless otherwise stated)

I) Equity Share Capital

Particulars	Amounts
Balance as at 1 April 2018	79.76
Changes in equity share capital during the year	-
Balance as at 31 March 2019	79.76
Changes in equity share capital during the year	-
Balance as at 31 March 2020	79.76

II) Other equity

Particulars	Reserves and surplus	
	Retained earnings	Total
Balance as at 1 April 2018	(23.03)	(23.03)
Total comprehensive income/ (loss) for the year		
Loss for the year	(2.13)	(2.13)
Balance as at 1 April 2019	(25.16)	(25.16)
Total comprehensive income/ (loss) for the year		
Loss for the year	(1.64)	(1.64)
Balance as at 31 March 2020	(26.80)	(26.80)

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For **B S R & Associates LLP**
 Chartered Accountants
 Firm registration number: 116231W /W-100024

RAKESH DEWAN
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 RAKESH DEWAN
 Date: 2020.06.22
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Rakesh Dewan
 Partner
 Membership Number: 092212

For and on behalf of the Board of Directors of
Delta Softpro Private Limited

ARIJIT CHATTERJEE
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 ARIJIT CHATTERJEE
 Date: 2020.06.16
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Arijit Chatterjee
 Director
 DIN: 07284184
 Place: Gurugram
 Date: 16 June 2020

RAJNEESH H GUPTA
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 Date: 2020.06.16
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Rajneesh Gupta
 CFO, NDTV Group
 Place: Gurugram
 Date: 16 June 2020

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 Date: 2020.06.16
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Basker Kasinathan
 Director
 DIN: 05172301
 Place: New Delhi
 Date: 16 June 2020

Place: Gurugram
 Date: 22 June 2020

Delta Softpro Private Limited
Notes to the financial statements for the year ended 31 March 2020

Reporting entity

Delta Softpro Private Limited (the Company) is a private limited company incorporated on 4 September 2006 in India, under the provisions of the Companies Act, 1956 with its registered office situated in New Delhi. .

The Company was acquired by New Delhi Television Limited ("NDTV"), the holding Company, w.e.f. 24 February 2012. The Company owns an industrial plot in Noida (U.P.) and currently has no other operations.

Note 1 Basis of preparation

a. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The financial statements were authorized for issue by the Company's Board of Directors on 16 June 2020

b. Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest million, unless otherwise indicated.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets	Fair value

d. Use of estimates and judgements

In preparing the financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

(i) Judgements:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management exercises judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

(ii) Assumptions and estimation uncertainties:

The areas involving critical estimates are:

- Recognition and measurement of provisions and contingencies;
- Impairment test of non-financial assets;

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

e. Current versus non-current classification:

The Company presents assets and liabilities in the Balance Sheet based on the current / non-current classification.

An asset is treated as current when:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realized within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current assets include the current portion of non-current financial assets. The Company classifies all other assets as non-current.

Delta Softpro Private Limited
Notes to the financial statements for the year ended 31 March 2020

A liability is treated as current when:

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

Current liabilities include current portion of non-current financial liabilities. The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current / non-current classification of assets and liabilities.

f. Measurement of fair values

A number of accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognize transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further the information about the assumptions made in measuring fair values is included in the respective notes:

- investment property; and
- financial instruments.

Note 2 Significant accounting policies

a. Financial instruments

Financial instrument is any contract that gives rise to a financial asset of the entity and a financial liability or equity instrument of another entity.

(i) Recognition and initial measurement:

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement:

Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortized cost;
- fair value through other comprehensive income
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets 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 debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or fair value through other comprehensive income (FVOCI) are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(iii) *Derecognition:*

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its Balance Sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

(iv) *Offsetting:*

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

b. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company has taken a plot of land in Noida (UP) on lease. The lease deed specifies lease term to be 90 years. Accordingly, the Company depreciates investment property over a period of 90 years on a straight-line basis.

