

Subhash C. Gupta & Co.

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SITI SIRI DIGITAL NETWORK PVT. LTD. Report on the Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of **SITI SIRI DIGITAL NETWORK PVT. LTD.** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, 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 the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matters described in Basis of Qualified Opinion section of our report*, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2020, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. The Company's 'Revenue from Operations' includes broadcasters' share in subscription income from pay channels, which has correspondingly been presented as an expense which is not in accordance with the requirements of Ind AS 115, 'Revenue from contracts with customers'. Had the management disclosed the same on net basis, the 'Revenue from Operations' and the 'Pay channel, carriage sharing and related cost' each would have been lower by Rs.885.5 millions for the year ended 31 March 2020, while there would have been no impact on the net profit for the year ended 31 March 2020.
4. 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 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 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.

Information other than the Financial Statements and Auditor's Report thereon

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.



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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

6. 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 to give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. 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.

8. 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

9. 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 Standards on Auditing 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.

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

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



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining 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.

11. 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.

12. 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.

13. 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

14. As required by 'the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure A** a statement on the matters specified in paragraphs 3 and 4 of the Order.

15. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and {except for the effects of the matters described in the Basis for Qualified Opinion section} obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) {except for the effects of the matter described in the Basis for Qualified Opinion section} 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, the Statement of Cash Flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account.

(d) {except for the effects of the matters described in the Basis for Qualified Opinion section} in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder.

(e) On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure B**.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

- i. The Company has disclosed the impact, if any, of pending litigations as at 31st March 2020 on its financial position in its standalone financial statements – Refer Note no. 1.3. c – of the notes to the financial statements;
- 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.

For Subhash C. Gupta & Co.

Chartered Accountants

Firm's Registration No.: 004103N

Lokesh Gupta

(Partner)

Membership No.: 503853

Place : New Delhi

Date : 20/06/2020

UDIN: 20503653AAAADB1751

Annexure A to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of SITI SIRI DIGITAL NETWORK PVT. LTD. on the standalone financial statements for the year ended 31st March 2020.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets *except for Set Top Boxes capitalized/installed at customer premises.*

(b) According to the information and explanations given to us the fixed assets (*other than Set top boxes installed at customer premises and those in transit or lying with the distributors/cable operators and distribution equipment comprising overhead and underground cables physical verification of which is infeasible owing to the nature and location of these assets*) have been physically verified by the management during the year in a phased periodical manner which, in our opinion, is reasonable, having regard to the size of the Company and nature of the assets. No material discrepancies were noticed on such verification.

(c) Since the company does not own any immovable properties the provisions of the said clause of the Order are not applicable.

(ii) The company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act.

(iv) The Company has not granted any loans, made any investments nor provided any guarantee or security during the year accordingly the provisions of the said clause of the Order are not applicable.

(v) To the best of our knowledge & according to the information and explanations given to us the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records



under sub-section (1) of the Section 148 of the Act in respect of company's services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

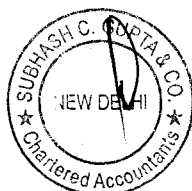
- (vii)(a) To the best of our knowledge and according to the information and explanations given to us the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, GST, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable *except the following*:

Name of Statute	Nature of Dues	Amount Involved Rs.	Period
Service Tax	Service Tax, Ed. Cess and SBC	9,30,926	Since 2017

- (b) There are no dues in respect of income-tax, sales-tax, wealth tax, service tax, GST, duty of customs, duty of excise, value added tax and cess that have not been deposited with the appropriate authorities on account of any dispute except for:-

Name of Statute	Nature of Dues	Amount Involved Rs.	Forum/ period where the dispute is pending
AP-VAT	VAT	4,69,19,520	Tribunal, VAT Department, Vizag, Ap
AP-VAT	VAT Penalty	1,17,29,880	Tribunal, VAT Department, Vizag, Ap
AP-VAT	VAT	31,88,219	Appellate Deputy Commissioner (ADC), Telangana.
AP-VAT	VAT	2,25,80,273	High Court
AP-VAT	VAT Penalty	56,45,068	High Court

- (viii) The Company has no dues payable to a financial institution or a bank or debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The company has not raised any funds during the year from initial public offer or further public offer or by way of term loans. Accordingly, the provisions of said clause of the Order are not applicable.
- (x) Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statement and as per the information and explanations



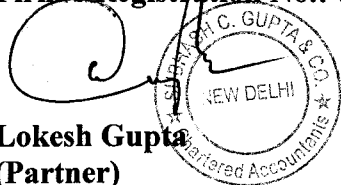
given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

- (xi) Managerial remuneration has been paid or provided by the company during the year in accordance with the requisite approvals mandate by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- (xii) Since the company is not a Nidhi company the provisions of clause 3(xii) of the order are not applicable.
- (xiii) As per the information and explanation provided to us, all the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment/private placement of shares or convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable.
- (xv) According to the information and explanation provided to us the company has not entered into any non-cash transactions with directors or persons connected with him during the year accordingly the provisions of clause 3(xv) of the order are not applicable.
- (xvi) In our opinion and according to the information and explanation provided to us the company is not required to be registered u/s 45-IA of the Reserve Bank of India Act, 1934.

