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*Annual Report*  
*2019 - 2020*



*years of excellence*  
**28**

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Mr. Vimal Raj Mathur	-	Managing Director (DIN: 03138072)
Mr. Sudheep Raj Mathur	-	Director (DIN: 03138111)
Mrs. Sunitee Raj	-	Non-Executive Director (DIN: 05223416)
Mr. T. Venkateswara Rao	-	Independent Director
Mr. Syed Fareeduddin	-	Independent Director
Mr. Balachandar Mallicarjun	-	Independent Director
Mr. Abdul Raof	-	Independent Director

### **COMPANY SECRETARY**

Mr. Payal Dhandhanian\*

*\*Appointed w.e.f 21.09.2020*

### **REGISTERED OFFICE**

#306, 3rd Floor, May Fair Gardens,  
Banjara Hills, Road No 12  
Hyderabad – 500034  
Telangana

### **STATUTORY AUDITORS**

M/s. Karunamanchi & Associates  
Chartered Accountants,  
Hyderabad.

### **SECRETARIAL AUDITOR**

Ms. Pooja Bansal  
Practicing Company Secretaries  
Howrah.

### **CORPORATE IDENTITY NUMBER**

L74300TG1992PLC014317

### **AUDIT COMMITTEE**

1. Mrs. Sunitee Raj	-	Chairman
2. Mr. T. Venkateswara Rao	-	Member
3. Mr. Balachandar Mallicarjunan	-	Member

**NOMINATION & REMUNERATION COMMITTEE**

1. Mrs. Sunitee Raj - Chairman
2. Mr. Balachandar Mallicarjunan - Member
3. Mr. T. Venkateswara Rao - Member

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

1. Mrs. Sunitee Raj - Chairman
2. Mr. T. Venkateswara Rao - Member
3. Mr. Balachandar Mallicarjunan - Member

**INDEPENDENT DIRECTORS**

1. Mr. T. Venkateswara Rao - Chairman
2. Mr. Balachandar Mallicarjunan - Member
3. Mr. Abdul Raouf - Independent Director

**LISTED AT**

The Calcutta Stock Exchange Limited  
BSE limited – Trading Permission

**REGISTRAR & SHARE TRANSFER AGENTS**

M/s. Venture Capital and Corporate Investments Private Limited  
12-10-167, Bharat Nagar,  
Moosapet, Hyderabad – 500018,  
Telangana.

**Legal Officer**

B. Roopender

**WEBSITE:** [www.gradientinfotainment.com](http://www.gradientinfotainment.com)

**ISIN:** INE361K01017

**INVESTORE-MAILID:** [shareholders@gradientinfotainment.com](mailto:shareholders@gradientinfotainment.com)

## **NOTICE**

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Shareholders of M/s. Gradiante Infotainment Limited will be held on Wednesday, the 30<sup>th</sup> day of December 2020 at 11.00 a.m at registered office of the company situated at #306, 3rd Floor, May Fair Gardens, Banjara Hills, Road No 12 Hyderabad – 500034, Telangana to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2020, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. Sudheep Raj Mathur (DIN: 03138111) who retires by rotation and being eligible, offers himself for re-appointment.

**For and on behalf of the Board of  
Gradiante Infotainment Limited**

**Place: Hyderabad  
Date: 03.12.2020**

**Sd/-  
Vimal Raj Mathur  
Managing Director  
(DIN: 03138072)**

## NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective shall be deposited at the Corporate Office of the Company by not less than 48 hours before the commencement of the Meeting.
2. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 24.12.2020 to 30.12.2020 (Both days inclusive).
4. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
6. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
7. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
8. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

9. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents (M/s. Aarthi Consultants Pvt. Ltd.)
10. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
11. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to **M/s. Venture Capital and Corporate Investments Private Limited.**, Share Transfer Agents of the Company for their doing the needful.
12. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
13. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
14. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
15. Electronic copy of the Annual Report for the financial year 2019-2020 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2019-2020 is being sent in the permitted mode.
16. Members may also note that the Notice of the 28<sup>th</sup> Annual General Meeting and the Annual Report for financial year 2019-2020 will also be available on the Company's website [www.gradientinfotainment.com](http://www.gradientinfotainment.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication,

members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [shareholders@gradientinfotainment.com](mailto:shareholders@gradientinfotainment.com).

17. SEBI has decided that securities of the listed companies can be transferred only in dematerialized form which effective from cut-off date being 05.12.2018. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.

#### 18. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 19<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The instructions for e-voting are as under:

**(A) In case of members receiving e-mail:**

- i. The voting period begins on 27.12.2020 at 9.00 A.M. and ends on 29.12.2020 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (23.12.2020) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii. Click on Shareholders.
- iv. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

	<ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

viii. After entering these details appropriately, click on “SUBMIT” tab.

ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi. Click on the EVSN for GRADIENTE INFOTAINMENT LIMITED.

xii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

xiv. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

xv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

xvi. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.



xvii.If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**(II) In case of members receiving the Physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:**

A. Please follow all steps from sl. no. (ii) to sl. no. (xvii) above, to cast vote.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

B. The voting period begins on 27.12.2020 at 9.00 A.M. and ends on 29.12.2020 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on 23.12.2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

C. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**19.** The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 23.12.2020.