Any gain or loss on disposal of an investment property is recognized in profit or loss.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

c. Impairment

(i) *Impairment of financial instruments*

The Company recognizes loss allowances for expected credit losses on:

- financial assets measured at amortized cost; and
- financial assets measured at FVOCI.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 180 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses:

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the Balance Sheet:

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off:

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) *Impairment of non-financial assets*

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or company of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Delta Softpro Private Limited**Notes to the financial statements for the year ended 31 March 2020****d. Provisions**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

e. Lease

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. An arrangement is, or contains, a lease if the arrangement conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether an arrangement conveys the right to control the use of an identified asset, the Company assesses whether: (i) the arrangement involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning 1 April 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (1 April 2019). For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition and leases for which the underlying asset is of low value on a lease-by-lease basis. Refer Note 22

f. Recognition of interest income or expense

Interest income or expense is recognized using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

g. Income tax

Income tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

(i) Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax:

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for :

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Delta Softpro Private Limited

Notes to the financial statements for the year ended 31 March 2020

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

h. Cash and cash equivalent

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

i. Earnings per share

(i) *Basic earnings per share:*

Basic earnings per share is calculated by dividing:

- the profit / (loss) attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) *Diluted earnings/(loss) per share:*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

j. Contingent liabilities and contingent assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are not recognized however are disclosed in the financial statements where an inflow of economic benefit is probable. Contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

k. Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to existing standards. There is no such notification which would have been applicable to the company effective 1 April 2020.

Delta Softpro Private Limited
Notes to the financial statements for the year ended 31 March 2020
(All amounts in INR millions, unless otherwise stated)

Note 3. Investment property

A. Reconciliation of carrying amount

Particulars	Total
At Cost (gross carrying value)	
At 1 April 2018	67.47
Balance as at 31 March 2019	<u>67.47</u>
Balance as at 31 March 2020	<u>67.47</u>
Accumulated depreciation	
At 1 April 2018	1.60
Depreciation for the year	0.79
Balance as at 31 March 2019	<u>2.39</u>
Depreciation for the year	0.63
Balance as at 31 March 2020	<u>3.02</u>
Carrying amount (net)	
Balance as at 31 March 2019	65.08
Balance as at 31 March 2020	64.45

During the financials year 2017-18, with the prior approval of Noida Authority, the Company has mortgaged the land with Corporation Bank and Syndicate Bank against the loan availed by New Delhi Television Limited, the holding company.

Fair value

Balance as at 31 March 2019	182.25
Balance as at 31 March 2020	182.25

B. Measurement of fair values

The fair value of investment property has been determined by external, independent property valuer, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued.

The fair value arrived at is based on market survey and comparison of property prices in similar neighbouring localities. The prevailing land rates in the area is arrived at by diligent and judicious verbal inquiries from local and dependable estate agents.

C. Leased assets

The Company has property under lease arrangement. The gross and net value of the property under lease is as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Investment property		
Cost / deemed cost	67.47	67.47
Accumulated depreciation	3.02	2.39
Net carrying amount	<u>64.45</u>	<u>65.08</u>

Delta Softpro Private Limited
Notes to the financial statements for the year ended 31 March 2020
 (All amounts in INR millions, unless otherwise stated)

Note 4: Cash and cash equivalents

Particulars	As at	As at
	31 March 2020	31 March 2019
Cash on hand	0.02	0.02
Balances with banks		
- In current accounts	0.91	0.06
Cash and cash equivalents in balance sheet	0.93	0.08

Note 5: Other current assets
 (Unsecured, considered good unless otherwise stated)

Particulars	As at	As at
	31 March 2020	31 March 2019
Advances recoverable	0.05	-
Dues recoverable from government	0.01	-
	0.06	-

Delta Softpro Private Limited

Notes to the financial statements for the year ended 31 March 2020

(All amounts in INR millions, unless otherwise stated)

Note 6: Equity share capital

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised		
10,000,000 (previous year 10,000,000) equity shares of INR 10 each	100.00	100.00
	100.00	100.00
Issued, subscribed and fully paid up		
7,976,123 (previous year 7,976,123) equity shares of INR 10 each	79.76	79.76
	79.76	79.76

A. Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	No. of shares	Amount
Balance at 31 March 2019	7,976,123	79.76
Balance at 31 March 2020	7,976,123	79.76

B. Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the company in proportion of the number of equity shares held.

