

Wynk Limited
Ind AS Financial Statements
March 2019

Wynk Limited

Ind AS Financial Statements – March 2019

| Contents | Page No. |
|---|----------|
| 1. Independent Auditor's Report | 4 |
| 2. Ind AS Financial Statements | |
| - Balance Sheet as of March 31, 2019 and March 31, 2018 | 7 |
| - Statement of Profit and Loss for the year ended March 31, 2019 and 2018 | 8 |
| - Statement of Changes in Equity for the year ended March 31, 2019 and 2018 | 9 |
| - Statement of Cash Flows for the year ended March 31, 2019 and 2018 | 10 |
| - Notes to Financial Statements | 11 |

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To The Members of WYNK Limited Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of WYNK Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for 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 Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Board's Report including Annexures to the Board's Report, Secretarial report, Corporate Governance and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the

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- Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act.


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- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Nilesh H Lahoti

Partner

(Membership No. 130054)

UDIN: 19130054AAAAAHJ9201

Place: New Delhi
Date: 5 July 2019



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of WYNK Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 WYNK Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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


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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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal control over financial reporting 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 **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Nilesh H Lahoti

Partner
(Membership No. 130054)
UDIN: 19130054AAAAHJ9201

Place: New Delhi
Date: 5 July 2019



ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of WYNK Limited of even date)

- i. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets with respect to most of its fixed assets.
 - b) The Company has a program of verification of fixed assets to cover all the fixed assets items in a phased manner at reasonable intervals, over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us, the Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause 3(i)(c) of the Order is not applicable to the company.
- ii. The Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable.
- iii. According to the information and explanation 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.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable.
- vi. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 for the Company.



- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Services Tax, Customs Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities. As explained to us, the provisions relating to duty of excise are not applicable to the Company.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Value Added Tax, Service Tax, Goods and Services Tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2019 on account of disputes.
- viii. In our opinion and according to the information and explanations given to us, the Company has not taken any loans or borrowings from financial institutions, banks and government.
- ix. During the current year, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the company has not paid any managerial remuneration during the current year, accordingly provision of section 197 read with schedule V of the act are not applicable to the company and hence reporting under clause 3 (xi) are not applicable.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or


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directors of its holding company, or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Nilesh H Lahoti
Partner
(Membership No. 130054)
UDIN: 19130054AAAAHJ9201

 Place: New Delhi
Date: 5 July 2019

Ind AS Financial Statements

Wynk Limited
Balance Sheet
(All amounts are in millions of Indian Rupees)

| | Notes | As of | |
|--|-------|----------------|----------------|
| | | March 31, 2019 | March 31, 2018 |
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 5 | 122 | 25 |
| Capital work-in-progress | | 15 | 0 |
| Intangible assets | 6 | 101 | 56 |
| Income tax assets | | 435 | 144 |
| Deferred tax assets | 7 | 62 | 29 |
| | | 735 | 254 |
| Current assets | | | |
| Financial assets | | | |
| - Trade receivables | 8 | 177 | 734 |
| - Security deposits | | 750 | - |
| - Cash and cash equivalents | 9 | 1 | 295 |
| - Others | 10 | 502 | 353 |
| Other current assets | 11 | 317 | 174 |
| | | 1,747 | 1,556 |
| Total assets | | 2,482 | 1,810 |
| Equity and liabilities | | | |
| Equity | | | |
| Share capital | 12 | 1 | 1 |
| Other equity | | 488 | 550 |
| | | 489 | 551 |
| Non-current liabilities | | | |
| Provisions | 14 | 9 | 8 |
| | | 9 | 8 |
| Current liabilities | | | |
| Financial liabilities | | | |
| - Borrowings | 15 | 675 | 33 |
| - Trade payables | 16 | | |
| -total outstanding dues of micro enterprises and small enterprises | | 5 | - |
| -total outstanding dues of trade payables other than micro enterprises and small enterprises | | 931 | 947 |
| - Others | 17 | 112 | 20 |
| Deferred revenue | | 0 | - |
| Provisions | 14 | 11 | 8 |
| Current tax liabilities | | - | 29 |
| Other current liabilities | 18 | 250 | 214 |
| | | 1,984 | 1,251 |
| Total liabilities | | 1,993 | 1,259 |
| Total equity and liabilities | | 2,482 | 1,810 |

The accompanying notes form an integral part of these financial statements.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

For and on behalf of the Board of Directors of Wynk Limited

Nilesh H. Lahoti
Partner
 Membership No: 130054

Badal Bagri
Director
 DIN: 00367278

Sameer Batra
Director
 DIN: 08017328

Place: **New Delhi**

Date: **5 July 2019**



Date:



Wynk Limited
Statement of Profit and Loss
(All amounts are in millions of Indian Rupees; except per share data)

| | Notes | For the year ended | |
|---|-------|--------------------|----------------|
| | | March 31, 2019 | March 31, 2018 |
| Income | | | |
| Revenue from operations | 20 | 6,130 | 2,812 |
| | | 6,130 | 2,812 |
| Expenses | | | |
| Content cost | | 5,459 | 2,021 |
| Employee benefits expense | 21 | 201 | 214 |
| Sales and marketing expenses | 22 | 56 | 19 |
| Software and IT expenses | | 246 | 194 |
| Other expenses | 23 | 175 | 55 |
| | | 6,137 | 2,503 |
| (Loss) / profit from operating activities before depreciation and amortisation | | (7) | 309 |
| Depreciation and amortisation | 24 | 90 | 97 |
| Finance costs | 25 | 0 | 0 |
| Finance income | 25 | (2) | (4) |
| (Loss) / profit before tax | | (95) | 216 |
| Tax (credit) / expense | | | |
| Current tax | 7 | - | 113 |
| Deferred tax (income) / expense | 7 | (33) | (38) |
| (Loss) / profit for the Year | | (62) | 141 |
| Other comprehensive loss | | | |
| Items not to be reclassified to profit or loss: | | | |
| Re-measurement losses on defined benefit plans | | (0) | (0) |
| Income Tax credit | | 0 | 0 |
| Other comprehensive loss for the year | | (0) | (0) |
| Total comprehensive (loss) / income for the year | | (62) | 141 |
| Earnings per share (Face value Rs. 10/- each) (In Rupees) | | | |
| Basic and diluted | 27 | (697) | 1,583 |

The accompanying notes form an integral part of these financial statements.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)