**20.** M/s. S.S Reddy & Associates, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in accordance with the law.

**21.** The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

22. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.gradientinfotainment.com](http://www.gradientinfotainment.com) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
23. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

**For and on behalf of the Board of  
Gradiente Infotainment Limited**

**Place: Hyderabad  
Date: 03.12.2020**

**Sd/-  
Vimal Raj Mathur  
Managing Director  
(DIN: 03138072)**

**Form No. MGT-12 BALLOT PAPER**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the company : GRADIENTE INFOTAINMENT LIMITED

CIN : L74300TG1992PLC014317

Registered Office : 306,3<sup>rd</sup> Floor My Fair Gardens,Road No 12 Banjara Hills,  
Hyderabad –Telangana 500034 India

S. No.	Particulars	Details
1.	Name of the First Named Shareholder (In block letters)	
2.	Registered Address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	
5.	No. Of shares Held by Me	

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Item No..	Particulars	I assent to the Resolution	I dissent from the resolution
1.	To receive, consider and adopt the Financial Statement of the Company for the financial year ended March 31, 2020:		
2.	Re-appointment of Sudheep Raj Mathur - Director (DIN: 03138111) as a Director liable to retire by rotation		

Place : Hyderabad

Date : 30 December, 2020

:.....(Signature of shareholder)

E-VOTING Users who wish to opt for e-voting may use the following login credentials. Please follow the steps for e-voting procedure as given in the Notice of AGM by logging on to <https://www.evotingindia.com/>

## **GRADIENTE INFOTAINMENT LIMITED**

Regd. Office: 306, 3<sup>RD</sup> FLOOR MY FAIR GARDENS, ROAD NO 12 BANJARA HILLS, HYDERABAD – TELANGANA  
500034 INDIA. E-mail :gradientinfotainment.com

CIN : L74300TG1992PLC014317

S. No.	Particulars	Details
1.	Name of the First Named Shareholder (In block letters)	
2.	Registered Address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	
5.	No. Of shares Held by Me	

### **ATTENDANCE SLIP**

28<sup>th</sup> Annual General Meeting of GRADIENTE INFOTAINMENT LIMITED

Regd. Office: 306 3<sup>RD</sup> FLOOR MY FAIR GARDENS, FLOOR, ROAD NO 12 BANJARA HILLS, HYDERABAD  
TELANGANA 500034 INDIA

Name of the attending Member/Proxy (in block letters) :

I hereby record my presence at the 28<sup>th</sup> Annual General Meeting held at 03.00PM. on 30<sup>th</sup> December, 2020, being held at registered office of the company.

Member's / Proxy's Signature

Note : Please bring this attendance slip to the meeting and handover at the entrance duly filled in.

FORM No. MGT-11  
(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

PROXY FORM

Name of the Member(s)	
Registered address	
Email ID	
Folio No. / Client ID	
DP ID	

We being a member(s) of Gradiante infotainment Limited hereby appoint

1.

Name	
Address	
Signature	
Email ID	

failing him

2.

Name	
Address	
Signature	
Email ID	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28<sup>th</sup> Annual General Meeting of the Company to be held on, the 30<sup>th</sup> December 2020 at 03.00 PM. at the registered office of the Company at #306 3<sup>rd</sup> MY FAIR GARDENS, FLOOR, ROAD NO 12 BANJARA HILLS, HYDERABAD – TELANGANA 500034, and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	Item Particulars
1	To receive, consider and adopt the Financial Statement of the Company for the financial year ended March 31, 2020:
2	Re-appointment of Mr. Sudheep Raj (DIN: 03138111), as a Director liable to retire by rotation

Signed this            day of \_\_\_\_\_ 2020

Signature of Shareholder(s)

Affix  
Revenue  
Stamp



Signature of Proxy Holder(s)            —

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

## **INDEPENDENT AUDITORS' REPORT**

**To**  
**The Members of**  
**M/s GRADIENTE INFOTAINMENT LIMITED**

### **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of Gradiante Infotainment 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 significant accounting policies and other explanatory information.

### **Management’s Responsibility for the Financial Statements**

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the

financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### **Basis of Qualified Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's 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 independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified audit opinion on the financial statements for the reason of:

- i) No Provision has been made in the accounts for the non moving trade receivables which are outstanding for the period exceeding six months. Also, the Company has not mentioned the facts in its notes to accounts and didn't confirm the balances from parties.
- ii) As described in note no.2.1 in financial statements, company is unable to provide the sufficient information and explanations to assess whether any impairment in value should be recognize regarding Intangible assets under development which valued at Rs.12,00,55,400 as at 31<sup>st</sup> March 2020 on which we are unable to adopt any other satisfactory procedures to determine whether any impairment in value should be made in financial satementns in respect of them.
- iii) As described in note no.2.3 in financial statements, Rs.20,32,98,754 has been due to advances given to suppliers as years back and for that no confirmation of parties is available and which are doubtful of recovery.

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the matters described in the qualified opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2020 and
- (b) in the case of the Profit and Loss, the Profit for the period ended on that date
- (c) In the case of the Cash Flow Statement, Cash Flows for the period ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of subsection (11) of section 143 of the Act, we give in the Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of written representations received from the directors as on 31 March 2020, 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) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2" to this report;
  - (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, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - (ii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

*for* Karumanchi & Associates  
Chartered Accountants  
Firm Reg No: 001753S

K. Peddabai  
Partner  
M No: 025036

**UDIN: 20025036AAAADX2700**



Place: Hyderabad

Date: 03-12-2020

**ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE**

- (i)
  - a. The Company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - c. According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The company does not have any inventory hence this clause 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 clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the director is interested to which, the provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. In our opinion and according to the information and explanations given to us, the Company has made investments and given guarantees / provided security which is in compliance with the provisions of section 186 of the Companies Act, 2013.
- (v) 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) In respect of business activities of the company, maintenance of cost records has not been specified by the central government under section 148(1) of the companies Act 2013.
- (vii)
  - a) The Company is not regular in depositing with appropriate authorities undisputed statutory dues applicable to it.

- b) According to the information and explanations given to us, undisputed amounts payable in respect of statutory dues outstanding, at the year end, for a period of more than six months from the date they became payable.
  - c) According to the information and explanations given to us there are no dues of income tax or goods and services tax or duty of customs or cess that have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has defaulted in repayment of loans or borrowings to banks. The particulars of which are disclosed in paragraph 12.1 of Notes to the accounts of the company. The Company did not have any debenture holders during the year.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised any money by way of initial public offer / further public offer / debt instruments and hence, not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

*for* Karumanchi & Associates

Chartered Accountants

Firm Reg No: 001753S

K. Peddabai

Partner

M No. 025036

**UDIN: 20025036AAAADX2700**

Place: Hyderabad

Date: 03-12-2020

## **ANNEXURE 2 TO THE INDEPENDENT AUDITORS REPORT OF EVEN DATE**

### **Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of **GRADIENTE INFOTAINMENT 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.

