



September 15, 2020

To
**The Manager - CRD,
BSE Limited**
Phiroze Jeejeebhoy Towers,
2nd Floor, Dalal Street, Fort,
Mumbai - 400 001

Scrip Code: 530943

Dear Sir(s),

Sub: Outcome of Resolution Professional Review Committee Meeting (in lieu of Suspended Board of Directors) held today i.e. Tuesday, September 15, 2020

The Company vide its letter dated December 23, 2019 has intimated the Stock Exchanges that Mr. Vijendra Kumar Jain was appointed as Interim Resolution Professional vide NCLT, Mumbai Bench, Mumbai Order No: CP (IB)-4374/I&B/MB/2018 dated 20.12.2019 and the powers of the Board of Directors of Sri Adhikari Brothers Television Network Limited shall be superseded by his appointment. Further, in the 1st meeting of Committee of Creditors held on January 15, 2020, Mr. Vijendra Kumar Jain was appointed as a Resolution Professional by the Financial Creditors.

Pursuant to the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we wish to inform you that the Resolution Professional of the Company at the Resolution Professional Review Committee Meeting held today i.e. Tuesday, September 15, 2020, *inter alia* considered and approved the Standalone and Consolidated Un-Audited Financial Results of the Company for the quarter ended June 30, 2020 prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standards (Ind AS).

In terms of the provisions of Regulation 33 of the Listing Regulations, we are enclosing herewith the copy of following:

- a) Un-audited Financial Results for the quarter ended June 30, 2020
- b) Limited Review Report on the Un-audited Standalone & Consolidated financial results received from the Statutory Auditors of the Company.

Registered Office:

6th Floor, Adhikari Chambers, Oberoi Complex, New Link Road, Andheri (W), Mumbai - 400 053.

Tel.: 022 - 40230000 | Fax: 022 - 26395459

Website: www.adhikaribrothers.com

CIN: L32200MH1994PLC083853



**SRI ADHIKARI BROTHERS
TELEVISION NETWORK LTD**

The meeting of the Resolution Professional Review Committee commenced at 3:00 pm and concluded at 5:00 pm.

Kindly take the same on your record.

Thanking You,

Yours faithfully,

For **Sri Adhikari Brothers Television Network Limited**

Komal Jhamnani
Company Secretary & Compliance Officer
ACS No.:59224
Contact No - 7304490090
Encl.: A/a

Registered Office:

6th Floor, Adhikari Chambers, Oberoi Complex, New Link Road, Andheri (W), Mumbai - 400 053.

Tel.: 022 - 40230000 | Fax: 022 - 26395459

Website: www.adhikaribrothers.com

CIN: L32200MH1994PLC083853

SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED

CIN: L32200MH1994PLC083853

Regd. Office : 6th Floor, Adhikari Chambers, Oberoi Complex, New Link Road, Andheri (West), Mumbai 400 053.

Tel. : 022-26395400/022-40230000, Fax : 022-26395459 Email : investorservices@adhikaribrothers.com Website: www.adhikaribrothers.com

STATEMENT OF STANDALONE AND CONSOLIDATED UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2020.