Nilesh H. Lahoti
Partner
 Membership No: 130054

For and on behalf of the Board of Directors of Wynk Limited



Badal Bagri
Director
 DIN: 00367278



Sameer Batra
Director
 DIN: 08017328

Place: **New Delhi**

Date: **5 July 2019**



Date:



Wynk Limited
Statement of Changes in Equity
(All amounts are in millions of Indian Rupees; unless stated otherwise)

| | Share Capital | | Other Equity - Reserves and Surplus | | | Total equity |
|--|------------------------|----------|-------------------------------------|-------------------|-------------|--------------|
| | No of shares (in '000) | Amount | Securities premium account | Retained earnings | Total | |
| As of April 1, 2017 | 50 | 1 | - | 56 | 56 | 57 |
| Profit for the year | - | - | - | 141 | 141 | 141 |
| Other comprehensive loss | - | - | - | (0) | (0) | (0) |
| Total comprehensive income / (loss) | - | - | - | 141 | 141 | 141 |
| Issue of share capital | 39 | 0 | 353 | - | 353 | 353 |
| As of March 31, 2018 | 89 | 1 | 353 | 197 | 550 | 551 |
| Loss for the year | - | - | - | (62) | (62) | (62) |
| Other comprehensive loss | - | - | - | (0) | (0) | (0) |
| Total comprehensive loss | - | - | - | (62) | (62) | (62) |
| As of March 31, 2019 | 89 | 1 | 353 | 135 | 488 | 489 |

The accompanying notes form an integral part of these financial statements.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

For and on behalf of the Board of Directors of Wynk Limited



Nitesh H. Lahoti
Partner
 Membership No: 130054



Badal Bagri
Director
 DIN: 00367278



Sameer Batra
Director
 DIN: 08017328

Place: **New Delhi**

Date: **5 July 2019**



Date:




Wynk Limited
Statement of Cash Flows
(All amounts are in millions of Indian Rupees)


| | For the year ended | |
|---|---------------------------|-----------------------|
| | March 31, 2019 | March 31, 2018 |
| Cash flows from operating activities | | |
| (Loss) / profit before tax | (95) | 216 |
| Adjustments for : | | |
| Depreciation and amortisation | 90 | 97 |
| Finance costs | 0 | 0 |
| Finance income | (2) | (4) |
| Provision for doubtful debts | 15 | 8 |
| Other non-cash items | 26 | - |
| Operating cash flow before changes in working capital | 34 | 317 |
| Changes in working capital | | |
| Trade receivables | 541 | (458) |
| Trade payables | (7) | 543 |
| Provisions | 4 | 12 |
| Other financial and non financial liabilities | 127 | 178 |
| Other financial and non financial assets | (1,067) | (322) |
| Net cash (used in) / generated from operations before tax | (368) | 270 |
| Income tax paid | (320) | (111) |
| Net (used in) / cash generated from operating activities (a) | (688) | 159 |
| Cash flows from investing activities | | |
| Net purchase of property, plant and equipment | (132) | (16) |
| Purchase of intangible assets | (117) | (6) |
| Net proceeds from current investments | 1 | 1 |
| Interest received | - | 0 |
| Net cash used in investing activities (b) | (248) | (21) |
| Cash flows from financing activities | | |
| Issue of share capital | - | 353 |
| Proceeds from borrowings | 6,089 | 1,948 |
| Repayment of borrowings | (5,447) | (2,146) |
| Net cash generated from financing activities (c) | 642 | 155 |
| Net (decrease) / increase in cash and cash equivalents during the year (a+b+c) | (294) | 293 |
| Cash and cash equivalents as at beginning of the year | 295 | 2 |
| Cash and cash equivalents as at end of the year (refer Note 9) | 1 | 295 |

The accompanying notes form an integral part of these financial statements.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
 (Firm's Registration No: 117366W / W-100018)

For and on behalf of the Board of Directors of Wynk Limited


Nilesh H. Lahoti
 Partner
 Membership No: 130054


Badal Bagri
 Director
 DIN: 00367278


Sameer Batra
 Director
 DIN: 08017328

Place: **New Delhi**

Date: **5 July 2019**



Date:

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1. Corporate information

Wynk Limited ('the Company' or 'Wynk'), a public limited company domiciled and duly incorporated in India on January 13, 2015, under the provisions of the Companies Act, 2013 having registered office at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi – 110070. The main objective of the Company is content procurement/aggregation and selling to B2B and B2C customers.

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements ('financial statements') have been prepared to comply in all material respects with the Indian Accounting Standard ('Ind AS') as notified by the Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act'), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act.

The financial statements are authorised for issue by the Company's Board of Directors on

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act 2013. Further, for the purpose of clarity, various items are aggregated in the statement of profit and loss and balance sheet. Nonetheless, these items are dis-aggregated separately in the notes to the financial statements, where applicable or required.

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or 'Rs') and are rounded to the nearest millions, except per share data and unless stated otherwise. Amount less than million are appearing as '0'.

The preparation of the said financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Company's accounting policies. The areas where estimates are significant to the financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in note 3.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by the Company, to all the periods presented in the said financial statements. Further, previous year figures have been re-grouped, wherever necessary to conform to current year's classification.



2.2 Basis of measurement

The financial statements have been prepared on the accrual and going concern basis, and the historical cost convention except where the Ind AS requires a different accounting treatment. The principal variations from the historical cost convention relate to financial instruments classified as fair value through profit or loss and liability for cash-settled awards (refer note 2.12) - which are measured at fair value.

Fair value measurement

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants. The Company's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The three levels of the fair-value-hierarchy are described below:

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

Level 2: Significant inputs to the fair value measurement are directly or indirectly observable

Level 3: Significant inputs to the fair value measurement are unobservable

2.3 Foreign currency transactions

The financial statements are presented in Indian Rupees which is the functional and presentation currency of the Company.

Transactions in foreign currencies are initially recorded in the relevant functional currency at the rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognised in the statement of profit and loss within finance costs / finance income. Non-monetary assets and liabilities denominated in foreign currencies are translated into the



8

functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – the resulting foreign exchange difference, on subsequent re-statement / settlement, recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity.

The equity items denominated in foreign currencies are translated at historical cost.

2.4 Current versus non-current classification

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

Deferred tax assets and liabilities, and all assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

2.5 Property, plant and equipment ('PPE')

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use.

Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of property, plant and equipment are required to be replaced at regular intervals, the Company recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised. Further, in case the replaced part was not being depreciated separately, the cost of the replacement is used as an indication to determine the cost of the replaced part at the time it was acquired.