#### **Management's Responsibility for Internal Financial Controls**

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

## **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

## **Meaning of Internal Financial Controls over Financial Reporting**

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

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

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

### **Opinion**

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

*for* Karumanchi & Associates  
Chartered Accountants  
Firm Reg No.001753S

K. Peddabai  
Partner  
M.NO. 025036

**UDIN: 20025036AAAADX2700**

Place : Hyderabad  
Date: 08-12-2020

## **DIRECTORS' REPORT**

**Dear Members,**

The Directors have pleasure in presenting before you the 28<sup>th</sup> Directors' Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2020.

### **1. FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS:**

The performance during the period ended 31<sup>st</sup> March, 2020 has been as under:

**(Rs. In Lakhs)**

<b>Particulars</b>	<b>2019-2020</b>	<b>2018-2019</b>
Total Income	<b>2011.40</b>	<b>2387.50</b>
Total Expenditure	<b>1979.64</b>	<b>2339.25</b>
Profit before Tax	<b>61.76</b>	<b>48.25</b>
Provision for Taxation	<b>11.88</b>	<b>12.22</b>
Profit After Tax	<b>49.88</b>	<b>36.02</b>
Transfer to General Reserve	<b>Nil</b>	<b>Nil</b>
Profit available for appropriation	<b>49.88</b>	<b>36.02</b>
Provision for Proposed Equity Dividend	<b>Nil</b>	<b>Nil</b>
Balance Carried to Balance Sheet	<b>49.88</b>	<b>36.02</b>

During the year under review, the Company has recorded an total income of Rs. 2011.40 lakhs and Net profit of Rs. 49.88 Lakhs as against the total income of Rs. 2387.50 Lakhs and Net profit of Rs. 36.02 in the previous financial year ending 31.03.2019

### **2. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There were no material changes and commitments affecting financial position of the Company between 31<sup>st</sup> March, 2020 and the date of Board's Report. (i.e.03.12.2020).

### **3. CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

During the period under review and the date of Board's Report there was no change in the nature of Business.

### **4. DETAILS RELATING TO DEPOSITS:**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

**5. TRANSFER TO RESERVES:**

During the year under review, the Company has not transferred amount to General Reserves.

**6. DIVIDEND:**

Directors have not recommended any dividend for the financial year 2019-2020.

**7. DISCLOSURE UNDER SECTION 43(a) (ii) OF THE COMPANIES ACT, 2013:**

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a) (ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014.

**8. DISCLOSURE UNDER SECTION 54(1) (d) OF THE COMPANIES ACT, 2013:**

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014.

**9. DISCLOSURE UNDER SECTION 62(1) (b) OF THE COMPANIES ACT, 2013:**

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.

**10. DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013:**

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

**11. DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY REGULATORS, COURTS, TRIBUNALS, IMPACTING THE GOING CONCERN BASIS OF THE COMPANY:**

During the period under review, there were no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future.

**12. AUTHORISED AND PAID UP SHARE CAPITAL OF THE COMPANY:**

During the year under review, the Company's authorized capital stands at Rs. 30,00,00,000/- divided into 30,00,00,00 equity shares of Rs.10/- each and the paid up capital stands at Rs. 22,51,74,000/- divided into 22,51,74,00 equity shares of Rs. 10/- each.

**13. EXTRACT OF ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report.

**14. DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED OR RESIGNED:**

In accordance with the provisions of the Companies Act, 2013, Mr. Sudeep Raj Mathur, Director of the Company retires by rotation offer himself for reappointment for a period of Five years.

As required under regulation 36 (3) of the SEBI (LODR), Regulations, 2015, brief particulars of the Directors seeking appointment/re-appointment are given as under: -

Name of the Director	Sudeep Raj Mathur
Date of Birth	10/11/1973
Date of Appointment	09.08.2001
Expertise in specific functional areas	He has over a two decade of experience in Entertainment industry
Qualifications	Graduate
Names of the Listed entities in which the person is holding Directorships or Board Committee Memberships	Nil
Inter se relationship among Directors	--
Disclosure of Shareholding	--

**15. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:**

The Company has received declaration from each independent director under section 149 (7) of the companies Act, 2013, that he/she meets the criteria of independence laid down in section 149 (6) of the companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**16. VIGIL MECHANISM:**

Vigil Mechanism Policy has been established by the Company for directors and employees to report genuine concerns pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 read with Regulation 22 of SEBI (LODR) Regulations, 2015. The same has been placed on the website of the Company.

**17. DIRECTOR'S RESPONSIBILITY STATEMENT:**

**In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:**

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of



the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis; and
- e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**18. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/BRANCHES/JOINT VENTURES:**

The Company does not have any subsidiary Company (ies).

**19. STATUTORY AUDITORS:**

At the Annual General Meeting held on 30<sup>th</sup> September 2019 (27<sup>th</sup> AGM) the Company has appointed M/s Karumanchi and Associates, Chartered Accountants as a Statutory Auditors of the Company to hold office until the conclusion of this Annual General Meeting of the Company at the remuneration as may be fixed by the board.

**20. INTERNAL AUDITORS:**

There were no internal auditors during the year 2019-20.

**21. SECRETARIAL AUDITORS:**

Pursuant to the provisions of Section 134(3)(f) & Section 204 of the Companies Act, 2013, Secretarial audit report as provided by Practicing Company Secretaries is annexed to this Report as annexure.

**22. QUALIFICATIONS IN AUDIT REPORTS:**

**(a) Statutory Auditors Report:** The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2020 and qualifications for the same are discussed in details in Audit report annexed to it.

**(b) Secretarial Audit Report:**

The Board has duly reviewed the Secretarial Audit Report on the Compliances according to the provisions of section 204 of the Companies Act, 2013 has noted that the same. The details for reservation, qualification or adverse remarks are enclosed in Secretarial Audit report.

