

To the Members of **E-NET ENTERTAINMENT PRIVATE LIMITED**

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of E-NET ENTERTAINMENT PRIVATE LIMITED, which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement 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 Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and 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 Accounting Standards specified under Section 133 of the Act
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to other matters to be included in the audit report in accordance with requirements of section 197(16) as amended is not applicable to this company.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 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, is not applicable to this company.

For NAROTHAM MADHAV & RAMESH
Chartered Accountants



(R L N RAMA PPRASAD)
Partner

FR No :002704S

Membership No. 208659

Place : Ongole

Date : 08-07-2021

UDIN : 21208659AAAAFFS5183



E Net Entertainment Pvt.Ltd
 CIN: U92132AP2004PTC043026
Balance Sheet 1-Apr-2020 to 31-Mar-2021

particulars	Note No.	31-03-2021	31-03-2020
I EQUITY AND LIABILITIES :		Rs.	Rs.
(1) Shareholders' Funds :			
a) Share Capital	1	5,70,000.00	5,70,000.00
b) Reserves and Surplus	2	(31,84,689.02)	7,59,909.56
2) Share Application Money pending allotment	3		
(3) Non-Current Liabilities :			
a) Longterm borrowings	4	3,33,15,757.95	5,56,101.46
b) Deferred tax liability		6,88,294.21	2,29,170.21
(3) Current Liabilities :			
a) Trade payables	5	46,23,129.34	26,73,335.00
b) Other Current Liabilities	6	0.00	4,24,000.00
c) Short-term Provisions	7	32,291.00	14,000.00
Total		3,60,44,783.48	52,26,516.23
II ASSETS			
(1) Non-Current Assets:			
(a) Fixed Assets:			
i) Tangible Assets		2,53,60,888.73	51,849
(b) Long term Loans and Advances		0.00	0.00
(2) CURRENT ASSETS:			
(a) Inventories		0.00	0.00
(b) Trade Receivables	8	67,571.60	1,43,440.60
(c) Cash and Bank Balances	9	56,71,758.12	48,32,640.18
(d) Short Term Loans and Advances	10	49,44,565.03	1,98,585.99
(e) Deposits	11	0.00	0.00
		3,60,44,783.48	52,26,516.23
		0.00	0.00
Significant accounting policies	1		

Note : The notes referred to above form an integral part of the Balance Sheet.

As per our Report of even date attached
 For NAROTHAM MADHAV & RAMESH
 Chartered Accountants

For and on behalf of the Board


 (R L N RAMA PPRASAD)
 Partner

FR No :002704S
 Membership No. 208659
 Place : Ongole
 Date : 08-07-2021
 UDIN : 21208659AAAAFS5183




 (D KRISHNA MOHAN RAO)
 Director


 (J.PRASANTH KUMAR)
 Director



E Net Entertainment Pvt.Ltd

CIN: U92132AP2004PTC043026

Profit & Loss A/c 1-Apr-2020 to 31-Mar-2021

	Note No.	31-03-2021 Rs.	31-03-2020 Rs
INCOME			
Revenue from operations	12	0.00	13,94,486.00
Other income		1,45,967.00	93,722.00
Total		1,45,967.00	14,88,208.00
EXPENDITURE			
Rawmaterial Consumed and job work	13	0.00	13,94,486.00
Employee benefit expenses	14	7,49,997.00	0.00
Finance Costs	15	2,36,797.95	0.00
Depreciation		1,49,906.00	23,082.54
Other Expenses	16	24,94,740.62	1,88,666.52
Total		36,31,441.57	16,06,235.06
Profit before tax		(34,85,474.57)	(1,18,027.06)
Current Tax			
Provision for Income Tax		0.00	0.00
Deferred Tax liability for the year		4,59,124.00	1,845.24
Profit for the year from continuing operations		(39,44,598.57)	(1,19,872.30)
Profit/Loss brought forward		7,59,909.55	8,79,781.85
Profit available for Appropriations		(31,84,689.02)	7,59,909.55
Earning per equity share:(Rs.)			
Basic		-1.10	-0.21
Diluted		-1.10	-0.21
Significant accounting policies	1		

Note : The notes referred above form an integral part of the statement of profit and loss.