5

The expenditures that are incurred after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Company, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on PPE is computed using the straight-line method over the estimated useful lives. The Company has established the estimated range of useful lives for different categories of PPE as follows:

| Categories | Years |
|--|--|
| Leasehold improvements | Period of lease or 10 years, whichever is less |
| Computers | 3 |
| Furniture and fixtures and office equipments | 2 – 5 |

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at-least as at each reporting date so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and / or depreciation method are accounted prospectively, and accordingly the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed off are de-recognised from the balance sheet and the resulting gains / (losses) are included in the statement of profit and loss within other expenses / other income.

The management basis its past experience and technical assessment has estimated the useful life, which is at variance with the life prescribed in Part C of Schedule II of the Companies Act, 2013 and has accordingly, depreciated the assets over such useful life.

The cost of capital work-in-progress is presented separately in the balance sheet.

2.6 Intangible assets

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be measured reliably.



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The intangible assets are initially recognised at cost. These assets having finite useful life are carried at cost less accumulated amortisation and any impairment losses. Amortisation is computed using the straight-line method over the expected useful life of intangible assets.

The Company has established the estimated useful lives of different categories of intangible assets as follows:

Software

Software are amortised over the period of license, generally not exceeding five years.

Non-compete fee

Non-compete fee are amortised over the period of the agreement which ranges upto five years.

The useful lives and amortisation method are reviewed, and adjusted appropriately, at least at each financial year end so as to ensure that the method and period of amortisation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives and / or amortisation method is accounted prospectively, and accordingly the amortisation is calculated over the remaining revised useful life.

2.7 Impairment of non-financial assets

a. PPE and intangible assets

PPE (including CWIP) and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Similarly, intangible assets under development is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired.

For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the CGU level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro-rata basis.

Reversal of impairment losses

Impairment losses are reversed in the statement of profit and loss and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset in previous years.



4

2.8 Financial instruments

a. Recognition, classification and presentation

The financial instruments are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the financial instrument.

The Company determines the classification of its financial instruments at initial recognition.

The Company classifies its financial assets in the following categories: a) those to be measured subsequently at fair value through profit or loss, and b) those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company has classified all the non-derivative financial liabilities measured at amortised cost.

Financial assets and liabilities arising from different transactions are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, the Company currently has a legally enforceable right to set-off the related recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

b. Measurement – Non derivative financial instruments

I. Initial measurement

At initial recognition, the Company measures the non-derivative financial instruments at its fair value plus, in the case of a financial instruments not at fair value through profit or loss, transaction costs. Otherwise transaction costs are expensed in the statement of profit and loss.

II. Subsequent measurement - financial assets

The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

i. Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective-interest rate ('EIR') method (if the impact of discounting / any transaction costs is significant). Interest income from these financial assets is included in finance income.

ii. Financial assets at fair value through profit or loss ('FVTPL')

All financial assets that do not meet the criteria for amortised cost are measured at FVTPL. Interest (basis EIR method) income from financial assets at fair value through profit or loss is recognised in the statement of



1

profit and loss within finance income/ finance costs separately from the other gains/ losses arising from changes in the fair value.

Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss, otherwise lifetime ECL is used.

However, only in case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iii. Subsequent measurement - financial liabilities

Financial liabilities are subsequently measured at amortised cost using the EIR method (if the impact of discounting / any transaction costs is significant).

c. Measurement –derivative financial instruments

Derivative financial instruments, including separated embedded derivatives are classified as financial instruments at fair value through profit or loss - Held for trading. Such derivative financial instruments are initially recognised at fair value. They are subsequently measured at their fair value, with changes in fair value being recognised in the statement of profit and loss within finance income / finance costs.

d. Derecognition

The financial liabilities are de-recognised from the balance sheet when the under-lying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released. The financial assets are de-recognised from the balance sheet when the rights to receive cash flows from the financial assets have expired, or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The difference in the carrying amount is recognised in the statement of profit and loss.

2.9 Taxes

The income tax expense comprises of current and deferred income tax. Income tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly.



7

a. Current tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Company's income tax obligation for the period are recognised in the balance sheet under non-current assets as income tax assets / under current liabilities as current tax liabilities.

Any interest, related to accrued liabilities for potential tax assessments are not included in Income tax charge or (credit), but are rather recognised within finance costs.

b. Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax are not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Company currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when it relate to income tax levied by the same taxation authority and where there is an intention to settle the current income tax balances on net basis.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and any deposits with original maturities of three months or less (that are readily convertible to known amounts of Cash and cash equivalents and subject to an insignificant risk of changes in value). However, for the purpose of the statement of cash flows, in addition to above items, any bank overdrafts / cash credits that are integral part of the Company's cash management, are also included as a component of Cash and cash equivalents.



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2.11 Share capital / securities premium account

Ordinary shares are classified as Equity when the Company has an un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect.

2.12 Employee benefits

The Company's employee benefits mainly include wages, salaries, bonuses, defined contribution to plans, defined benefit plans and compensated absences. The employee benefits are recognised in the year in which the associated services are rendered by the Company employees.

a. Defined contribution plans

The contributions to defined contribution plans are recognised in profit or loss as and when the services are rendered by employees. The Company has no further obligations under these plans beyond its periodic contributions.

b. Defined benefit plans

In accordance with the local laws and regulations, all the employees in India are entitled for the Gratuity plan. The said plan requires a lump-sum payment to eligible employees (meeting the required vesting service condition) at retirement or termination of employment, based on a pre-defined formula.

The Company provides for the liability towards the said plans on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method.

The obligation towards the said benefits is recognised in the balance sheet, at the present value of the defined benefit obligations. The present value of the said obligation is determined by discounting the estimated future cash outflows, using interest rates of government bonds.

The interest expenses are calculated by applying the above mentioned discount rate to defined benefits obligations. The interest expenses on the defined benefits obligations are recognised in the statement of profit and loss. However, the related re-measurements of the defined benefits obligations are recognised directly in the other comprehensive income in the period in which they arise. The said re-measurements comprise of actuarial gains and losses (arising from experience adjustments and changes in actuarial assumptions). Re-measurements are not re-classified to the statement of profit and loss in any of the subsequent periods.



2

c. Other long-term employee benefits

The employees of the Company are entitled to compensated absences as well as other long-term benefits. Compensated absences benefit comprises of encashment and availment of leave balances that were earned by the employees over the period of past employment.