### **23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

The required information as per Sec.134 of the Companies Act 2013 is provided hereunder:

#### **A. Conservation of Energy:**

Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

#### **B. Technology Absorption:**

- the efforts made towards technology absorption – **NIL**
- the benefits derived like product improvement, cost reduction, product development or import substitution - **NIL**
- in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
  - (a) the details of technology imported; - **NIL**
  - (b) the year of import - **NIL**
  - (c) whether the technology been fully absorbed - **NIL**
  - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof - **NIL**
- the expenditure incurred on Research and Development –**NIL**

#### **C. Foreign Exchange Earnings and Out Go:**

Foreign Exchange Earnings: Rs.NIL

Foreign Exchange Outgo: Rs. NIL

### **24. CORPORATE SOCIAL RESPONSIBILITY POLICY:**

Since your Company does not have net worth of Rs. 500 Crore or more or turnover of Rs. 1000 Crore or more or a net profit of Rs. 5 Crore or more during the financial year, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.

### **25. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

Your Company has well established procedures for internal control across its various locations, commensurate with its size and operations. The organization is adequately staffed with qualified and experienced personnel for implementing and monitoring the internal control environment. The internal audit function is adequately resourced commensurate with the operations of the Company and reports to the Audit Committee of the Board.

**26. INSURANCE:**

The properties and assets of your Company are adequately insured.

**27. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The particulars of loans, guarantees and investments under Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, from part of the notes to the financial statement provided in this Annual Report.

**28. RISK MANAGEMENT POLICY:**

Your Company follows a comprehensive system of Risk Management. Your Company has adopted a procedure for assessment and minimization of probable risks. It ensures that all the risks are timely defined and mitigated in accordance with the well-structured risk management process.

**29. RELATED PARTY TRANSACTIONS:**

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website.

Your Directors draw attention to the notes to accounts of Auditors report which sets out related party disclosures.

**30. DISCLOSURE ABOUT COST AUDIT:**

Cost Audit is not applicable to your Company.

**31. RATIO OF REMUNERATION TO EACH DIRECTOR:**

Under section 197(12) of the Companies Act, 2013, and Rule 5(1)(2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014. The Board of directors has not drawn remuneration during the year.

**32. STATEMENT SHOWING THE NAMES OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND THE NAME OF EVERY EMPLOYEE AS PER RULE 5(2) & (3) OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:**

During the year none of the employees is drawing a remuneration of Rs.1,02,00,000/- and above per annum or Rs.8,50,000/- and above in aggregate per month, the limits specified under the Section 197(12) of the Companies Act,2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**33. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:**

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

**34. INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY:**

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

**35. SECRETARIAL STANDARDS:**

The companies are in compliance with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

**36. NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR.**

During the period under review, there are no companies which have become or ceased to be its Subsidiaries, Joint Ventures or Associate Companies.

**37. MANGEMENT & DISCUSSION ANALYSIS:**

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's discussion and analysis is set out in this Annual Report.

**38. FAMILIARISATION PROGRAMMES:**

The Company familiarizes its Independent Directors on their appointment as such on the Board with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, etc. through familiarization programme. The Company also conducts orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis. The familiarization programme for Independent Directors is disclosed on the Company's website [www.gradientinfotainment.com](http://www.gradientinfotainment.com)

**39. MECHANISM FOR EVALUATION OF BOARD:**

The Board of Directors has carried out an annual evaluation of its own performance, board Committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of independent directors, performance of non-independent directors, the board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed.

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

#### **40. BOARD MEETINGS:**

The Board of Directors met Four (4) times during the year on 27-05-2019, 08.07.2019, 14.11.2019, and 10.01.2020 the maximum gap between any two meetings was less than four months, as stipulated under the provisions of Companies Act, 2013.

#### **41. CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING:**

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015 and the applicable Securities laws. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on website of the company.

**42. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:**

There have been no frauds reported by the auditor's u/s 143(12).

**43. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place a Sexual Harassment Policy in compliance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Internal Complaints Committee (ICC) has been set up to redress complaints regarding sexual harassment, if any.

The Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**44. CEO/ CFO CERTIFICATION:**

The Managing Director and Executive Director cum CFO certification of the financial statements for the year 2018-2019 is annexed in this Annual Report.

**45. APPRECIATION & ACKNOWLEDGEMENT:**

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from the investors, customers, business associates, bankers, vendors, as well as regulatory and governmental authorities. Your Directors also thanks the employees at all levels, who through their dedication, co-operation, support and smart work have enabled the Company to achieve a moderate growth and is determined to poise a rapid and remarkable growth in the year to come.

**For and on behalf of the Board of  
Gradiente Infotainment Limited**

**Place: Hyderabad  
Date: 03.12.2020**

**Sd/-  
Vimal Raj Mathur  
Managing Director  
(DIN: 03138072)**

**Sd/-  
Sudheep Raj Mathur  
Director  
(DIN: 03138111)**

**Form No. MR-3**

SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
**GRADIENTE INFOTAINMENT LIMITED**  
CIN - L74300TG1992PLC014317  
#306, 3rd Floor, May Fair Gardens Banjara Hills,  
Road No 12 Hyderabad - 500034

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Gradiante Infotainment Limited** (hereinafter referred as 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2020 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2020, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under – **The Company had not entered into any agreement with any of the Depositories and the 100% of the capital is held in physical form.**
- (iv) Foreign Exchange Management Act, 1999, and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Not applicable to the Company during the Audit Period;**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;- **Not Applicable to the Company during the Audit Period**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not applicable to the Company during the Audit Period;**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable to the Company during the Audit Period;**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable to the Company during the Audit Period;** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable to the Company during the Audit Period.**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (herewith referred as Listing Regulations).

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- (ii) The Listing Agreements entered into by the Company with the Calcutta Stock Exchange Limited.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

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

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.



- All decisions at Board Meetings and Committee Meetings are carried out with requisite majority.