For Subhash C. Gupta & Co.

Chartered Accountants

Firm's Registration No.: 004103N



**Lokesh Gupta
(Partner)**

Membership No.: 503853

Place : New Delhi

Date : 20.06.2020

Annexure B to Independent Auditors' Report

Referred to in paragraph 15 (f) of the Independent Auditors' Report of even date to the members of SITI SIRI DIGITAL NETWORK PVT. LTD. on the standalone financial statements for the year ended 31st March 2020.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of SITI SIRI DIGITAL NETWORK PVT. LTD. ("the Company") as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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.
4. 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.



5. 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

6. 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

7. 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.

Qualified Opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at 31 March 2020:

The Company's internal financial controls over preparation of financial statements with respect to presentation and disclosure of 'Revenue from operations' in accordance with the requirement of IndAS 115 'Revenue from contracts with customers', were not operating effectively which has resulted in a material misstatement in the amounts recognised as 'Revenue from operations' and 'Paychannel, carriage sharing and related costs' including the relevant disclosures in the standalone financial statements, while there is no impact on the net profit for the year ended 31 March 2020.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.
10. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the



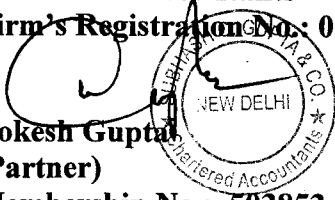
essential components of internal control stated in the Guidance Note issued by the ICAI and *except for the effects of the material weakness described above* on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as at 31 March 2020.

11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2020, and the material weakness as mentioned in para 8 above, has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

For Subhash C. Gupta & Co.
Chartered Accountants
Firm's Registration No.: 004103N

Lokesh Gupta
(Partner)
Membership No.: 503853

Place : New Delhi
Date : 20.06.2020



SITI SIRI DIGITAL NETWORK PVT LTD.,
Balance sheet as at March 31, 2020

	Notes	March 31, 2020 Rs.	March 31, 2019 Rs.
A. Assets			
1. Non-current assets			
Fixed assets			
(a) Property, plant and equipment	2	862,914,223	1,010,551,223
(b) Capital work-in-progress		54,327,642	39,979,328
(c) Financial assets		-	-
(i) Investments		-	-
(ii) Loans & Advances	3	867,940	790,440
Sub-total of Non-current assets		<u>918,109,805</u>	<u>1,051,320,991</u>
2. Current assets			
(a) Financial assets		-	-
(i) Trade receivables	4	219,606,108	204,737,956
(ii) Investments		-	-
(iii) Cash and bank balances	5	221,938,178	160,461,800
(iv) Others Financial Assets	6	59,511,252	28,605,711
(b) Current tax assets		-	-
(c) Other current assets	7	139,113,218	126,434,764
Sub-total of Current assets		<u>640,168,756</u>	<u>520,240,230</u>
Total assets		<u>1,558,278,561</u>	<u>1,571,561,221</u>
B. Equity and liabilities			
Equity			
(a) Equity share capital	8	100,000	100,000
(b) Other equity	9	37,593,267	10,285,533
Sub-total - Equity		<u>37,693,267</u>	<u>10,385,533</u>
Liabilities			
1. Non-current liabilities			
(a) Financial liabilities		-	-
(i) Long-term borrowings	10	744,900,000	735,865,712
(b) Provisions	11	864,286	576,416
(c) Deferred tax liability (net)	12	798,773	17,875,276
(d) Other non-current liabilities	13	-	-
Sub-total - Non-current liabilities		<u>746,563,059</u>	<u>754,317,404</u>
2. Current liabilities			
(a) Financial liabilities		-	-
(i) Trade payables	14	685,375,123	737,520,928
(b) Other current liabilities	15	77,377,533	69,286,401
(c) Provisions	16	11,269,579	50,954
Sub-total of current liabilities		<u>774,022,235</u>	<u>806,858,284</u>
Total equity and liabilities		<u>1,558,278,561</u>	<u>1,571,561,221</u>
Summary of significant accounting policies	1	-	-

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

This is the balance sheet referred to in our report of even date.

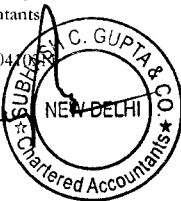
For Subhash C. Gupta & Co.
Chartered Accountants

Firm Regn No.-0041

Lokesh Gupta
Partner
M. No-503853

Place: New Delhi

Date: 20 JUN 2020



For and on behalf of the Board of Directors of
Siti Siri Digital Network Pvt. Ltd.