Sr. No.	Particulars	Standalone			Consolidated			Standalone	Consolidated
		For Quarter Ended			For Quarter Ended			For Year Ended	For Year Ended
		30-Jun-20	31-Mar-20	30-Jun-19	30-Jun-20	31-Mar-20	30-Jun-19	31-Mar-20	31-Mar-20
		(Un-Audited)	(Audited)	(Un-Audited)	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)	(Audited)
1	Income								
	(a) Revenue from operations	-	-	-	-	-	(113.75)	(113.75)	
	(b) Other Income	27.70	27.96	17.12	27.70	27.96	108.05	108.05	
	Total Income (a+b)	27.70	27.96	17.12	27.70	27.96	(5.70)	(5.70)	
2	Expenditure								
a.	Cost of Material Consumed	-	-	-	-	-	-	-	
b.	Changes in inventories of Finished Goods and Work-in-progress	-	-	-	-	-	(113.75)	(113.75)	
c.	Employee Benefit Expense	1.68	(0.04)	2.50	1.68	(0.04)	9.84	9.84	
d.	Finance Cost	366.58	336.21	326.43	366.58	336.21	1,347.72	1,347.72	
e.	Depreciation & Amortization Expense	575.03	582.02	576.12	575.03	582.02	2,314.70	2,314.70	
f.	Other Expenses								
	(i) Operating Expenses	-	-	-	-	-	-	-	
	(ii) Other Expenses	13.96	19.20	13.71	13.99	19.23	92.09	92.21	
	Total Expenditure (a+b+c+d+e+f)	957.25	937.38	918.76	957.28	937.41	3,650.60	3,650.72	
3	Profit/(Loss) before Exceptional Items & Tax (1-2)	(929.55)	(909.42)	(901.64)	(929.58)	(909.45)	(3,656.30)	(3,656.41)	
4	Exceptional Items (Refer Note No. 8, 9, 10 & 11)	-	(6.04)	-	-	(6.04)	20.17	20.17	
5	Profit/(Loss) before Tax (3-4)	(929.55)	(903.38)	(901.64)	(929.58)	(903.40)	(3,676.47)	(3,676.58)	
6	Tax Expenses	-	6.04	-	-	6.04	-	6.04	
	i) Income Tax pertaining to earlier years	-	6.04	-	-	6.04	6.04	6.04	
	ii) MAT Credit Entitlement	-	-	-	-	-	-	-	
	iii) Deferred Tax	-	-	-	-	-	-	-	
7	Profit/(Loss) after tax (5-6)	(929.55)	(909.41)	(901.64)	(929.58)	(909.44)	(3,682.51)	(3,682.62)	
	Less: Share of Minority Interest	-	-	-	(0.01)	(0.01)	-	(0.04)	
	Add: Profit/(Loss) of Associates	-	-	-	-	-	-	-	
8	Profit/(Loss) for the year	(929.55)	(909.41)	(901.64)	(929.57)	(909.43)	(3,682.51)	(3,682.58)	
9	Other Comprehensive Income(Net of Taxes)								
	Items that will not be reclassified to profit or loss (net of Tax):								
	a) Changes in fair value of Equity Instruments	-	-	-	-	-	-	-	
	b) Remeasurement of Employee benefits Obligation.	(0.08)	0.11	(0.08)	(0.08)	0.11	(0.12)	(0.12)	
	Other Comprehensive Income Items that will be reclassified to Profit or loss	-	-	-	-	-	-	-	
10	Total Other Comprehensive Income	(929.63)	(909.30)	(901.72)	(929.65)	(909.32)	(3,682.63)	(3,682.71)	
11	Paid up Equity Share Capital (Face Value Rs. 10/-)	3,494.45	3,494.45	3,494.45	3,494.45	3,494.45	3,494.45	3,494.45	
12	Other Equity	-	(6,713.80)	-	-	(6,714.95)	(6,713.80)	(6,714.95)	
13	Earning Per Share (EPS)								
	Basic	(2.66)	(2.60)	(2.58)	(2.66)	(2.60)	(10.54)	(10.54)	
	Diluted	(2.66)	(2.60)	(2.58)	(2.66)	(2.60)	(10.54)	(10.54)	

SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED

CIN: L32200MH1994PLC083853

Regd. Office : 6th Floor, Adhikari Chambers, Oberoi Complex, New Link Road, Andheri (West), Mumbai 400 053.

Tel. : 022-26395400/022-40230000, Fax : 022-26395459 Email : investorservices@adhikaribrothers.com Website: www.adhikaribrothers.com

Notes :