The Company provides for the liability towards the said benefit on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method. The related re-measurements are recognised in the statement of profit and loss in the period in which they arise.

2.13 Provisions

a.) General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources will be required to settle the said obligation, and the amounts of the said obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation, using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to un-winding of discount over passage of time is recognised within finance costs.

2.14 Contingencies

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. When 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.

2.15 Revenue recognition

Effective April 1, 2018, the Company has adopted Ind AS 115, 'Revenue from Contracts with Customers'. Further during the quarter ended March 31, 2019, the Company has finalised the transition method as the fully retrospective method applied retrospectively. The effect on adoption of the said standard is insignificant on these financial statements and hence the comparative information has not been restated.

Revenue is recognized upon transfer of control of promised products or services to customer at the consideration which the Company has received or expects to receive in exchange of those products or services, net of any taxes / duties and discounts.



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In order to determine if it is acting as a principal or as an agent, the Company assesses whether it is primarily responsible for fulfilling the performance obligation and whether it controls the promised service before transfer to customers.

i) Service revenue

Service revenues mainly pertain to usage and subscription revenue from Wynk app and Airtel TV app users and advertisement revenue.

a) Subscription revenue

Subscription charges are recognized over subscription pack validity period.

b) Advertisement revenue

Advertisement revenue is recognized during the period campaign is live on the Application.

The billing / collection in excess of revenue recognized is presented as deferred revenue in the statement of financial position whereas unbilled revenue is recognized under other current financial assets

ii) Interest income

The interest income is recognised using the EIR method. For further details, refer note 2.8.

2.16 Earnings per share ('EPS')

The Company presents the Basic and Diluted EPS data.

Basic EPS is computed by dividing the profit for the period attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period.

Diluted EPS is computed by adjusting, the profit for the year attributable to the shareholders and the weighted average number of shares considered for deriving Basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares. The dilutive potential shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Further, the dilutive potential shares are deemed converted as at beginning of the period, unless issued at a later date during the period.

2.17 Segment reporting

Based on the way the entity manages its operating business, and the manner in which resource allocation decisions are made, the entity has only one reportable segment for financial reporting purposes, being the content procurement and selling. Accordingly, no further operating segment financial information is therefore disclosed.



8

The Company is operating in single geographic segment, i.e. in India. Thus, no information concerning geographical areas is applicable to the Company.

2.18 Leases

The determination of whether an arrangement is a lease is based on whether fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Leases where the lessor transfers substantially all the risks and rewards of ownership of the leased asset are classified as finance lease and other leases are classified as operating lease.

Operating lease receipts / payments are recognised as an income / expense on a straight-line basis over the lease term unless the lease payments increase in line with expected general inflation.

3. Critical accounting estimates, assumptions and judgements

The estimates and judgements used in the preparation of the said financial statements are continuously evaluated by the Company, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Company believes to be reasonable under the existing circumstances. The said estimates and judgements are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Although the Company regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions under-lying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognised in the financial statements in the period in which they become known.

3.1 Critical accounting estimates and assumptions

The estimate and assumption that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year is discussed below

a. Allowance for impairment of trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a



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case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances

b. Taxes

Deferred tax assets are recognised for the unused tax losses and minimum alternate tax credits for which there is probability of utilisation against the future taxable profit. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments.

4. Standards issued but not effective as at balance sheet date

The new and applicable significant standards, amendments to Standards that are issued but not yet effective until the date of authorisation for issuance of the said financial statements are discussed below. The Company has not early adopted these amendments and intends to adopt when they become effective.

Ind AS 116, 'Leases'

In March 2019, MCA has notified the Ind AS 116, Leases. It will replace the existing leases Standard, Ind AS 17 'Leases', and related interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. It introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use and the underlying leased assets and a lease liability representing its obligation to make lease payments.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The Company is in the process of evaluating its impact on the financial statements.

The following pronouncements, which are potentially relevant to the Company, have been issued and are effective for annual periods beginning on or after April 1, 2019.

- Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income



1

tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Company does not expect that the adoption of the said amendment will have any significant impact on the financial Statements.

- Amendment to Ind AS 12 – Income taxes : The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity accordingly to where the entity originally recognised those past transactions or events whereas hitherto it was being recognised in equity.

5. Property, plant and equipment

The following table presents the reconciliation of changes in the carrying value of PPE for the year ended March 31, 2019 and March 31, 2018:

| | Computer Equipment | Leasehold improvements | Office equipments | Furnitures & fixtures | Total |
|---------------------------------|-----------------------|---------------------------|----------------------|--------------------------|------------|
| Gross Carrying Value | | | | | |
| As of April 1, 2017 | 3 | 9 | 0 | - | 12 |
| Additions / capitalisation | 6 | 9 | 2 | 1 | 18 |
| Disposals / adjustment | - | - | (0) | - | (0) |
| As of March 31, 2018 | 9 | 18 | 2 | 1 | 30 |
| Additions / capitalisation | 114 | 1 | 5 | 0 | 120 |
| Disposals / adjustments | 3 | (5) | (3) | - | (5) |
| As of March 31, 2019 | 126 | 14 | 4 | 1 | 145 |
| Accumulated Depreciation | | | | | |
| As of April 1, 2017 | 0 | 0 | 0 | - | 0 |
| Charge | 3 | 2 | 0 | 0 | 5 |
| Disposals / adjustments | - | - | (0) | - | (0) |
| As of March 31, 2018 | 3 | 2 | 0 | 0 | 5 |
| Charge | 15 | 1 | 1 | 1 | 18 |
| Disposals / adjustments | - | - | (0) | - | (0) |
| As of March 31, 2019 | 18 | 3 | 1 | 1 | 23 |
| Net carrying amount | | | | | |
| As of March 31, 2018 | 6 | 16 | 2 | 1 | 25 |
| As of March 31, 2019 | 108 | 11 | 3 | 0 | 122 |