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

**CS Pooja Bansal**

ACS No. 50458

C P No: 18524

Place: Kolkata

Date: December 3, 2020

UDIN: A050458B001410707

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

#### **'ANNEXURE A'**

To,

The Members

**GRADIENTE INFOTAINMENT LIMITED**

CIN - L74300TG1992PLC014317

#306, 3rd Floor, May Fair Gardens Banjara Hills,

Road No 12 Hyderabad – 500034

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

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

**CS Pooja Bansal**

ACS No. 50458

C P No: 18524

Place: Kolkata

Date: December 3, 2020

UDIN: A050458B001410707

(CIN: L74300AP1992PLC014317)

## STANDALONE BALANCE SHEET AS AT 31st MARCH, 2020

Particulars	Note No.	2020	2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property plant and Equipment	2.1	14.07	16.03
Capital Work Inprogress			
Intangible assets under development	2.1	1200.55	1200.55
<b>Financial assets</b>			
Investments			
Other financial assets	2.2	2.43	2.43
Other non current assets	2.3	79.86	43.02
		<b>1,296.92</b>	<b>1,262.03</b>
<b>Current assets</b>			
<b>Inventories</b>			
<b>Financial assets</b>			
Trade receivables	2.4	1204.63	1360.36
Cash and cash equivalent	2.5	4.66	1.04
Other financial assets			
Other current assets	2.3	2132.30	1,245.98
		<b>3,341.59</b>	<b>2,607.38</b>
		<b>4,638.51</b>	<b>3,869.41</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	2.6	2,251.74	2,251.74
Other Equity	2.7	(1,156.07)	(1,205.95)
		<b>1,095.67</b>	<b>1,045.79</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	2.8	498.39	486.96
Other Financial Liabilities			-
<b>Long Term Provisions</b>	2.9	16.02	16.02
<b>Deferred tax liabilities (net)</b>	2.10	0.04	4.18
		<b>514.46</b>	<b>507.16</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	2.8	36.1	36.15
TDS Payable		6.03	2.81
GST Payable			
Salaries Payable		0.00	1.02
Audit Fee Payable		0.00	0.45
<b>Liabilities for current tax (net)</b>			
<b>Provisions</b>	2.9	16.1	71.44
<b>Other current liabilities</b>	2.11	2970.12	2,204.61
		<b>3,028.39</b>	<b>2,316.47</b>
<b>TOTAL</b>		<b>4,638.51</b>	<b>3,869.41</b>

The accompanying Significant accounting policies and notes form an integral part of the Standalone financial statements.

As per our report of even date  
**Karumanchi & Associates**  
Chartered Accountants  
Firm Reg No. 001753S

**K. Peddabai**  
Partner  
M.No. 025036  
**UDIN: 20025036AAAADX2700**  
Place: Hyderabad  
Date:03-12-2020

For and on behalf of Board

**Vimal Raj Mathur**  
Chairman & Managing Director

**Sudheep Raj**  
Director

**(CIN: L74300AP1992PLC014317)**  
**STANDALONE PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st March, 2020**

	Note No.	31-03-2020	31-03-2019
<b>Income</b>			
Revenue from operations	2.12	2041.40	2387.50
Other income			
<b>Total Revenue</b>		<b>2041.40</b>	<b>2387.50</b>
<b>Expenses</b>			
Cost of materials consumed	2.13	1964.18	2308.00
Changes in inventories	2.14		
Employee benefits expense	2.15	2.91	15.55
Finance costs			
Depreciation and amortization expense	2.1	2.0	2.4
Other expenses	2.16	10.60	13.34
<b>Total Expenses</b>		<b>1979.64</b>	<b>2339.26</b>
<b>Profit before tax</b>		<b>61.76</b>	<b>48.24</b>
<b>Tax expense</b>			
(1) Current tax		16.09	12.61
(2) Deferred tax		-4.21	(0.40)
<b>Profit for the year</b>		<b>49.88</b>	<b>36.02</b>
<b>Other comprehensive income (OCI)</b>			
Items that will not be reclassified to profit or loss			-
Tax on items that will not be reclassified to profit or loss			-
<b>Items that will be reclassified to profit or loss:</b>			
Tax on items that may be reclassified to profit or loss			-
Items that may be reclassified subsequently to profit or loss			-
<b>Total other comprehensive income/(loss) for the year, net of tax</b>			-
<b>Total comprehensive income for the year</b>		<b>49.88</b>	<b>36.02</b>
<b>Earnings per share:</b>			
Basic earnings per share of 10/-each		0.22	0.16
Diluted earnings per share of 10/- each		0.22	0.16

The accompanying Significant accounting policies and notes form an integral part of the Standalone financial statements.

As per our report of even date

**Karumanchi & Associates**

Chartered Accountants

Firm Reg No. 001753S

**K. Peddabai**

Partner

M.No.025036

**UDIN: 20025036AAAADX2700**

Place: Hyderabad

Date: 03-12-2020

**For and on behalf of Board**

**Vimal Raj Mathur**

Chairman & Managing Director

**Sudheep Raj**

Director

(CIN: L74300AP1992PLC014317)

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020**

<b>Particulars</b>	<b>2020</b>	<b>2019</b>
<b>Cash Flows from Operating Activities</b>		
Net profit before tax	61.76	48.24
Adjustments for :		
Depreciation and amortization expense	1.96	2.37
Provision for doubtful debts/advances/ impairment		
Dividend Income		
Operating profit before working capital changes	<b>63.72</b>	<b>50.61</b>
Movements in Working Capital		
(Increase)/Decrease in Trade Receivables	155.73	(1100.36)
(Increase)/Decrease in Other financial assets	0.00	0.00
(Increase)/Decrease in Inventories	0.00	0.00
(Increase)/Decrease in Other Current Assets	(886.32)	631.31
(Increase)/Decrease in Other Non Current Assets	(36.84)	(41.21)
Increase/(Decrease) in Tds payable	3.22	2.81
Increase/(Decrease) in Provisions	(71.44)	(1.94)
Increase/(Decrease) in Salaries Payable	(1.02)	1.02
Increase/(Decrease) in Other financial liabilities	(0.45)	0.45
Increase/(Decrease) in Borrowings	0.00	0.00
Increase/(Decrease) in Other Current liabilities	765.51	562.29
<b>Cash generated from operations</b>	<b>(71.61)</b>	<b>54.37</b>
Interest received on Deposits		0.00
Direct Taxes Paid		0.00
<b>Net Cash from operating activities (A)</b>	<b>(7.89)</b>	<b>104.98</b>
<b>Cash flows from Investing Activities</b>		
Dividends Received		-
Purchase of Fixed Assets (Including Intangible Assets under)	0.00	(80.54)
<b>Net Cash used in Investing Activities</b>	<b>0.00</b>	<b>(80.54)</b>
<b>Cash flows from/(used in) Financing Activities</b>		
Proceeds from Long term borrowings	11.4351600	(23.60)
Repayment/(Proceeds) of/from Short-term borrowings		
<b>Net Cash used in Financing Activities</b>	<b>11.44</b>	<b>(23.60)</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>3.5473028</b>	<b>0.83</b>
Cash and Cash equivalents at the beginning of the year	1.04	0.21
<b>Cash and Cash equivalents at the ending of the year (Refer Note 2.5)</b>	<b>4.59</b>	<b>1.04</b>