- 1 The Company has been admitted in National Company Law Tribunal (NCLT) on 20th December 2019 – Order no. – CP (IB) No. 4374/I&B/MB/2018. As per the order the company is under Corporate Insolvency Resolution process (CIRP) with Resolution professional namely “Mr. Vijendra Kumar Jain” having IP registration No. IBBI/IPA-004/IP-P00721/2017-2018/11253 and the management of the affairs of the Corporate Debtor (Sri Adhikari Brothers Television Network Limited) vests with the Resolution Professional.
- 2 The suspended management has not handed over the books of accounts and other accounting records and documents, possession of the corporate office, plot at Kandivali, content library (intangible asset), inventories, other fixed assets, original agreements and documents related to Company. Therefore the Resolution Professional has filed a non-cooperation petition with Hon'ble NCLT, Mumbai against the suspended management of the Company under section 19 of IBC. These accounts are as prepared by the suspended management. The suspended Managing Director who is in possession of the Books of Accounts and under whose supervision the Financials are prepared, has refused to sign the Financials by an email dated 28th July, 2020 in the current state and has sought a legal opinion in this regard. The RP is in process of taking the legal opinion in this matter.
- 3 The above Standalone & Consolidated Financial Results of the Company have been reviewed by the Resolution Professional meeting Committee (in lieu of the Suspended board of Directors) held on 15th September, 2020. The Statutory Auditors have carried out the review of these Standalone & Consolidated Financial Results for the quarter ended June 30, 2020 and the same are made available on website of the company www.adhikaribrothers.com and website of BSE Limited www.bseindia.com and National Stock Exchange of India Limited on www.nseindia.com where shares of the Company are listed.
- 4 The figures for the quarter ended March 2020 are the balancing figures between the audited figures in respect of the full financial year and published un-audited year to date figures upto the third quarter respective financial year.
- 5 The Company is operating in a single segment viz. content production and distribution. Hence the results are reported on a single segment basis.
- 6 The RP of the Company has invited Expression of Interest from prospective investors to find a resolution to the current default situation of the company, on the basis of which the accounts have been prepared on going concern concept.
- 7 RP has instituted a transaction audit of the company for 5 years to be conducted by Forensic Auditor namely, M/s. Shambhu Gupta & Co. who could not complete the audit due to non-cooperation from the suspended management. These results will be subject to findings of the Forensic Auditor. Further, as part of CIRP, Resolution Professional has appointed valuers for valuing the assets of the company. The valuation of the fixed assets, intangible assets, financial assets and inventory as disclosed in the results for the quarter ended June 30, 2020 are subject to the valuation reports of the valuers.
- 8 The amount of total term loans included in Other Financial Liabilities amounts to Rs. 178,85,67,955 in the books of account whereas the amount of total claims received by RP from the financial creditor's amount to Rs. 5,03,49,12,927.68 (including Corporate Guarantees amounting to Rs. 3,01,84,33,450.73) which includes interest/ penalty calculated upto CIRP admission date.
Claim received by RP from banks against mortgage on security interest on the assets of the company amount to Rs.1,36,07,97,232. (including interest/ penalty calculated upto CIRP admission date).
Further, the RP has received claims from operational creditors and employees amounting to Rs. 9,59,838 and Rs. 59,344, respectively. These have been accepted by the Resolution Professional.
- 9 The suspended management leased out floors- 1st, 4th, 5th, 6th and 7th to related parties namely, M/s. TV Vision Limited and M/s. SAB Events and Governance Now Media Limited, during F/Y 2018-19, after the company account became NPA with the Banks, without taking NOC from these Banks. This is a non-compliance of the mortgage documents executed with the respective Banks. The lease terms have been agreed to favour the related parties and are against the interest of the company. Resolution Professional has served the lessees with a lease termination notice to terminate the leases, to protect the interest of the company.
An application is issued on behalf of Mr. Markand Adhikari before Hon'ble NCLT, Mumbai Bench seeking issuance of appropriate directions to quash the termination of Lease and Licence Notice on behalf of the Company to the lessees. The outcome of such application cannot be ascertained as on date.
- 10 The Suspended Director, Mr. Markand Adhikari has filed an Application in NCLAT challenging the orders of NCLT, Mumbai Bench, admitting the CIRP of the Company. Another application is filed before Hon'ble NCLT, Mumbai Bench, on behalf of Mr. Markand Adhikari, seeking substitution / change of the Resolution Professional under section 7(3)(B) of the Insolvency and Bankruptcy Code, 2016
- 11 The " Other Equity" balances of the Company will be provided by the Company for the year ended March 31, 2021 based on audited figures of standalone and consolidated accounts and is not given on a quarterly basis.
- 12 The figures have been re-grouped / re-arranged / reclassified / reworked wherever necessary to conform to the current year accounting treatment.

**For Sri Adhikari Brothers Television Network Ltd.
(Company under Corporate Insolvency Resolution Process)**

Vijendra
Kumar Jain

**Vijendra Kumar Jain
Resolution Professional**

Place : Mumbai

Date : September 15, 2020

Independent Auditors' Review Report

**To the Interim Resolution Professional of
Sri Adhikari Brothers Television Network Limited**

1. The Hon'ble National Company Law Tribunal, Mumbai bench ("NCLT") in an Order dated December 20, 2019 admitted an Insolvency and Bankruptcy petition filed by one of the secured lenders against Sri Adhikari Brothers Television Network Limited and appointed Mr. Vijendra Kumar Jain to act as Resolution Professional (RP) to carry the functions as mentioned under Insolvency and Bankruptcy Code, 2016.
2. As per Regulation 33(2)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the financial results of a company submitted to the Stock Exchange shall be signed by the Chairperson or Managing Director or Whole Time Director or in absence of all of them, it shall be signed by any Director of the company who is duly authorized by the board of Directors to sign the financial results. Pursuant to the order of Hon'ble NCLT initiating Corporate Insolvency Resolution Process ("CIRP"), the powers of the Board of Directors stand suspended and such powers are exercisable by RP. As the powers of the Board of Directors have been suspended, the above results are signed and approved by RP, subject to RP's qualifications. Further, as informed to us, the above results are not approved by the Audit Committee and not adopted by Board of Directors.
3. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Sri Adhikari Brothers Television Network Limited** ("the Company") for the quarter ended June 30, 2020, being submitted by the Company pursuant to the requirement of Regulation 33 & 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with relevant circulars issued by SEBI.
4. The Statement is the responsibility of the Company Management and has been taken on record by the RP, which is prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 & 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with relevant circulars issued by SEBI. Our responsibility is to express a conclusion on the Statement based on our review.
5. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to