Director
DIN

Director
DIN

Handwritten signature of a Director with DIN 08194113 and another handwritten signature with DIN 00098362.

SITI SIRI DIGITAL NETWORK PVT LTD.,
Statement of profit and loss for the year ended March 31, 2020


	Notes	March 31, 2020 Rs.	March 31, 2019 Rs.
Revenue			
Revenue from operations	17	1,373,761,676	719,970,516
Other income	18	42,956,929	19,769,530
Total revenue		1,416,718,605	739,740,046
Expenses			
Purchases of traded goods	19	4,735,124	5,618,039
Carriage sharing, pay channel and related costs	20	885,495,843	332,854,459
Employee benefits expense	21	12,274,903	5,878,365
Finance costs	22	9,839,152	631,514
Depreciation and amortisation expenses	23	197,736,691	191,014,930
Other expenses	24	293,806,098	204,897,519
Total expenses		1,403,887,811	740,894,826
Profit before Exceptional items expenses		12,830,794	(1,154,780)
Exceptional items		-	-
Profit before tax		12,830,794	(1,154,780)
Tax Expenses			
Current Tax		11,100,000	-
Previous Year Tax		-	-
Deferred Tax		(17,076,503)	(6,765,924)
Total Profit/(Loss) for the period		18,807,297	5,611,144
Other Comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined benefit (liabilities) / assets		67,980	47,102
Total Comprehensive Income/(loss) for the year		18,739,317	5,564,042
Profit/(Loss) per share after tax	25		
Basic		1,881	561.11
Diluted		1,881	561.11
Summary of significant accounting policies	1		

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

This is the statement of profit and loss referred to in our report of even date

For Subhash C. Gupta & Co.

Chartered Accountants
Firm Regn No.-004198


Lokesh Gupta
Partner
M. No-503853

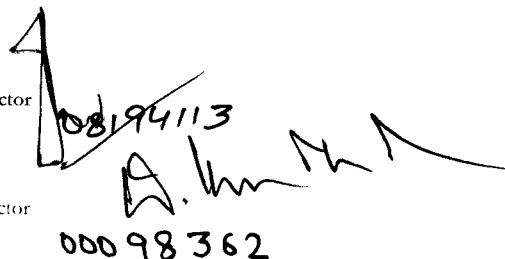
Place : New Delhi

Date : 20 JUN 2020

For and on behalf of the Board of Directors of
Siti Siri Digital Network Pvt. Ltd.

Director
DIN

Director
DIN


08194113
A. Kumar
00098362

SITI SIRI DIGITAL NETWORK PVT. LTD.
FORMERLY KNOWN AS SIRI DIGITAL NETWORK PVT. LTD.
CASH FLOW STATEMENT

PARTICULARS	Year ended March 31, 2020	Year ended March 31, 2019
	Amount in Rs.	Amount in Rs.
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Income / (Loss) before Tax	12,830,794	(1,154,780)
Adjustments for :		
Depreciation	197,736,691	191,014,930
Loss(profit) on sale /disposal of assets	-	-
Provision for Doubtful Debts	2,320,444	-
Interest Expense	9,839,152	631,514
Profit/Loss on fair valuation of OCD	9,034,288	-
Income Tax paid	-	-
Provision for Taxation including Deferred Tax	5,976,503	(6,765,924)
Transfer from Deferred Activation Revenue to OCI	-	67,707,266
comprehensive income recognised directly in retained earnings	(67,980)	(47,102)
Operating Profit before working capital changes	237,669,892	251,385,904
Decrease in Trade Receivables	(17,188,597)	(89,064,219)
Decrease(Increase) in Long Terms L&A and Other non current assets	(77,500)	(62,600)
Decrease(Increase) in Short Terms L&A and Other current assets	(35,015,578)	43,283,463
Increase(Decrease) in Long Terms liabilities and provisions	(16,788,633)	(36,666,143)
Current Liabilities and Provisions	(32,836,049)	32,535,886
Net Cash Flow from Operating Activities	135,763,536	201,412,292
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(50,099,691)	(82,117,364)
Capital Work in progress	(14,348,313)	(11,393,199)
sale of Fixed Assets	-	-
Net Cash utilised in Investing Activities	(64,448,005)	(93,510,563)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid (Net)	(9,839,152)	(631,514)
Repayment of Long Term borrowings	-	-
Proceeds from Long term Borrowings	-	-
Proceeds from Share Application Money	-	-
Proceeds from Issue of Share Capital	-	-
Net Cash provided by Financing Activities	(9,839,152)	(631,514)
Net Increase in cash and cash equivalents during the year	61,476,379	107,270,215
cash and cash equivalents at beginning of year	160,461,800	53,191,585
Cash and Cash Equivalents at end of the Year	221,938,178	160,461,800