**Notes :-**

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard on "Cash Flow Statements".(Ind AS-7)
2. The accompanying notes are an integral part of the financial statements.

**As per our report of even date**

**Karumanchi & Associates**

Chartered Accountants

M.No.025036

**K. Peddabai**

Partner

M.No.025036

**UDIN: 20025036AAAADX2700**

**For and on behalf of Board**

**Vimal Raj Mathur**

Chairman & Managing Director

**Sudheep Raj**

Director

Place: Hyderabad

Date: 03-12-2020

**2.7 Statement of changes in equity**

Equity share capital	Changes in equity share capital during the year		Closing balance as at 31 Mar 2020
	Opening balance as at 1 Apr 2019		
2,25,17,400 E	225174000	0	225174000
	<b>225174000</b>		<b>225174000</b>
Equity share capital	Changes in equity share capital during the year		Closing balance as at 31 Mar 2019
	Opening balance as at 1 Apr 2018		
2,25,17,400 E	225174000	0	225174000
	<b>225174000</b>		<b>225174000</b>

PARTICULARS	RETAINED EARNINGS	SECURITIES PREMIUM	GENERAL RESERVES	CAPITAL REDEMPTION RESERVE	CAPITAL RESERVE	TOTAL EQUITY
Balance as at 1/4/2019	-1606.75945	276.48	1.52216	65.1	57.70333	-1205.95396
Profit for the year	49.880355940728	0	0	0	0	49.880355940728
Adjustments	0	0	0	0	0	0
<b>Balance as at 31/03/2020</b>	<b>-1556.87909405927</b>	<b>276.48</b>	<b>1.52216</b>	<b>65.1</b>	<b>57.70333</b>	<b>-1156.07360405927</b>

PARTICULARS	RETAINED EARNINGS	SECURITIES PREMIUM	GENERAL RESERVES	CAPITAL REDEMPTION RESERVE	CAPITAL RESERVE	TOTAL EQUITY
Balance as at 1/4/2018	-1606.75945	276.48	1.52216	65.1	57.70333	-1205.95396
Profit for the year	0	0	0	0	0	0
Adjustments	0	0	0	0	0	0
<b>Balance as at 31/03/2019</b>	<b>-1606.75945</b>	<b>276.48</b>	<b>1.52216</b>	<b>65.1</b>	<b>57.70333</b>	<b>-1205.95396</b>

## **NOTES TO STANDALONE FINANCIAL STATEMENTS**

### **DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES**

#### **A. General Information**

Gradiente Infotainment Limited (the company) is engaged in the activity of advertisement, in print media, electronic media and TV serial production. The Company is a public limited company incorporated and domiciled in India on June 22, 1992 in the name of VR mathur mass communications Limited and subsequently it has been changed to Gradiente Infotainment Limited and has its registered office at Banjara Hills, Hyderabad, Telangana. The Company has its primary listings on the Bombay Stock Exchange in India. The principle accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **B. Basis of preparation and presentation of Financial Statements**

The financial statements of Gradiente Infotainment Limited (“the Company”) have been prepared and presented in accordance with the Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. For all periods up to and including the year ended 31 March 2020, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read with Rule 7 of Companies (Accounts) Rules, 2014.

#### ***Basis of Measurement***

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realisation/settlement within twelve months period from the balance sheet date.

#### **Refer note 1.1 for information on how the Company adopted Ind AS.**

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

- Certain financial assets are measured either at fair value or at amortized cost depending on the classification;

#### **C. Use of estimates and judgments**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the

reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, the areas involving critical estimates or Judgments are:

**i) Depreciation and amortization**

Depreciation and amortization is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortization charges.

**ii) Employee Benefits**

Provision for Gratuity has not been accounted for the years ended 31<sup>st</sup> March 2020, 2019, 2018, 2017 and 2016.

**iii) Provisions and contingencies**

Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the balance sheet date.

**iv) Fair valuation**

Fair value is the market based measurement of observable market transaction or available market information.

**D. Current and Non-current classification**

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1, Presentation of financial statements.

*Assets:* An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within twelve months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

*Liabilities:* A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;

- It is due to be settled within twelve months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of non-current assets/ liabilities respectively. All other assets/ liabilities are classified as non-current. Deferred tax assets and liabilities are always disclosed as non-current.

## **Significant Accounting Policies**

### **1) Property Plant & Equipment**

#### ***Recognition and measurement***

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, duties and taxes applicable and other expenses related to acquisition and installation. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within in the statement of profit and loss.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

#### ***Depreciation***



Depreciation is recognized in the statement of profit and loss on a Written down value basis over the estimated useful lives of property, plant and equipment based on Schedule II to the Companies Act, 2013 (“Schedule”), which prescribes the useful lives for various classes of tangible assets. For assets acquired or disposed off during the year, depreciation is provided on pro-rata basis.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate

The estimated useful lives are as follows:

Type of Asset	Estimated useful life in years
Buildings	30
Plant & Machinery	8
Furniture & Fixtures	10
Vehicles	8
Office Equipment	5
Computers	3
Air Conditioners	5
UPS	5
Mobile Phones	5
Audio & Visual Equipment	5

## 2) Intangible assets

Intangible assets relating to products in development, other intangible assets not available for use and intangible assets having indefinite useful life are subject to impairment testing at each reporting date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. All impairment losses are recognised immediately in the statement of profit and loss.