BRANCH OFFICES

INDIA - Mumbai, Vadodara, Kochi.
OVERSEAS - Dubai, London, New York, Melbourne.



whether the statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Adverse Opinion

- i) *We are not able to judge solely on the basis of verification of other audit evidences obtained during the course of audit whether the management has fulfilled its responsibility for the preparation of the financial statements in accordance with the applicable financial reporting framework. Further, we had also requested the management to give a written representation that it has provided us with all the relevant information during the audit and whether all the transactions have been properly recorded and reflected in financial statements, however the management has not provided all such written representations as required by SRE 2410 and as per Standard on Auditing SA 580, as a result we are unable to obtain sufficient appropriate audit evidence. The possible effects of such inability on the financial statements are not confined to specific elements, any accounts or items of financial statements and hence we conclude this condition to be pervasive, in our professional judgment, due to which we have issued adverse opinion on the financial statements in such circumstances as required by Standard on Auditing SA 705 (Revised).*
- ii) *We draw attention to Note No. 6 forming part of financial results regarding preparation of accounts on going concern basis notwithstanding the fact that loans have been recalled back by secured lenders, current liabilities are substantially higher than the current assets, issue of notices under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, recovery proceedings initiated with debt recovery tribunal and taking over symbolic possession of immovable properties by the secured lenders of the Company and invocation of Corporate Guarantees which was given by the Company relating to its related group companies, initiation of Corporate Insolvency Resolution Process under Insolvency and Bankruptcy Code, 2016, termination of leave and licence agreement notices sent to lessees in this year, substantial losses incurred by the Company for the quarter ended June 30, 2020 and previous financial years and negative Total Equity as on June 30, 2020. Further, attention is drawn to Order dated 17.01.2020 by Hon'ble NCLAT, New Delhi, wherein it is stated that the RP has to ensure that the Company continues to remain as a going concern and will have to take the assistance of the suspended management. The appropriateness of assumption of going concern is mainly dependent on the company's ability to generate growth in cash flows in future, to meet its obligation. However, we are unable to obtain sufficient and appropriate audit evidence regarding management / RP's using principle of going concern in the preparation of financial results, in view of the initiation of Corporate Insolvency Resolution Process, the outcome of which cannot be ascertained as on date and uncertainty relating to other matters stated hereinabove. Further, as represented by RP in Committee of Creditors (CoC) meeting dated June 20, 2020 wherein it was decided that since the current leases are causing many hindrances, as mentioned in minutes of the said CoC meeting, in finding a resolution to the Company's current situation, the RP has served termination of Leave and License agreement notices to the lessees in this year in the interest of the Company. However, an application is issued on behalf of Mr. Markand Adhikari before Hon'ble NCLT, Mumbai Bench seeking issuance of appropriate directions to quash the termination of Leave and Licence*

BRANCH OFFICES

INDIA - Mumbai, Vadodara, Kochi.
OVERSEAS - Dubai, London, New York, Melbourne.



P. PARIKH & ASSOCIATES

CHARTERED ACCOUNTANTS

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

web: www.pparikh.com.

Notice on behalf of the Company to the lessees. The outcome of such application cannot be ascertained as on date.