As per our Report of even date attax For and on behalf of the Board
For NAROTHAM MADHAV & RAMESH

Chartered Accountants


(R L N RAMA PPRASAD)
Partner

FR No :002704S

Membership No. 208659

Place :Ongole

Date : 08-07-2021

UDIN : 21208659AAAAFS5183




(D.KRISHNA MOHAN RAO)
Director


(J.PRASANTH KUMAR)
Director



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

	AS ON 31-03-2021 Rs.	AS ON 31-03-2020 Rs.
NOTE - 1		
Share Capital:		
<u>Authorised:</u>		
57000 Equity Shares of Rs. 10/- each	5,70,000	5,70,000
<u>Issued, Subscribed & Paidup:-</u>		
57000 Equity Shares of Rs. 10/- each	5,70,000	5,70,000

Reconciliation of the share outstanding at the beginning and at the end of the reporting period.

<u>Equity Shares:</u>	31/03/2021		31/03/2020	
	<u>No. of Shares</u>	<u>Rs.</u>	<u>No. of Shares</u>	<u>Rs.</u>
At the beginning of the period	57,000	5,70,000	57,000	5,70,000
Issued during the period	-	-		
Outstanding at the end of the period	57,000	5,70,000	57,000	5,70,000

<u>Equity Shares of Rs. 10 each fully paid.</u>	31/03/2021		31/03/2020	
	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
D.KRISHNA MOHAN RAO	52,000	91.23	52,000	91.23
D.SHANTHI	5,000	8.77	5000	8.77
Total	57,000	100.00	57,000	100.00

NOTE - 2

Reserves and Surplus:

Surplus/(Deficit) in the statement of Profit and Loss

Balance as per last financial statements	7,59,909.55	8,79,781.86
Profit for the year	(39,44,598.57)	(1,19,872.30)
Add: Short provision for income tax of earlier years written off	0.00	0.00
Net surplus in the statement of profit and Loss	(31,84,689.02)	7,59,909.56

NOTE: 3

Share Application Money pending Allotment

	31/03/21 Rs	31-3-2020 Rs
	-	-

NOTE - 4

Long-term borrowings:

Term Loans:

	Non-Current Portion		Current Maturities	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
Indian Rupee Loans from Banks(Un Secured)				
Term Loan from Bank				
Loans from Directors	31,02,501.00	5,56,101.46		
Loan from Siti Digital Network Pvt Ltd	3,02,13,256.95	-		
	<u>3,33,15,757.95</u>	<u>5,56,101.46</u>	<u>-</u>	<u>-</u>

NOTE - 5

Trade payables

Creditors for raw materials

	31/03/2021	31/03/2020
	46,23,129.34	26,73,335.00
	<u>46,23,129.34</u>	<u>26,73,335.00</u>

NOTE - 6

Other Current Liabilities:

Salary Payable

TDS Payable

	-	4,24,000.00
	-	-
	<u>-</u>	<u>4,24,000.00</u>

NOTE-7

Short-term provisions :

Audit fee Provision

TDS Payable

	15,000.00	14,000.00
	17,291.00	-
	<u>32,291.00</u>	<u>14,000.00</u>

NOTE - 8

Trade Receivables:

Morethan Six Months

Others (Unsecured considered good)

	Non-Current		Current	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
Morethan Six Months	-	-	-	-
Others (Unsecured considered good)	-	-	67,571.60	1,43,440.60
	<u>-</u>	<u>-</u>	<u>67,571.60</u>	<u>1,43,440.60</u>

NOTE - 9

Cash and Cash equivalents :

Cash and Cash equivalents

Cash on hand

Balances with banks in current accounts

	Non-Current		Current	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
Cash on hand	-	-	31,579.16	79,119.16
Balances with banks in current accounts	-	-	56,40,178.96	47,53,521.02
	<u>-</u>	<u>-</u>	<u>56,71,758.12</u>	<u>48,32,640.18</u>

NOTE - 10

Short Term Loans and Advances:

(Unsecured considered good)

	Non-Current		Current	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
TDS			99,789.00	76,713.00
GST RECEIVABLE			48,18,014.03	1,21,872.99
DANDAMUDI & ASSOCIATES			19,586.00	0.00
Unamortised IPs Purchase			7,176.00	0.00

NOTE -11

DEPOSITS

	49,44,565.03	1,98,585.99
	31/03/2021	31/03/2020

NOTE - 12

Revenue from Operations :