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

Name of shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of shares	% holding	No. of shares	% holding
New Delhi Television Limited (including nominees)	7,976,123	100.00%	7,976,123	100.00%

Delta Softpro Private Limited
Notes to the financial statements for the year ended 31 March 2020
(All amounts in INR millions, unless otherwise stated)

Note 7: Other equity

Particulars	As at 31 March 2020	As at 31 March 2019
Retained earnings ^a	(26.80)	(25.16)
	(26.80)	(25.16)

a) Retained earnings

Particulars	As at 31 March 2020	As at 31 March 2019
Opening Balance	(25.16)	(23.03)
Loss for the year	(1.64)	(2.13)
Closing balance	(26.80)	(25.16)

Retained earnings are the profits/ (loss) that the Company has earned/ (incurred) till date and it also includes remeasurements of defined benefit obligations.

Delta Softpro Private Limited
Notes to the financial statements for the year ended 31 March 2020
(All amounts in INR millions, unless otherwise stated)

Note 8: Non-current lease liabilities

Particulars	As at	As at
	31 March 2020	31 March 2019
Lease liability (refer note (a))	9.75	10.00
Total non-current borrowings	9.75	10.00

Note (a):

Lease liabilities are payable as follows:

As at 31 March 2020

Particulars	Within one year	Between one and five years	After more than five years	Total
Future minimum lease payment	1.01	4.05	73.88	78.94
Interest element of minimum lease payment	1.01	4.05	64.14	69.20
Present value of minimum lease payment	-	-	9.75	9.75

As at 31 March 2019

Particulars	Within one year	Between one and five years	After more than five years	Total
Future minimum lease payment	1.01	4.05	74.90	79.96
Interest element of minimum lease payment	1.01	4.05	64.90	69.96
Present value of minimum lease payment	-	-	10.00	10.00

Lease contains the effective interest rate @ 11% and the tenure of lease is from 17 December 2007 till 16 December 2097.

Note 9: Current borrowings

Particulars	As at	As at
	31 March 2020	31 March 2019
Secured		
Loan from related parties	2.00	-
Total current borrowings	2.00	-

Note 10: Trade payables

Particulars	As at	As at
	31 March 2020	31 March 2019
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (see note below)	0.12	-
- total outstanding dues of creditors other than micro enterprises and small enterprises*	0.60	0.55
	0.72	0.55

*** Of the above, trade payables to related parties are as below:**

Particulars	As at	As at
	31 March 2020	31 March 2019
New Delhi Television Limited	0.40	0.24
NDTV Worldwide Limited	0.09	-
	0.49	0.24

Note:

Disclosures in relation to Micro and Small enterprises "Suppliers" as defined in Micro, Small and Medium Enterprises Development Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum Number as allocated after filing of the said Memorandum. Accordingly, the disclosures in below respect of the amounts payable to such enterprises as at the year end has been made based on information received and available with the Company.

Particulars	As at	As at
	31 March 2020	31 March 2019
(i) the principal amount remaining unpaid to any supplier as at the end of the year	0.12	-
(ii) the interest due on the principal remaining outstanding as at the end of the year	-	-
(iii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iv) the amount of the payment made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
(v) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(vi) the amount of interest accrued and remaining unpaid at the end of the year	-	-
(vii) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Note 11 : Other current liabilities

Particulars	As at	As at
	31 March 2020	31 March 2019
Statutory dues payable	0.01	0.01
	0.01	0.01

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Notes to the financial statements for the year ended 31 March 2020
(All amounts in INR millions, unless otherwise stated)