- iii) Due to defaults in repayment of loans taken from Bank/s, the Account of the Company has been classified as Non-Performing Asset by Banks in the previous financial years and except two Banks, other Banks have not charged the interest / reversed the unpaid interest charged from the date the account has been classified as non-performing. No provision has been made in the books of accounts maintained by the Company for interest / penal interest, if any, on these term loans amounting to Rs. 22,79,11,522/- as on June 30, 2020, hence to that extent, finance cost, total loss for the quarter ended June 30, 2020, Negative "Other Equity" balances (as it includes interest expense of previous financial years) and current financial liabilities are understated by Rs. 22,79,11,522/- as on June 30, 2020. The said amount of Rs. 22,79,11,522/- is the difference between claims amounting to Rs. 201,64,79,477/- (including interest) received from banks by RP and amount of loan outstanding from banks amounting to Rs.178,85,67,955 /- reflected in books of accounts of the Company as on June 30, 2020.*
- iv) The Company / RP has received claims from Operational Creditors and employees amounting to Rs. 10,19,182 /- which has been accepted and is under verification, however the said amount of claims are not reconciled with books of accounts as on June 30, 2020.*
- v) The aggregate carrying value of business and commercial rights in the books of the Company as on June 30, 2020 is Rs. 104,78,36,074/-. There is no revenue generation from monetization of these assets during the quarter ended June 30, 2020 due to which the Company has incurred substantial losses during the quarter ended June 30, 2020 and previous financial years. There is a strong indication of impairment in the value of these business and commercial rights and therefore we are of the opinion that the impairment loss of Rs. 104,78,36,074/- should be provided on all such assets in the books of accounts of the Company as on June 30, 2020. The assets of the Company are overstated and net loss for the quarter ended June 30, 2020 is understated to that extent.*
- vi) The Company has not provided for loss allowances on financial corporate guarantee contracts amounting to Rs. 301,84,33,451/- (including interest / penalty calculated upto CIRP admission date) given by the Company on behalf of its related group companies which is to be recognized as required by Indian Accounting Standard (IND-AS 109) and also not provided for claims amounting to Rs. 136,07,97,232 received from banks against mortgage given by the Company for Security Interest in the Company's Assets. The financial liabilities of the Company and net loss for the quarter ended June 30, 2020 is understated to that extent.*
- vii) The Company's inventories are carried in the Balance Sheet at Rs. 2,71,01,487/- as on June 30, 2020. The Management has not stated the inventories at the lower of cost and net realizable value but has stated them solely at cost, which constitutes a departure from Indian Accounting Standard-2- Inventories (Ind AS-2). As the inventories of the Company consist of rights which are returned by the customers due to defect in quality of such rights and it also consist of such inventory which are non-moving for a long period of time, we are of the opinion that the net realizable value of inventories is NIL as on June 30, 2020.*

BRANCH OFFICES

INDIA - Mumbai, Vadodara, Kochi.
OVERSEAS - Dubai, London, New York, Melbourne.



The assets of the Company are overstated and net loss for the quarter ended June 30, 2020 is understated to that extent.

- viii) *The impact of impairment of all other Tangible assets in Property, Plant and Equipment amounting to Rs. 37,07,28,063/- and Capital Work in Progress amounting to Rs. 14,03,44,247 /- should have been accounted in the books of accounts by the Company in the previous financial years or as on June 30, 2020 after considering the physical verification of all such assets and by ascertaining the Fair Market Value of such assets by appointing a third party expert valuers and doing a valuation of the same. The assets of the Company are overstated and net loss for the quarter ended June 30, 2020 is understated to that extent.*
- ix) *No provision for doubtful debts for the sum of Rs. 26,81,000 /- has been made in books of accounts as on June 30, 2020 as per expected credit loss method prescribed under IND-AS 109 for amount recoverable from a debtor which is doubtful of recovery. The losses and current liabilities of the Company are understated as on June 30, 2020 to the extent of Rs. 26,81,000 /-.*

Emphasis of Matters

- i) The Adverse Opinion expressed in the present report is based on the limited information, facts and inputs made available to us through electronic means by the Company. We wish to highlight that due to the COVID-19 induced restrictions on physical movement and strict timelines, the entire audit team could not visit the office of the Company for undertaking the required audit procedures as prescribed under ICAI issued Standards on Auditing, including but not limited to:
- Inspection, Observation, examination and verification of the original documents of invoices, legal agreements, bank accounts statements / loan accounts statements and files.
 - Physical verification of Cash, including adequate internal controls thereof.
 - Physical Verification of Property, Plant and Equipment, Inventories and Status of Capital Work in Progress as on June 30, 2020.
 - Any other processes which required physical presence of the audit team.
- ii) The impact of pending direct and indirect tax assessments, if any, based on assessments orders / communications received by the Company has not been accounted for the quarter ended June 30, 2020 but will be accounted in books of accounts only after final order of demand / refund will be received from the relevant tax authorities / court.
- iii) Attention is drawn to Note No. 2 forming part of the results wherein we are informed by the RP that the suspended management has not handed over the books of accounts and other accounting records and documents, possession of the corporate office, plot at Kandivali, content library (intangible asset), inventories,

BRANCH OFFICES

INDIA - Mumbai, Vadodara, Kochi.
OVERSEAS - Dubai, London, New York, Melbourne.



other fixed assets, original agreements and documents related to Company and the Resolution Professional has filed a non-cooperation petition with Hon'ble NCLT, Mumbai against the suspended management of the Company under section 19 of IBC. Further, attention is also drawn to the application filed before Hon'ble NCLT, Mumbai Bench, on behalf of Mr. Markand Adhikari, seeking substitution / change of the Resolution Professional under section 7(3)(B) of the Insolvency and Bankruptcy Code, 2016, the outcome of both the pending applications mentioned hereinabove cannot be ascertained as on date.