Gross receipts		0.00	13,94,486.00
Taxes Collection		0.00	0.00
		0.00	13,94,486.00
FD Interest		76,559	93,722
GST Input Adjustment		69,408	0
		1,45,967	93,722

NOTE - 13

Inventories (Valued at lower of cost and net realisable value)

Inventory at the beginning of the year		0.00	0.00
Add: Purchases		0.00	13,94,486.00
Less: Inventory at the end of the year			
Cost of raw material consumed		0.00	13,94,486.00

NOTE - 14

Employee benefit expenses:

Salaries, Wages		7,49,997.00	0.00
		7,49,997.00	0.00

NOTE - 15

Finance Costs:

Interest on TDS		6,250.00	0.00
Interest on Loans		2,30,547.95	0.00
		2,36,797.95	0.00

NOTE - 16

Other Expenses:

Audit Fee	15,000.00	12,000.00
Bank Charges	28,774.60	751.52
Bank gurantee Charges	0.00	7,375.00
Consultancy Fee	5,272.00	1,00,510.60
Courier Charges	83.00	0.00
Electricity Charges	500.00	0.00
Fiber Laying Charges	10,400.00	0.00
GST	0.00	94,394.00
IP Charges	35,880.00	0.00
Labour Charges	1,000.00	0.00
licences	22,77,341.00	-29,964.60
Office Maintenance	320.00	0.00
Printing & Stationery	700.00	0.00
Rent	90,000.00	0.00
Roc fee	1,200.00	3,600.00
Round off	-0.98	0.00
Telephone Bill	26,831.00	0.00
Transport Charges	1,440.00	0.00
	24,94,740.62	1,88,666.52

For NAROTHAM MADHAV & RAMESH

Chartered Accountants



(R L N RAM PRASAD)
Partner

FR No :002704S

Membership No. 208659

Place:Ongole

Date : 08-07-2021

UDIN : 21208659AAAAFS5183



(D KRISHNA MOHAN RAO)
Director



(J.PRASANTH KUMAR)
Director



NOTE NO. 9

TANGIBLE ASSETS

	Land	Factory Building	Non Factory Building	Plant and machinery	Furniture & Fixers	Equipment	Computers	Vehicles	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost or Valuation									
As on 01-04-2019	-	-	-	-	1,34,300	-	1,97,580	34,000	3,65,880
Add: Additions during the year	-	-	-	-	-	-	-	-	-
Less: Disposals	-	-	-	-	-	-	-	-	-
As on 31-03-2020	-	-	-	-	1,34,300	-	1,97,580	34,000	3,65,880
Add: Additions during the year	-	-	-	-	63,561	2,53,95,384	-	-	2,54,58,945
Less: Disposals	-	-	-	-	-	-	-	-	-
As on 31-03-2021	-	-	-	-	1,97,861	2,53,95,384	1,97,580	34,000	2,58,24,825
Depreciation									
As on 01-04-2019	-	-	-	-	85,153	-	1,87,699	18,096	2,90,948
Add: Charges for the year	-	-	-	-	12,724	-	6,241	4,118	23,083
Less: Disposals	-	-	-	-	-	-	-	-	-
As on 31-03-2020	-	-	-	-	97,877	-	1,93,940	22,214	3,14,031
Add: Charges for the year	-	-	-	-	10,507	1,35,268	323	3,808	1,49,906
Less: Income	-	-	-	-	-	-	-	-	-
As on 31-03-2021	-	-	-	-	1,08,384	1,35,268	1,94,263	26,022	4,63,937

Net Block

At 31st March, 2020	-	-	-	-	36,423	-	3,640	11,786	51,849
At 31st March, 2021	-	-	-	-	89,477	2,52,60,116	3,317	7,978	2,53,60,888

As per our Report of even date attached
For NAROTHAM MADHAV & RAMESH
Chartered Accountants

(R. L. N. RAMA PPRASAD)

Partner

Membership No. 208659

F. R. NO.:002407S

Place : Ongole

Date : 08-07-2021

UDIN : 21208659AAAAF55183



For and on behalf of the Board

(D. KRISHNA MOHAN RAO)

Director

(J. PRASANTH KUMAR)