8

6. Intangible Assets

The following table presents the reconciliation of changes in the carrying value intangibles assets for the year ended March 31, 2019 and March 31, 2018:

| | Intangible assets | | |
|---------------------------------|--------------------------|------------------------|--------------|
| | Software | Non compete fee | Total |
| Gross carrying value | | | |
| As of April 1, 2017 | - | 259 | 259 |
| Additions / capitalisation | - | 6 | 6 |
| As of March 31, 2018 | - | 265 | 265 |
| Additions / capitalisation | 112 | - | 112 |
| Disposals / adjustments | - | 5 | 5 |
| As of March 31, 2019 | 112 | 270 | 382 |
| Accumulated amortisation | | | |
| As of April 1, 2017 | - | 117 | 117 |
| Amortisation | - | 92 | 92 |
| As of March 31, 2018 | - | 209 | 209 |
| Amortisation | 18 | 54 | 72 |
| As of March 31, 2019 | 18 | 263 | 281 |
| Net carrying value | | | |
| As of March 31, 2018 | - | 56 | 56 |
| As of March 31, 2019 | 94 | 7 | 101 |

7. Income taxes

The major components of Income Tax expense are:

| Particulars | As of | |
|---|-----------------------|-----------------------|
| | March 31, 2019 | March 31, 2018 |
| Current income tax | | |
| - For the year | - | 99 |
| - Adjustments for prior periods | - | 14 |
| | - | 113 |
| Deferred tax | | |
| - Origination and reversal of temporary differences | (33) | (24) |
| - Adjustments for prior periods | - | (14) |
| | (33) | (38) |
| Income tax (credit) / expense | (33) | 75 |

The reconciliation between the amount computed by applying the statutory income tax rate to the (loss) / profit before tax and income tax (credit) / expense is summarised below:

| | For the year ended | |
|--------------------------------------|---------------------------|-----------------------|
| | March 31, 2019 | March 31, 2018 |
| (Loss) / profit before tax | (93) | 216 |
| Tax expense @ 34.944% / 34.608% | (33) | 75 |
| Effect of: | | |
| Effect of changes in tax rate | - | (0) |
| Others | - | (0) |
| Income tax (credit) / expense | (33) | 75 |



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Wynk Limited
Notes to Financial Statements
(All amounts are in millions of Indian Rupees; unless stated otherwise)

The major components that gave rise to deferred tax assets / (liabilities) are as follows:

| | As of | |
|---|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Deferred tax Assets/(liabilities) | | |
| Provision for impairment of debtors/advances and other provisions | 17 | 3 |
| Losses available for offset against future taxable income | 19 | - |
| Employee benefits | 7 | 6 |
| Depreciation / amortisation on PPE / intangible assets | 19 | 20 |
| Net deferred tax asset/(liabilities) | 62 | 29 |

| | For the year ended | |
|---|--------------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Deferred tax expense | | |
| Provision for impairment of debtors/advances and other provisions | 14 | 3 |
| Losses available for offset against future taxable income | 19 | - |
| Employee benefits | 1 | 4 |
| Depreciation / amortisation on PPE / intangible assets | (1) | 31 |
| Net deferred tax expense | 33 | 38 |

The reconciliation of deferred tax assets / (liabilities) during the year is as follows:

| | As of | |
|---|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Opening balance | 29 | (9) |
| Tax expense recognised in the statement of profit or loss | 33 | 38 |
| Tax income recognised in OCI | 0 | 0 |
| Closing balance | 62 | 29 |

8. Trade receivables

| | As of | |
|---|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Trade receivables - unsecured* | 200 | 742 |
| Less: Allowances for doubtful receivables | (23) | (8) |
| | 177 | 734 |

* Includes amount due from related parties (refer note 26)

The movement in allowances for doubtful debts is as follows:

| | For the year ended | |
|-----------------------------|--------------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Opening Balance | 8 | - |
| Additions | 15 | 8 |
| Write off (net of recovery) | - | - |
| Closing balance | 23 | 8 |



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9. Cash and cash equivalents ('C & CE')

| | As of | |
|---|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Balances with banks - on current accounts | 1 | 295 |
| | 1 | 295 |

10. Financial assets – other

Current

| | As of | |
|---------------------------|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Unbilled revenue* | 467 | 353 |
| Advance to related party* | 35 | - |
| | 502 | 353 |

* Includes amount unbilled to related parties (refer note 26)

11. Other non-financial assets

Current

| | As of | |
|---------------------------|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Taxes recoverable ** | 122 | 78 |
| Advance given to supplier | 3 | 65 |
| Others* | 192 | 31 |
| | 317 | 174 |

*Includes prepaid expenses and employee receivables

**Includes majorly Goods and Service tax

12. Share capital

| | As of | |
|---|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Authorised shares | | |
| 90,000 (March 31, 2018 - 90,000) equity shares of Rs. 10 each | 1 | 1 |
| Issued, Subscribed and fully paid-up shares | | |
| 89,286 (March 31, 2018 - 89,286) equity shares of Rs. 10 each | 1 | 1 |
| | 1 | 1 |



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a. Terms/rights attached to equity shares

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

b. Details of shareholders (as per the register of shareholders) holding more than 5% shares in the Company

| | As of | | | |
|--|----------------|-----------|----------------|-----------|
| | March 31, 2019 | | March 31, 2018 | |
| | No. | % holding | No. | % holding |
| Equity shares of Rs 10 each fully paid up | | | | |
| Bharti Airtel Limited | 50,000 | 56.00% | 50,000 | 56.00% |
| Nettle Infrastructure Investments Limited | 39,286 | 44.00% | 39,286 | 44.00% |

13. Reserve and surplus

a) **Retained earnings:** Retained earnings represent the amount of accumulated earnings of the Company, re-measurement differences on defined benefit plans, gains / (losses) on common control transactions and any transfer from general reserve.

b) **Additional capital contribution:** Additional capital contribution represent the fair valuation impact of the off-market loans provided by the parent company.

14. Provisions

Non-current

| | As of | |
|------------------------------|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Gratuity | 9 | 8 |
| Others employee benefit plan | 0 | 0 |
| | 9 | 8 |

Current

| | As of | |
|------------------------------|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Gratuity | 3 | 2 |
| Others employee benefit plan | 8 | 6 |
| | 11 | 8 |



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15. Borrowings

Current

| | As of | |
|---|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Unsecured | | |
| Loan from holding Company (refer note 26) | 675 | 33 |
| | 675 | 33 |

Details on analysis of borrowings i.e. maturity profile, interest rate and currency of borrowings

| For the year | Currency of borrowings | Rate of interest (Weighted average) | Total | Maturity Profile | | | | |
|----------------|------------------------|-------------------------------------|-------|-------------------|-----------------|-------------------------------|--------------------------------|----------------|
| | | | | Payable on demand | within One year | between one year and two year | between two year and five year | over five year |
| March 31, 2019 | INR | 0.00% | 675 | 675 | - | - | - | - |
| March 31, 2018 | INR | 0.00% | 33 | 33 | - | - | - | - |

Unused line of credit

| | As of | |
|------------|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Unsecured* | 225 | 467 |
| | 225 | 467 |

* Taken from holding company and excluding non-fund based facilities.