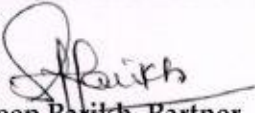
- iv) In the management representation provided to us by the RP, it has been stated that the Forensic Auditor has been appointed to conduct Transaction Audit of the Company for the last 5 financial years who could not complete the audit due to non-cooperation from the suspended management and RP has also appointed IBBI approved valuers to carry out valuation of the assets (including intangible assets) of the Company. The financial impact, if any, of findings of such Forensic Audit and valuation of assets (including intangible assets) by IBBI approved valuers, will be accounted for by the Company after the said reports have been received by the Company.

Our opinion is not modified in respect of these matters.

For P. Parikh & Associates

Chartered Accountants

Firm Registration No. 107564W


Sandeep Parikh, Partner

Membership No. 039713

Mumbai

September 15, 2020

UDIN:- 20039713AAAABO6136



BRANCH OFFICES

INDIA - Mumbai, Vadodara, Kochi.

OVERSEAS - Dubai, London, New York, Melbourne.

Independent Auditors' Review Report

**To the Interim Resolution Professional of
Sri Adhikari Brothers Television Network Limited**

1. The Hon'ble National Company Law Tribunal, Mumbai bench ("NCLT") in an Order dated December 20, 2019 admitted an Insolvency and Bankruptcy petition filed by one of the secured lenders against Sri Adhikari Brothers Television Network Limited and appointed Mr. Vijendra Kumar Jain to act as Resolution Professional (RP) to carry the functions as mentioned under Insolvency and Bankruptcy Code, 2016.
2. As per Regulation 33(2)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the financial results of a company submitted to the Stock Exchange shall be signed by the Chairperson or Managing Director or Whole Time Director or in absence of all of them, it shall be signed by any Director of the company who is duly authorized by the board of Directors to sign the financial results. Pursuant to the order of Hon'ble NCLT initiating Corporate Insolvency Resolution Process ("CIRP"), the powers of the Board of Directors stand suspended and such powers are exercisable by RP. As the powers of the Board of Directors have been suspended, the above results are signed and approved by RP, subject to RP's qualifications. Further, as informed to us, the above results are not approved by the Audit Committee and not adopted by Board of Directors.
3. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **Sri Adhikari Brothers Television Network Limited** ("the Parent") and its Subsidiary (the Parent and its Subsidiary together referred to as "the Group") for the quarter ended June 30, 2020, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
4. The Statement is the responsibility of the Parent's Management and has been approved and taken on record by the RP, which is prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 & 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with relevant circulars issued by SEBI. Our responsibility is to express a conclusion on the Statement based on our review.

BRANCH OFFICES

INDIA - Mumbai, Vadodara, Kochi.
OVERSEAS - Dubai, London, New York, Melbourne.



5. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

6. The Statement includes the results of the following entities :-

- i) Sri Adhikari Brothers Television Network Limited (Holding Company)
- ii) Westwind Realtors Private Limited (Subsidiary Company)

Adverse Opinion

- i) *We are not able to judge solely on the basis of verification of other audit evidences obtained during the course of audit whether the management has fulfilled its responsibility for the preparation of the financial statements in accordance with the applicable financial reporting framework. Further, we had also requested the management to give a written representation that it has provided us with all the relevant information during the audit and whether all the transactions have been properly recorded and reflected in financial statements, however the management has not provided all such written representations as required by SRE 2410 and as per Standard on Auditing SA 580, as a result we are unable to obtain sufficient appropriate audit evidence. The possible effects of such inability on the financial statements are not confined to specific elements, any accounts or items of financial statements and hence we conclude this condition to be pervasive, in our professional judgment, due to which we have issued adverse opinion on the financial statements in such circumstances as required by Standard on Auditing SA 705 (Revised).*
- ii) *We draw attention to Note No. 6 forming part of financial results regarding preparation of accounts on going concern basis notwithstanding the fact that loans have been recalled back by secured lenders, current liabilities are substantially higher than the current assets, issue of notices under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act,*

BRANCH OFFICES

INDIA - Mumbai, Vadodara, Kochi.
OVERSEAS - Dubai, London, New York, Melbourne.