### *De-recognition of intangible assets*

Intangible assets are de-recognized either on their disposal or where no future economic benefits are expected from their use. Losses arising on such de-recognition are recorded

in the statement of profit and loss, and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

## Financial Instruments

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

### *Financial assets*

#### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

### *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor

retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

### *Impairment of trade receivables*

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18. Expected credit loss model takes into consideration the present value of all the cash shortfalls over the expected life of a financial instrument. In simple terms, it is weighted average of credit losses with the respective risks of default occurring as weights. The credit loss is the difference between all contractual cash flows that are due to an entity as per the contract and all the contractual cash flows that the entity expects to receive, discounted to the effective interest rate. The Standard presumes that entities would suffer credit loss even if the entity expects to be paid in full but later than when contractually due. In other words, it simply focuses on DELAYS in collection of receivables.

For the purpose of identifying the days of delay, the Company took into consideration the weighted average number of delays taking into consideration the date of billing, the credit period and the collection days.

### *Financial liabilities*

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include borrowings from banks.

#### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### 3) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and 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 goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at March 31.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”).

An impairment loss is recognized in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications 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. An impairment loss is reversed 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.

#### **4) Leases**

At the inception of each lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

##### **Finance leases**

A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

##### **Operating leases**

Other leases are operating leases, and the leased assets are not recognized on the Company’s balance sheet. Payments made under operating leases are recognized in the statement of profit and loss on a straight-line basis over the term of the lease. Operating lease incentives received from the landlord are recognized as a reduction of rental expense on a straight line basis over the lease term.

## **5) Cash & Cash Equivalents**

Cash and bank balances comprise of cash balance in hand, in current accounts with banks.

## **6) Employee Benefits**

### *Short term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

## **7) Provisions, contingent liabilities and contingent assets**

A provision is recognised 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. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### *Contingent liabilities*

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### *Contingent assets*

Contingent assets are not recognised in the financial statements. However, 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 recognised in the period in which the change occurs.

## **8) Revenue Recognition**

### *Sale of services*

Revenue from Advertisement in Print media and electronic media is recognized only when the service is rendered to the customer. Revenue from the sale of services is

measured at the fair value of the consideration received or receivable, net of returns, goods & services tax and applicable trade discounts and allowances.

### **Borrowing Costs**

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

## **9) Tax Expenses**

Tax expense consists of current and deferred tax.

### ***Income Tax***

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

### ***Deferred Tax***

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognized in the statement of changes in equity as part of the associated dividend payment.

## 10) Earnings Per Share

The Company presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

## 11) Trade receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using effective interest method, less provision for impairment.

The Company’s credit period for customers generally ranges from 60-90 days. The aging of trade receivables that are past due but not impaired is given below:

Particulars	As of 31 March	
	2020	2019
Period (in days)		
90 – 180	523.35	-
More than 180	527.69	-
<b>Total</b>		

2.1: Property, plant and equipment

Particulars	Gross carrying value			Accumulated depreciation / impairment			Net carrying value	
	As at 1 April 2019	Additio	As at 31 March 2020	As at 1 April 2019	For the year	Dispos	As at 31 March 2020	As at 31 March 2019
Buildings	18.53		18.53	-	-	-	-	18.53
Plant and Equipment	0.27		0.27	-	-	-	-	0.27
Furniture and Fixtures	2.13		2.13	-	-	-	-	2.13
Vehicles	2.31		2.31	-	-	-	-	2.31
Office equipment	0.10		0.10	-	-	-	-	0.10
Computers & Softwares	0.64		0.64	-	-	-	-	0.64
Air Conditioners	0.48		0.48	-	-	-	-	0.48
UPS	0.06		0.06	-	-	-	-	0.06
Mobile Phones	0.02		0.02	-	-	-	-	0.02
Audio Visual & Equipment	0.04		0.04	-	-	-	-	0.04
Total	24.57		24.57	-	-	-	-	24.57
Intangible assets Under Develop	1,200.55		1,200.55	-	-	-	-	1,200.55



## 2.2 Other Financial Assets

Particulars	2020		2019	
	Current	Non Current	Current	Non Current
Security deposits	-	2.43	-	2.43
<b>TOTAL</b>	<b>-</b>	<b>2.43</b>	<b>-</b>	<b>2.43</b>

## 2.3 Other Non Current Assets and Current Assets

Particulars	2020		2019	
	Current	Non Current	Current	Non Current
TDS Receivable	99.32	-	-	43.02
Advance to Supplier	2,032.99	-	1,245.58	-
Work In Progress	-	80	0	-
<b>TOTAL</b>	<b>2,132.30</b>	<b>79.86</b>	<b>1,245.98</b>	<b>43.02</b>

## 2.4 Trade receivables

Particulars	2020	2019
	Current	Current
<b>Trade Receivables</b>		
Unsecured, considered good	1,204.63	1,360.36
Less: Allowances for credit losses	-	-
Less: Bad debts Written off	-	-
<b>TOTAL</b>	<b>1,204.63</b>	<b>1,360.36</b>

## Movement of Impairment in Trade Receivables

Particulars	Amount
As at 1st April, 2016	0
Add: additional allowance of expected credit loss	0
As at 1st April, 2017	0
Reversal of Impairment	0
As at March 31, 2018	0

## 2.5 Cash and Cash Equivalents

Particulars	2020	2019
<b>a) Cash and Cash equivalents</b>		
i) Cash on hand	3.73	0.20
ii) Balances with banks		
- Current Accounts	0.94	0.84
<b>b) Other Bank Balances (with restricted use)</b>		
(i) Margin Money Deposit Accounts (against Bank Guarantees)	-	-
(ii) Unclaimed Dividend Account	-	-
Interest accrued but not due on deposits	-	-
Less: Bank Overdraft		
<b>Total</b>	<b>4.66</b>	<b>1.04</b>