16. Trade Payables

| | As of | |
|-----------------|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Trade payables* | 936 | 947 |
| | 936 | 947 |

*It includes amount due to related parties (refer note 26).



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Micro, small & medium enterprises development act, 2006 ('MSMED') disclosure

The dues to micro and small enterprises as required under MSMED Act, 2006, based on the information available with the Company, is given below:

| Sr No | Particulars | For the year ended | |
|-------|--|--------------------|----------------|
| | | March 31, 2019 | March 31, 2018 |
| 1 | The principal amount and the interest due thereon [Rs Nil (March 31, 2018 – Rs NIL)] remaining unpaid to any supplier as at the end of each accounting year | 5 | - |
| 2 | The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | 20 | 0 |
| 3 | the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED ACT 2006. | - | - |
| 4 | The amount of interest accrued and remaining unpaid at the end of each accounting year. | - | - |
| 5 | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED ACT 2006. | - | - |

17. Financial Liabilities – others

Current

| | As of | |
|--|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Advance from customers (refer note 26) | 91 | - |
| Employees payables | 19 | 17 |
| Equipment supply payables | 0 | 2 |
| Others | 2 | 1 |
| | 112 | 20 |

18. Other non-financial liabilities

Current

| | As of | |
|----------------|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Taxes payable* | 250 | 214 |
| | 250 | 214 |

*Taxes payable mainly includes Goods and service tax and TDS payable



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Wynk Limited**Notes to Financial Statements***(All amounts are in millions of Indian Rupees; unless stated otherwise)*

19. Capital commitments outstanding as of March 31, 2019 and March 31, 2018 amounting to Rs. 10 and Rs. 18 respectively. There is no outstanding bank guarantees and contingent liability as at March 31, 2019 and March 31, 2018.

20. Revenue from operations

| | For the year ended | |
|-----------------|---------------------------|-----------------------|
| | March 31, 2019 | March 31, 2018 |
| Service Revenue | 6,130 | 2,812 |
| | 6,130 | 2,812 |

Timing of Revenue Recognition

Revenue is recognised over the period of time.

Contract Balances

The following table provides information about unbilled revenue from contract with customers:

| | As of | |
|------------------|-----------------------|-----------------------|
| | March 31, 2019 | March 31, 2018 |
| Unbilled Revenue | 467 | 353 |
| | 467 | 353 |

Significant changes in the unbilled revenue balances during the year are as follows:

| | As of | |
|--|-----------------------|-----------------------|
| | March 31, 2019 | March 31, 2018 |
| Transfers from unbilled revenue recognised at the beginning of the period to receivables | 353 | 166 |
| | 353 | 166 |

21. Employee benefits expense

| | For the year ended | |
|--|---------------------------|-----------------------|
| | March 31, 2019 | March 31, 2018 |
| Salaries | 157 | 171 |
| Cost allocation from holding company | 1 | 9 |
| Defined benefit plan/ other long term benefits | 10 | 10 |
| Contribution to provident and other funds | 14 | 9 |
| Staff welfare expenses | 6 | 7 |
| Share based payment expense | 5 | - |
| Others | 8 | 8 |
| | 201 | 214 |



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The details of defined benefits obligations are as follows:

Movements in Obligation

| | For the year ended | | | |
|-------------------------------------|--------------------|----------------------|----------------|----------------------|
| | March 31, 2019 | | March 31, 2018 | |
| | Gratuity | Compensated absences | Gratuity | Compensated absences |
| Obligation: | | | | |
| Balance as at beginning of the year | 10 | 5 | 4 | - |
| Current service cost | 5 | 5 | 3 | 2 |
| Interest cost | 1 | 0 | 1 | - |
| Benefits paid | (5) | (2) | (2) | (1) |
| Transfers | 1 | 0 | 4 | 0 |
| Remeasurements | 0 | (0) | 0 | 4 |
| Present value of obligation | 12 | 8 | 10 | 5 |
| Current portion | 3 | 8 | 2 | 5 |
| Non-current portion | 9 | - | 8 | - |

The expected contribution for the year ended March 31, 2019 and 2018 for Gratuity plan is Rs. 6 and Rs. 5, respectively.

Amount recognised in other comprehensive income

| | For the year ended | |
|--|--------------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Experience losses | 1 | 0 |
| Gains from change in demographic assumptions | (1) | 0 |
| Losses from change in financial assumptions | 0 | 0 |
| Remeasurements on liability | 0 | 0 |

Due to its defined benefit plans, the Company is exposed to the following significant risks:

Changes in bond yields - A decrease in bond yields will increase plan liability.

Salary risk - The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.



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Wynk Limited
Notes to Financial Statements
(All amounts are in millions of Indian Rupees; unless stated otherwise)

The financial (per annum rates) and demographic assumptions used to determine defined benefit obligations are as follows:

| | As of | |
|-------------------------|-----------------------|-----------------------|
| | March 31, 2019 | March 31, 2018 |
| Discount Rate | 7.65% | 7.85% |
| Rate of salary increase | 7.00% | 9.00% |
| Rate of attrition | 21% to 36% | 21% to 24% |
| Retirement age | 58 | 58 |

Sensitivity analysis

The Company regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefit obligations is given in the table below:

| | Change in assumption | March 31, 2019 | | March 31, 2018 | |
|--------------------|----------------------|-----------------------|-----------------------------|-----------------------|-----------------------------|
| | | Gratuity | Compensated absences | Gratuity | Compensated absences |
| Discount Rate | +1% | (0) | (0) | (0) | (0) |
| | -1% | 0 | 0 | 0 | 0 |
| Salary Growth Rate | +1% | 0 | 0 | 0 | 0 |
| | -1% | (0) | (0) | (0) | (0) |

The above sensitivity analysis is determined based on a method that extrapolates the impact on the net defined benefit obligations, as a result of reasonable possible changes in the significant actuarial assumptions. Further, the above sensitivity analysis is based on a reasonably possible change in a particular underlying actuarial assumption, while assuming all other assumptions to be constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The table below summarises the maturity profile of the Company' gratuity liability:

| | As of | |
|---|-----------------------|-----------------------|
| | March 31, 2019 | March 31, 2018 |
| Within one year | 3 | 2 |
| Within one - three years | 4 | 3 |
| Within three - five years | 2 | 2 |
| Above five years | 3 | 3 |
| Weighted average duration (in years) | 3.29 | 3.74 |