Director



E NET ENTERTAINMENT PRIVATE LIMITED
GUNTUR

FY 2020-21

DEPRECIATION STATEMENT AS PER I.T.RULES

S.No.	Name of the Asset	W.D.V. as on 01-04-2020 Rs.	Additions during the year		Deletions	Total as on 31-03-2021 Rs.	DEPRECIATION		W.D.V. as on 31-03-2021 Rs.
			Above 6 months Rs.	Below 6 months Rs.			Rate	Amount Rs.	
1	Furniture & Fixtures	88,115	32,205	31,356	-	1,51,676	10%	13,600	1,38,076
2	Plant & Machinery	-	-	2,53,95,384	-	2,53,95,384	15%	19,04,654	2,34,90,730
3	Vehicles	22,723	-	-	-	22,723	15%	3,408	19,315
4	Computer accessories	24,665	-	-	-	24,665	40%	9,866	14,799
		1,35,503	32,205	2,54,26,740	-	2,55,94,448		19,31,528	2,36,62,920

As per our Report of even date attached
For MAROTHAM MADHAV & RAMESH
Chartered Accountants

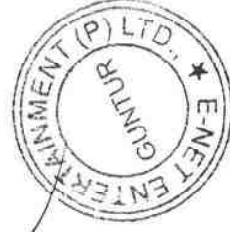


(Signature)
(R L N RAMA PPRASAD)
Partner
FR No : 002704S

Membership No. 208659
F R NO:002407S
Place : Ongole
Date : 08-07-2021
UDIN : 21208659AAAAAF55183

For and on behalf of the Board

(Signature)
(D.KRISHNA MOHAN RAO)
Director



(Signature)
(J.PRASANT KUMAR)
Director

E Net Entertainment Private Limited
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH, 2021

	31-03-2021	31-03-2020
<u>A. Cash Flows Operating Activities:</u>		
Net Profit before tax	(34,85,474.57)	(1,18,027.06)
Adjustment for Depreciation	1,49,906.00	23,082.54
Interest Expenses	-	-
Interest Income	-	-
Profit on sale of fixed asset	-	-
	-----	-----
Operating Profit before Working Capital Changes	(33,35,568.57)	(94,944.52)
<u>ADJUSTMENT FOR</u>		
Inventories	-	-
Trade receivables	75,869.00	(1,43,440.60)
Short term Loans & Advances	(47,45,979.04)	(53,519.40)
Long Term loans and advances	-	-
Non-Current Assets	-	-
Trade payables	19,49,794.34	1,64,863.00
Other Current Liabilities	(4,05,709.00)	1,499.00
	-----	-----
Net Cash flow generatd from /(used in) Operating Activities befor	(64,61,593.27)	(1,25,542.52)
Less: Income Tax Adjustments	4,59,124.00	-
	-----	-----
	(69,20,717.27)	(1,25,542.52)
<u>B. Cash Flow from Investing Activities:</u>		
Proceeds from sale of fixed assets	-	-
Purchase of fixed assets	(2,54,58,945.27)	-
Increase /(Decrease) of Capital Work-In-Progress	-	-
Interest received	-	-
	-----	-----
Net cash used in investing activities - II	(2,54,58,945.27)	-
<u>C. Cash flow from Financing Activities</u>		
Proceeds from share capital	-	-
Proceeds from Share application money	-	-
Proceeds from Barrowings	3,32,18,780.48	(1,97,499.00)
Interest paid	-	-
	-----	-----
Net Cash (used in)/ generated from financing activities - III	3,32,18,780.48	(1,97,499.00)
Net Increase/(Decrease) in Cash and Cash equivalents	8,39,117.94	(3,23,041.52)
Cash and Cash equivalents at the beginning of the year	48,32,640.18	51,55,681.70
	-----	-----
Cash and Cash equivalents at the end of the period	56,71,758.12	48,32,640.18
	-----	-----

Significant Accounting policies and notes to Financial Statements 1 to 35

As per our report of even date annexed

For and on behalf of the Board

For NAROTHAM MADHAV & RAMESH
Chartered Accountants


(R. L. N. RAMA PPRASAD)
Partner

FR No :002704S
Membership No. 208659
Place : Ongole
Date : 08-07-2021
UDIN : 21208659AAAAFS5183




(D KRISHNA MOHAN RAO)
Director


(J.PRASANTH KUMAR)
Director