Note 12: Other income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Liabilities no longer required written back	0.27	-
	<u>0.27</u>	<u>-</u>

Note 13: Finance costs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest on loan from related party	0.10	-
Interest on lease liability	1.01	1.05
	<u>1.11</u>	<u>1.05</u>

Note 14: Depreciation and amortisation expense

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation on investment property	0.63	0.79
	<u>0.63</u>	<u>0.79</u>

Note 15: Operations and administration expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Auditors' remuneration (excluding taxes) ^a	0.13	0.12
Legal, professional and consultancy	0.04	0.08
Miscellaneous expenses	-	0.09
	<u>0.17</u>	<u>0.29</u>

(a) Auditors remuneration

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
As auditors:		
Audit fee	0.10	0.12
Reimbursement of expenses	0.03	-
	<u>0.13</u>	<u>0.12</u>

Note 16: Capital management

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimize returns to its shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Company monitors capital using a ratio of "Net Debt" to "Total Equity". For this purpose, Net Debt is defined as total liabilities less cash and cash equivalents. Total equity comprises of equity share capital and other equity. During the financial year ended 31 March 2020, no significant changes were made in the objectives, policies or processes relating to the management of the Company's capital structure.

The Company's Net Debt to Total Equity ratio is as follows:

Particulars	As at	As at
	31 March 2020	31 March 2019
Total borrowings	11.75	10.00
Less: Cash and cash equivalents	(0.93)	(0.08)
Net debt	10.82	9.92
Equity share capital	79.76	79.76
Other equity	(26.80)	(25.16)
Total Equity	52.96	54.60
Net Debt to Total Equity ratio	0.20	0.18

Note 17: Financial instruments-fair values measurements and financial risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(i) As on 31 March 2020

Particulars	Note	Carrying value				Fair value measurement using		
		FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets - Current								
Cash and cash equivalents**	4	-	-	0.93	0.93	-	-	0.93
Total		-	-	0.93	0.93	-	-	0.93
Financial liabilities - Non current								
Borrowings #	8	-	-	9.75	9.75	-	-	9.75
Financial liabilities - Current								
Borrowings #	9	-	-	2.00	2.00	-	-	2.00
Trade payables**	10	-	-	0.72	0.72	-	-	0.72
Total		-	-	12.47	12.47	-	-	12.47

(ii) As on 31 March 2019

Particulars	Note	Carrying value				Fair value measurement using		
		FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets - Current								
Cash and cash equivalents**	4	-	-	0.08	0.08	-	-	0.08
Total		-	-	0.08	0.08	-	-	0.08
Financial liabilities - Non current								
Borrowings #	8	-	-	10.00	10.00	-	-	10.00
Financial liabilities - Current								
Trade payables**	10	-	-	0.55	0.55	-	-	0.55
Total		-	-	10.55	10.55	-	-	10.55

** The carrying amounts of cash and cash equivalents and trade payables approximates the fair values due to their short-term nature.

These borrowings represent finance lease obligation. The carrying value of such obligation approximates fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

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

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There has been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 2020 and 31 March 2019.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of investment in quoted investment in equity shares and mutual fund is based on the current bid price of respective investment as at the Balance Sheet date.
- the fair value of the remaining financial instruments is determined using discounted cash flow method.

B. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk ;
- Market Risk - Interest rate

(i) Risk management framework

The Company's key management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company to set appropriate risks limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market condition and the Company's activities. The Company through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which employees understand their roles and obligations.

(ii) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet

Particulars	As at	As at
	31 March 2020	31 March 2019
Cash and cash equivalents	0.93	0.08

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. Credit risk encompasses both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration of risks.

Credit risk on cash and cash equivalents is limited as the Company generally deals with banks with high credit ratings assigned by domestic credit rating agencies.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable equity investments at an amount in excess of expected cash outflows on financial liabilities over the next six months. The Company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flow amounts are gross and undiscounted.