5

Wynk Limited**Notes to Financial Statements***(All amounts are in millions of Indian Rupees; unless stated otherwise)***22. Sales and marketing expenses**

| | For the year ended | |
|---|--------------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Advertisement and marketing | 38 | 19 |
| Business Promotion | 16 | - |
| Other selling and distribution expenses | 2 | 0 |
| | 56 | 19 |

23. Other Expenses

| | For the year ended | |
|---------------------------------|--------------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Legal and professional charges* | 33 | 8 |
| Repair and maintenance | 51 | 13 |
| Rent expense | 15 | 12 |
| Customer care expense | 5 | 7 |
| Telephone and postage | 2 | 3 |
| Provision for doubtful debts | 15 | 8 |
| Rate and taxes | 23 | 0 |
| Travelling and conveyance | 3 | 2 |
| Provision for advances | 26 | - |
| Other expenses | 2 | 2 |
| | 175 | 55 |

* Details of Auditor's remuneration included in legal and professional fees

| | For the year ended | |
|----------------------------|--------------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Audit fee# | 1 | 1 |
| Reimbursement of expenses# | 0 | 0 |
| | 1 | 1 |

Excluding Service Tax / Goods and Service Tax

As per the requirements of section 135 of the Companies Act, 2013, the Company was required to spend an amount of Rs. 4 Mn for the year ended March 31, 2019 on Corporate Social Responsibility expenditure.

During the year ended March 31, 2019, the Company has spent Rs. Nil towards Corporate Social Responsibility.

24. Depreciation and amortisation

| | For the year ended | |
|--------------|--------------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Depreciation | 18 | 5 |
| Amortisation | 72 | 92 |
| | 90 | 97 |



4

25. Finance cost and income

| | For the year ended | |
|--------------------------------|--------------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Finance costs | | |
| Other finance charges | 0 | 0 |
| | 0 | 0 |
| Finance income | | |
| Interest income on deposits | - | 0 |
| Net exchange gain | 1 | 3 |
| Net gain on sale of investment | 1 | 1 |
| Gain on sale of asset | 0 | 0 |
| | 2 | 4 |

26. Related Party Transactions

The details of transactions with the related parties are as follows:

(a) The name of the related parties where control exists and/or with whom transaction have taken place during the year and description of relationship are:

| List of Related Parties | Relationship |
|--|-------------------------------------|
| Bharti Airtel Limited | Parent company |
| Bharti Enterprises (Holding) Private Limited | Ultimate controlling entity |
| Bharti Hexacom Limited | Fellow Subsidiary |
| Bharti Telemedia Limited | Fellow Subsidiary |
| Nettle Infrastructure Investments Limited | Entity having significant influence |
| Nxtra Data Limited | Fellow Subsidiary |

(b) Transaction for the period ended March 31, 2019

| Nature of Transactions | Bharti Airtel Limited | Bharti Hexacom Limited | Nxtra Data Limited | Bharti Telemedia Limited |
|--|-----------------------|------------------------|--------------------|--------------------------|
| Rendering of services* | 6,348 | 462 | | |
| Receiving of services* | (35) | - | (1) | (673) |
| Expenses incurred on behalf of the Company | (37) | - | - | - |
| Loan taken | (6,089) | - | - | - |
| Repayment of Loan taken | 5,447 | - | - | - |

*Rendering and receiving of services are inclusive of taxes.
All the services are provided to related parties based on arm's length pricing.



2

Wynk Limited
Notes to Financial Statements
(All amounts are in millions of Indian Rupees; unless stated otherwise)

(c) Transaction for the period ended March 31, 2018

| Nature of Transactions | Bharti Airtel Limited | Bharti Hexacom Limited | Bharti Telemedia Limited | Nettel Infrastructure Investments Limited |
|--|------------------------------|-------------------------------|---------------------------------|--|
| Rendering of services* | 2,897 | 215 | | |
| Receiving of services* | (9) | - | (210) | - |
| Expenses incurred on behalf of the Company | (26) | - | - | - |
| Proceeds from Issue of shares | - | - | - | 353 |
| Loan taken | (1,948) | - | - | - |
| Repayment of Loan taken | 2,146 | - | - | - |

*Rendering and receiving of services are inclusive of taxes.
All the services are provided to related parties based on arm's length pricing.

(d) The outstanding balances are as follows:

| | Bharti Airtel Limited | Bharti Hexacom Limited | Bharti Telemedia Limited | Nettel Infrastructure Investments Limited |
|-----------------------------|------------------------------|-------------------------------|---------------------------------|--|
| As on March 31, 2019 | | | | |
| Current Borrowings | (675) | - | - | - |
| Trade Receivables | - | 121 | - | - |
| Unbilled Revenue | 407 | 29 | - | - |
| Trade Payables | (15) | - | - | (1) |
| Advance received | (86) | - | - | - |
| Advance given | - | - | 35 | - |
| As on March 31, 2018 | | | | |
| Current Borrowings | (33) | - | - | - |
| Trade Receivables | 678 | 35 | - | - |
| Unbilled Revenue | 311 | 24 | - | - |
| Trade Payables | (7) | - | (210) | - |

27. Earnings per share

| | For the year ended | |
|--|---------------------------|-----------------------|
| | March 31, 2019 | March 31, 2018 |
| Weighted average shares outstanding ('000) for basic / diluted EPS | 89 | 89 |
| (Loss) / Profit for the year | (62) | 141 |



4

28. Fair value of financial assets and liabilities

The category wise details as to the carrying value and fair value of the Company's financial instruments are as follows:

| Level | As of | | | | |
|------------------------------|----------------|----------------|----------------|----------------|--------------|
| | Carrying Value | | Fair Value | | |
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 | |
| Financial Assets | | | | | |
| Amortised costs | | | | | |
| Trade receivables | 177 | 734 | 177 | 734 | |
| Cash & cash equivalents | 1 | 295 | 1 | 295 | |
| Security deposit | 750 | - | 750 | - | |
| Other financial assets | 502 | 353 | 502 | 353 | |
| | 1,430 | 1,382 | 1,430 | 1,382 | |
| Financial Liabilities | | | | | |
| Amortised costs | | | | | |
| Borrowings | Level 2 | 675 | 33 | 675 | 33 |
| Trade payables | | 936 | 947 | 936 | 947 |
| Other financial liabilities | | 112 | 20 | 112 | 20 |
| | | 1,723 | 1,000 | 1,723 | 1,000 |

The following methods / assumptions were used to estimate the fair values:

- The carrying value of trade receivables, trade payables, short-term borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments being subject to floating-rates.