2002, recovery proceedings initiated with debt recovery tribunal and taking over symbolic possession of immovable properties by the secured lenders of the Company and invocation of Corporate Guarantees which was given by the Company relating to its related group companies, initiation of Corporate Insolvency Resolution Process under Insolvency and Bankruptcy Code, 2016, termination of leave and licence agreement notices sent to lessees in this year, substantial losses incurred by the Company for the quarter ended June 30, 2020 and previous financial years and negative Total Equity as on June 30, 2020. Further, attention is drawn to Order dated 17.01.2020 by Hon'ble NCLAT, New Delhi, wherein it is stated that the RP has to ensure that the Company continues to remain as a going concern and will have to take the assistance of the suspended management. The appropriateness of assumption of going concern is mainly dependent on the company's ability to generate growth in cash flows in future, to meet its obligation. However, we are unable to obtain sufficient and appropriate audit evidence regarding management / RP's using principle of going concern in the preparation of financial results, in view of the initiation of Corporate Insolvency Resolution Process, the outcome of which cannot be ascertained as on date and uncertainty relating to other matters stated hereinabove. Further, as represented by RP in Committee of Creditors (CoC) meeting dated June 20, 2020 wherein it was decided that since the current leases are causing many hindrances, as mentioned in minutes of the said CoC meeting, in finding a resolution to the Company's current situation, the RP has served termination of Leave and License agreement notices to the lessees in this year in the interest of the Company. However, an application is issued on behalf of Mr. Markand Adhikari before Hon'ble NCLT, Mumbai Bench seeking issuance of appropriate directions to quash the termination of Leave and Licence Notice on behalf of the Company to the lessees. The outcome of such application cannot be ascertained as on date.

- iii) Due to defaults in repayment of loans taken from Bank/s, the Account of the Company has been classified as Non-Performing Asset by Banks in the previous financial years and except two Banks, other Banks have not charged the interest / reversed the unpaid interest charged from the date the account has been classified as non-performing. No provision has been made in the books of accounts maintained by the Company for interest / penal interest, if any, on these term loans amounting to Rs. 22,79,11,522/- as on June 30, 2020, hence to that extent, finance cost, total loss for the quarter ended June 30, 2020, Negative "Other Equity" balances (as it includes interest expense of previous financial years) and current financial liabilities are understated by Rs. 22,79,11,522/- as on June 30, 2020. The said amount of Rs. 22,79,11,522/- is the difference between claims amounting to Rs. 201,64,79,477/- (including interest) received from banks by RP and amount of loan outstanding from banks amounting to Rs.178,85,67,955 /- reflected in books of accounts of the Company as on June 30, 2020.
- iv) The Company / RP has received claims from Operational Creditors and employees amounting to Rs. 10,19,182 /- which has been accepted and is under verification, however the said amount of claims are not reconciled with books of accounts as on June 30, 2020.

BRANCH OFFICES

INDIA - Mumbai, Vadodara, Kochi.
OVERSEAS - Dubai, London, New York, Melbourne.



- v) *The aggregate carrying value of business and commercial rights in the books of the Company as on June 30, 2020 is Rs. 104,78,36,074/-. There is no revenue generation from monetization of these assets during the quarter ended June 30, 2020 due to which the Company has incurred substantial losses during the quarter ended June 30, 2020 and previous financial years. There is a strong indication of impairment in the value of these business and commercial rights and therefore we are of the opinion that the impairment loss of Rs. 104,78,36,074/- should be provided on all such assets in the books of accounts of the Company as on June 30, 2020. The assets of the Company are overstated and net loss for the quarter ended June 30, 2020 is understated to that extent.*
- vi) *The Company has not provided for loss allowances on financial corporate guarantee contracts amounting to Rs. 301,84,33,451/- (including interest / penalty calculated upto CIRP admission date) given by the Company on behalf of its related group companies which is to be recognized as required by Indian Accounting Standard (IND-AS 109) and also not provided for claims amounting to Rs. 136,07,97,232 received from banks against mortgage given by the Company for Security Interest in the Company's Assets. The financial liabilities of the Company and net loss for the quarter ended June 30, 2020 is understated to that extent.*
- vii) *The Company's inventories are carried in the Balance Sheet at Rs. 2,71,01,487/- as on June 30, 2020. The Management has not stated the inventories at the lower of cost and net realizable value but has stated them solely at cost, which constitutes a departure from Indian Accounting Standard-2- Inventories (Ind AS-2). As the inventories of the Company consist of rights which are returned by the customers due to defect in quality of such rights and it also consist of such inventory which are non-moving for a long period of time, we are of the opinion that the net realizable value of inventories is NIL as on June 30, 2020. The assets of the Company are overstated and net loss for the quarter ended June 30, 2020 is understated to that extent.*
- viii) *The impact of impairment of all other Tangible assets in Property, Plant and Equipment amounting to Rs. 37,07,28,063/- and Capital Work in Progress amounting to Rs. 14,03,44,247 /- should have been accounted in the books of accounts by the Company in the previous financial years or as on June 30, 2020 after considering the physical verification of all such assets and by ascertaining the Fair Market Value of such assets by appointing a third party expert valuers and doing a valuation of the same. The assets of the Company are overstated and net loss for the quarter ended June 30, 2020 is understated to that extent.*
- ix) *No provision for doubtful debts for the sum of Rs. 26,81,000 /- has been made in books of accounts as on June 30, 2020 as per expected credit loss method prescribed under IND-AS 109 for amount*