As at 31 March 2020	Carrying amount	Less than one year	Between one and three years	More than three years	Contractual cash flow
Lease liability	9.75	9.75	2.02	75.91	87.68
Current borrowings	2.00	2.00	-	-	2.00
Trade payables	0.72	0.72	-	-	0.72
	12.47	12.47	2.02	75.91	90.40

As at 31 March 2019	Carrying amount	Less than one year	Between one and three years	More than three years	Contractual cash flow
Lease liability	10.00	10.00	2.02	76.92	88.94
Trade payables	0.55	0.55	-	-	0.55
	10.55	10.55	2.02	76.92	89.49

(iv) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates.

Delta Softpro Private Limited
Notes to the financial statements for the year ended 31 March 2020
(All amounts in INR millions, unless otherwise stated)

Note 19: Related Party Disclosures

(a) List of related parties and nature of relationship where control exists

Related parties where control exists

New Delhi Television Limited	Holding Company
NDTV Worldwide Limited	Fellow Subsidiary

(b) Transactions with related parties

Particulars	Holding company		Fellow Subsidiary	
	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
i) Interest paid				
NDTV Worldwide Limited	-	-	0.10	-
ii) Loan received				
NDTV Worldwide Limited	-	-	2.00	-
iii) Corporate guarantee				
New Delhi Television Limited	226.80	226.80	-	-

(C) Outstanding balances

Particulars	Holding company		Fellow Subsidiary	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Trade payables	0.40	0.24	0.09	-
Borrowings	-	-	2.00	-

Delta Softpro Private Limited**Notes to the financial statements for the year ended 31 March 2020****(All amounts in INR millions, unless otherwise stated)****Note 18: Earnings / (loss) per equity share ('EPS')**

The calculations of loss attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of loss per share calculations are as follows:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Loss for the year - (A)	(1.64)	(2.13)
Calculation of weighted average number of equity shares		
Number of equity shares at the beginning of the year	7,976,123	7,976,123
Number of equity shares outstanding at the end of the year	7,976,123	7,976,123
Weighted average number of shares outstanding during the year - (B)	7,976,123	7,976,123
Face value of each equity share (INR)	10	10
Basic and diluted earnings / (loss) per equity share (in absolute terms) (INR) - (A)/(B)	(0.21)	(0.27)

Delta Softpro Private Limited
Notes to the financial statements for the year ended 31 March 2020
(All amounts in INR millions, unless otherwise stated)

Note 20: Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (“CODM”) as required under Ind AS 108. The CODM is considered to be Board of directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments. No business has been conducted by the Company during the current year. Accordingly, there is no reportable segment.

Note 21 : Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
Non-current assets			
Investment property	3	64.45	65.08
Total non current financial assets		64.45	65.08
Total assets pledged as security		64.45	65.08

Note 22: Leases

The Company’s lease asset primarily consists of land taken on 90 year lease from Noida authority.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Right-of-use assets that meet the definition of investment property are presented within investment property.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the prevailing borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and investment property consisting of land taken on lease have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Transition to Ind AS 116

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations.

The Company has adopted Ind AS 116 "Leases", effective reporting period starting 1 April 2019, using the modified retrospective approach, and based on the option available under the modified retrospective approach, the Company has measured the Investment property at an amount equal to carrying amount of the lease asset immediately before the date of initial application. Accordingly, on the date of initial application, there is no impact on opening retained earnings, and comparatives for the year ended 31 March 2019 have not been retrospectively adjusted.

On application of Ind AS 116, there has been no change in the nature of expenses recognised in the previous periods.

The details of the lease liability of the Company is as follows:

Particulars	As at 31 March 2020
Balance at the beginning	10.00
Finance cost accrued during the period (refer note 13)	1.01
Deletion	(0.25)
Payment of lease liabilities	(1.01)
Balance at the end	9.75

Interest on lease liabilities is INR 1.01 million for the year ended 31 March 2020.

Impact of COVID-19

The lease that the Company has entered towards investment property is long term in nature and no impact in terms of such lease is expected due to COVID-19.