The following table describes the key inputs used in the valuation (basis discounted cash flow technique) of the Level 2 financial assets / liabilities as of March 31, 2019 and March 31, 2018:

| Financial assets / liabilities | Input used |
|---|---|
| - Other financial assets / Other fixed rate borrowings / Other financial liabilities | Prevailing interest rates in market, future payouts, interest rates |

During the year ended March 31, 2019 and March 31, 2018, there were no transfers between Level 1 and Level 2 fair value measurements. None of the financial assets and financial liabilities are in Level 3.



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29. Financial and capital risk

The Company is exposed to financial risks arising from its operations. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk and they are summarised below:

(a) Credit risk

Credit risk is the risk of financial loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from cash and cash equivalents, trade and other receivables and amounts due from related companies. No other financial assets carry a significant exposure to credit risk.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades mainly with holding company and fellow subsidiaries. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

Exposure to credit risk

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

Company's substantial revenue is generated from the holding company and fellow subsidiaries. The Company has no major concentration of credit risk other than trade receivables and the amount due from related companies as disclosed in Note 8 and Note 26, respectively.

The ageing analysis of trade receivables as of the reporting date is as follows:

| | Neither past due nor impaired | Past due but not impaired | | | | Total |
|--|-------------------------------|---------------------------|---------------|---------------|---------------|-------|
| | | Less than 30 days | 30 to 60 days | 60 to 90 days | Above 90 days | |
| Trade Receivables as of March 31, 2019 | - | 157 | 3 | 17 | - | 177 |
| Trade Receivables as of March 31, 2018 | - | 494 | 224 | 16 | 0 | 734 |

Cash and cash equivalents are placed with reputed financial banks / institutions.



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(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Company closely monitors its liquidity position and deploys a robust cash management system.

Based on past performance and current expectations, the Company believes that the cash and cash equivalents, cash generated from operations and available un-drawn credit facilities, will satisfy its working capital needs, capital expenditure, investment requirements, commitments and other liquidity requirements associated with its existing operations, through at least the next twelve months.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:-

| | As of March 31, 2019 | | | | | | Total |
|-----------------------------|----------------------|------------|--------------------|----------------|--------------|-----------|--------------|
| | Carrying amount | On demand | Less than 6 months | 6 to 12 months | 1 to 2 years | > 2 years | |
| Borrowings | 675 | 675 | - | - | - | - | 675 |
| Trade payables | 936 | - | 936 | - | - | - | 936 |
| Other financial liabilities | 112 | - | 112 | - | - | - | 112 |
| | 1,723 | 675 | 1,048 | - | - | - | 1,723 |

| | As of March 31, 2018 | | | | | | Total |
|-----------------------------|----------------------|-----------|--------------------|----------------|--------------|-----------|--------------|
| | Carrying amount | On demand | Less than 6 months | 6 to 12 months | 1 to 2 years | > 2 years | |
| Borrowings | 33 | 33 | - | - | - | - | 33 |
| Trade payables | 947 | - | 947 | - | - | - | 947 |
| Other financial liabilities | 20 | - | 20 | - | - | - | 20 |
| | 1,000 | 33 | 967 | - | - | - | 1,000 |

The following table provides the reconciliation of liabilities whose net cash flow movements are disclosed as part of financing activities of statement of cash flows:

For the period ended 31st March, 2019

| | April 1, 2018 | Cash flows | Non-cash changes | March 31, 2019 |
|------------|---------------|------------|------------------|----------------|
| Borrowings | 33 | 642 | - | 675 |

For the period ended 31st March, 2018

| | April 1, 2017 | Cash flows | Non-cash changes | March 31, 2018 |
|------------|---------------|------------|------------------|----------------|
| Borrowings | 231 | (198) | - | 33 |



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(c) Foreign currency risk

The foreign exchange risk of the Company arises from the generation of revenue and expenses incurred in foreign currencies.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Company's profit before tax to a reasonably possible change in the exchange rates against the functional currency of the Company, with all other variables held constant.

| | Change in currency exchange rate | Effect on profit before tax | |
|-----|-------------------------------------|-----------------------------|----------------|
| | | March 31, 2019 | March 31, 2018 |
| USD | +5% | (4) | (5) |
| | -5% | 4 | 5 |

(d) Capital Risk

The Company's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital. However, the key objective of the Company's capital management is to, ensure that it maintains a stable capital structure with the focus on total equity, uphold investor; creditor and customer confidence, and ensure future development of its business activities. In order to maintain or adjust the capital structure, the Company may issue new shares, declare dividends, return capital to shareholders, etc.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

The Company monitors capital using a gearing ratio calculated as below:

| | As of | |
|---------------------------------|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Borrowings | 675 | 33 |
| Less: Cash and cash Equivalents | 1 | 295 |
| Net Debt | 674 | (262) |
| Equity | 489 | 551 |
| Total capital | 489 | 551 |
| Capital and Net Debt | 1,163 | 289 |
| Gearing Ratio | 58% | -91% |



5

Wynk Limited
Notes to Financial Statements

(All amounts are in millions of Indian Rupees; unless stated otherwise)

- 30.** The company made a loss for the financial year ended March 31, 2019 of Rs. 95 (2017-18: Rs. 216 profit) and as that date, the current liabilities exceeded its current assets by Rs. 237 (2017-18: current assets exceeded current liability by Rs.305).

Management has undertaken initiatives to achieve profitability and reduce current assets and liability mismatch. These initiatives include:-

- Increase advertisement revenue on Video content.
- Introduction of new hardware product which will provide an integration platform for contents and increase in subscription.
- Launch of different version of mobile application which will be targeting customers in other than metropolitan cities.

The financial statements are prepared on the basis of accounting policies applicable to a going concern assumption. In making its assessment, management acknowledges that the ability of the company to continue as a going concern is dependent on generation of sufficient profits, positive cash flows and the undertaking from Bharti Airtel Limited (Parent Company) to provide appropriate financial support; which is valid till 12 Months from approval of financial statements by the board of directors of the Company.