## 2.6 Share Capital

Particulars	2020	2019
<b>Authorized Share Capital</b> 3,00,00,000 Equity Shares of Rs.10 each (Previous year :3,00,00,000 Equity Shares of Rs.2 each)	3,000	3,000
<b>Issued Subscribed and Paid up Share Capital</b> 2,25,17,400 Equity Shares of Rs.10 each, fully paid up (Previous year :2,25,17,400 Equity Shares of Rs.10 each, fully paid up)	2,251.74	2,251.74
	<b>2,251.74</b>	<b>2,251.74</b>

### 2.11.1 Reconciliation of Number of Shares :

Particulars	2020	2019
Number of Shares at the beginning of the year	2,25,17,400	2,25,17,400
Add : Shares issued during the year		
<b>Number of Shares at the end of the year</b>	<b>2,25,17,400</b>	<b>2,25,17,400</b>

### 2.11.2 Rights attached to equity shares

The Company has only one class of equity shares having a face value of Rs.10/- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the 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.

## 2.8 Borrowings

Particulars	2020		2019	
	Current	Non Current	Current	Non Current
<b>Secured Borrowings:</b>				
<i>Term loans from Banks</i>				
Andhra bank term loan	36.15		36.15	-
Indian bank term Loan		4.26	-	4.26
Vehicle Loans		11.27	-	11.27
<b>Unsecured Borrowings</b>				
From Directors & Related parties		482.87	-	486.96
From Others				
<b>Total</b>	<b>36.15</b>	<b>498.39</b>	<b>36.15</b>	<b>502.49</b>

## 2.9 Provisions

Particulars	2020		2019	
	Current	Non current	Current	Non current
Provision for Employee benefits				
Gratuity		16.02	-	16.02
Provision for Tax	16.09		71.44	-
Closing Balance	<b>16.09</b>	<b>16.02</b>	<b>71.44</b>	<b>16.02</b>

## 2.10 Deferred Tax Liabilities

Particulars	2020	2019
Opening Balance	4.18	4.56
Add : On account of Gratuity	-	-
Add : On account of depreciation	0.04	(1.54)
Closing Balance	<b>0.04</b>	<b>4.18</b>

## 2.11 Other Non Current Liabilities & Current liabilities

Particulars	2020		2019	
	Current	Non Current	Current	Non Current
Other Payables	2,970.12		2,205	-
<b>Total</b>	<b>2,970.12</b>		<b>2,204.61</b>	<b>-</b>

## 2.11 Trade Payables

Particulars	2020	2019
	Current	Current
Due to Micro & Small Enterprises		
<b>Dues to others</b>	<b>1516</b>	
For Raw material		
For Packing material		
For Stores and Consumables		
For Services		
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

## 2.12 Other financial liabilities

Particulars	2020	2019
	Current	Current
Creditors For Capital goods	-	-
Unpaid dividends	-	-
Interest accrued but not due on borrowings	-	-
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

<b>Note 2.12 Income</b>	<b>For the year ended</b>	<b>For the year ended</b>
	<b>31 March, 2020</b>	<b>31 March, 2019</b>
	<b>Rs.</b>	<b>Rs.</b>
Press	4.44	2,387.50
Production	2,036.96	
<b>Total - Sale Income</b>	<b>2,041.40</b>	<b>2,387.50</b>

<b>Note 2.13 Cost of materials consumed</b>	<b>For the year ended</b>	<b>For the year ended</b>
	<b>31 March, 2020</b>	<b>31 March, 2019</b>
Material consumed comprises:		
Print Media Expenses	17.76	2,308.00
Purchases	1,946.41	-
<b>Total</b>	<b>1,964.18</b>	<b>2,308.00</b>

<b>Note 2.14 Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
<b>Particulars</b>	<b>For the year ended</b>	<b>For the year ended</b>
	<b>31 March, 2020</b>	<b>31 March, 2019</b>
	<b>Rs.</b>	<b>Rs.</b>
<u>Inventories at the end of the year:</u>		
Finished goods	-	-
Work-in-progress	-	-
Stock-in-trade	-	-
	-	-
<u>Inventories at the beginning of the year:</u>		
Finished goods	-	-
Work-in-progress	-	-
Stock-in-trade	-	-
	-	-
<b>Net (increase) / decrease</b>	<b>-</b>	<b>-</b>

<b>Note 2.15 Employee Benefits</b>	<b>For the year ended</b>	<b>For the year ended</b>
	<b>31 March, 2020</b>	<b>31 March, 2019</b>
	<b>Rs.</b>	<b>Rs.</b>
Salaries and wages	2.88	15.28
Staff welfare expenses	0.03	0.28
<b>Total</b>	<b>2.91</b>	<b>15.55</b>

<u>Note 2.16 Other expenses</u>	For the year ended 31 March, 2020	For the year ended 31 March, 2019
	Rs.	Rs.
Power and fuel	1.17	0.62
Driver Salary		-
Directors Sitting fee	6.00	-
ROC Expenses		0.03
Advertising		0.18
Listing Fee		1.86
Share Transfer Expenses		0.10
AGM Expenses		0.20
Bank Charges	0.05	0.22
Rent		-
Office maintenance	0.49	1.52
Miscellaneous expenses		0.26
Repairs and maintenance		0.44
Membership & Subscription		-
Insurance	0.08	-
Postage & Courier	0.17	0.01
Communication		-
Travelling and conveyance	1.50	3.87
Printing and stationery	0.20	0.02
Vehicle Maintenance& Computer Maintenance	0.17	0.13
Books & Periodicals	0.01	-
Business promotion	0.36	0.01
Web Design Charges	0.05	-
Legal Expenses		0.14
Professional Expenses & Consultancy		1.51
Gst Penalty		0.06
Taxes & Duties		0.01
Transportation Charges		0.06
Traffic Challans		0.04
Loading & Boarding Expenses	0.23	1.24
Water Charges		0.03
Telephone Expenses	0.04	0.04
Tally Expenses		0.06
Other Expenses	0.08	0.20
Payments to auditors (Refer Note (i) below)		0.50
<b>Total</b>	<b>10.60</b>	<b>13.34</b>