BRANCH OFFICES

INDIA - Mumbai, Vadodara, Kochi.
OVERSEAS - Dubai, London, New York, Melbourne.



recoverable from a debtor which is doubtful of recovery. The losses and current liabilities of the Company are understated as on June 30, 2020 to the extent of Rs. 26,81,000 /-.

Emphasis of Matters

- i) The Adverse Opinion expressed in the present report is based on the limited information, facts and inputs made available to us through electronic means by the Company. We wish to highlight that due to the COVID-19 induced restrictions on physical movement and strict timelines, the entire audit team could not visit the office of the Company for undertaking the required audit procedures as prescribed under ICAI issued Standards on Auditing, including but not limited to:
- Inspection, Observation, examination and verification of the original documents of invoices, legal agreements, bank accounts statements / loan accounts statements and files.
 - Physical verification of Cash, including adequate internal controls thereof.
 - Physical Verification of Property, Plant and Equipment, Inventories and Status of Capital Work in Progress as on June 30, 2020.
 - Any other processes which required physical presence of the audit team.
- ii) The impact of pending direct and indirect tax assessments, if any, based on assessments orders / communications received by the Company has not been accounted for the quarter ended June 30, 2020 but will be accounted in books of accounts only after final order of demand / refund will be received from the relevant tax authorities / court.
- iii) Attention is drawn to Note No. 2 forming part of the results wherein we are informed by the RP that the suspended management has not handed over the books of accounts and other accounting records and documents, possession of the corporate office, plot at Kandivali, content library (intangible asset), inventories, other fixed assets, original agreements and documents related to Company and the Resolution Professional has filed a non-cooperation petition with Hon'ble NCLT, Mumbai against the suspended management of the Company under section 19 of IBC. Further, attention is also drawn to the application filed before Hon'ble NCLT, Mumbai Bench, on behalf of Mr. Markand Adhikari, seeking substitution / change of the Resolution Professional under section 7(3)(B) of the Insolvency and Bankruptcy Code, 2016, the outcome of both the pending applications mentioned hereinabove cannot be ascertained as on date.

BRANCH OFFICES

INDIA - Mumbai, Vadodara, Kochi.
OVERSEAS - Dubai, London, New York, Melbourne.



iv) In the management representation provided to us by the RP, it has been stated that the Forensic Auditor has been appointed to conduct Transaction Audit of the Company for the last 5 financial years who could not complete the audit due to non-cooperation from the suspended management and RP has also appointed IBBI approved valuers to carry out valuation of the assets (including intangible assets) of the Company. The financial impact, if any, of findings of such Forensic Audit and valuation of assets (including intangible assets) by IBBI approved valuers, will be accounted for by the Company after the said reports have been received by the Company.

Our opinion is not modified in respect of these matters.

7. The consolidated unaudited financial results include the interim financial results of 1 subsidiary which have been reviewed by us, whose interim financial results reflect total revenue of Rs. NIL and total net loss after tax of Rs. 0.03 Lakhs for the quarter ended June 30, 2020, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results does not include Group's share of net loss after tax for the quarter ended June 30, 2020, in respect of one associate, whose interim financial results have not been reviewed by us. According to the information and explanations given to us by the Management, these interim financial results of the associate are not considered in the results of the Parent as the investment in the associate had become NIL in the previous financial years in the books of the Parent and liability for proportionate losses of the

current quarter ended June 30, 2020 are not recognised as per requirements of Indian Accounting Standard (Ind AS) 28 "Investments in Associates".

For P. Parikh & Associates

Chartered Accountants

Firm Registration No. 107564W


Sandeep Parikh, Partner

Membership No. 039713

Mumbai

September 15, 2020

UDIN:- 20039713AAAABP4857



BRANCH OFFICES

INDIA - Mumbai, Vadodara, Kochi.

OVERSEAS - Dubai, London, New York, Melbourne.