Note :

1 Component of Cash & cash Equivalents at the end of year		
Cash in hand	63,352	99,707
Cheques in hand	-	357,881
Balances with Scheduled Banks in Current Accounts	221,874,826	40,004,212
FDR's with Bank	-	120,000,000
	<u>221,938,178</u>	<u>160,461,800</u>
	(0)	-

As per our report of even date
For Subhash C. Gupta & Co.
Firm Regn No. 004113N
Chartered Accountants

LOKESH GUPTA
Partner
Membership No.: **503856**

Place : **DELHI**
Date : **20 JUN 2020**

For Siti Siri Digital Network Pvt. Ltd.

Director
DIN **08194113**
Name

(Signature)
Director
DIN **00098362**
Name

SITI SIRI DIGITAL NETWORK PVT LTD.,

Statement of changes in Equity

(a) Equity share capital

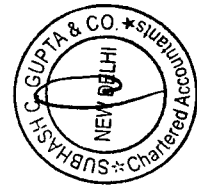
Balance at the beginning of the reporting period Balance
 Changes in equity share capital during the year
 Balance at the end of the reporting period

Amount in INR		Amount in INR	
As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
No. of Shares	No. of Shares	No. of Shares	No. of Shares
10,000	10,000	10,000	100,000
-	-	-	-
10,000	10,000	10,000	100,000

(b) Other equity

Particulars

Particulars	Reserves & Surplus		Equity portion of OCD conversion	Total other Equity
	Retained earnings	Other items of other comprehensive income		
Balance at March 31, 2018	(63,042,621)	56,846	-	(62,985,775)
Profit/(Loss) for the year	5,611,144	-	-	5,611,144
Other comprehensive income for the year	67,707,266	(47,102)	-	(47,102)
Transfer from Deferred Activation Revenue	73,318,410	(47,102)	-	67,707,266
Total comprehensive income for the year				10,285,533
Add : Equity portion of OCD conversion			-	
Balance at March 31, 2019	10,275,789	9,744	-	10,285,533
Profit/(Loss) for the year	18,807,297	-	-	18,807,297
Previous Year Mat Credit adjustments	8,568,417	-	-	8,568,417
Other comprehensive income for the year		(67,980)	-	(67,980)
Transfer from Deferred Activation Revenue to OCI			-	
Total comprehensive income for the year	27,375,714	(67,980)	-	27,307,734
Add : Equity portion of OCD conversion			-	
Balance at March 31, 2020	37,651,503	(58,236)	-	37,593,267



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SITI SIRI DIGITAL NETWORK PVT. LTD.

Note: 1 Company Overview and Significant Accounting Policies

1.1 Company Overview

a. Siti Siri Digital Network Pvt. Ltd. (hereinafter referred to as the 'Company' or 'SSDN') was incorporated in the state of Andhra Pradesh, India. The Company is engaged in distribution of television channels through analogue and digital cable distribution network and allied services.

b. Basis of preparation

These financial statements are prepared on going concern basis in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values as per the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2020, together with the comparative period as at and for the year ended 31 March 2019. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.2 Summary of Accounting Policies

a. Use of estimate

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

b. Foreign Currency Translation

Functional and presentation currency

The standalone financial statements are presented in currency INR, which is also the functional currency of the Company.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions (spot exchange rate).

Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

c. Revenue recognition

i.) Revenue is recognised when it is probable that the economic benefits will flow to the Company and it can be reliably measured.

ii.) Revenue is measured at the fair value of the consideration received/receivable net of rebates and taxes. The Company applies the revenue recognition criteria to each separately identifiable component of the sales transaction as set out below.

Revenue from rendering of Services

Subscription income is recognised on completion of services and when no significant uncertainty exists regarding the amount of consideration that will be derived.

Other networking and management income and carriage income are recognised on accrual basis over the terms of related agreements and when no significant uncertainty exists regarding the amount of consideration that will be derived. Carriage revenue recognition is done basis negotiations/formal agreement with broadcasters.

Advertisement income is recognised when the related advertisement gets telecasted and when no significant uncertainty exists regarding the amount of consideration that will be derived. Other advertisement revenue for slot sale is recognised on period basis.

Activation and set top boxes pairing charges are recognised as revenue to the extent it relates to pairing and transfer of the related boxes and when no significant uncertainty exists regarding the amount of consideration that will be derived and the upfront obligation is discharged. Where part of the revenues collected at the time of activation relates to future services to be provided by the Company, a part of activation revenue is deferred and recognized over the associated service contract period or customer life.

Application of New Accounting Pronouncement:

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with effect from April 01, 2018.

Pursuant to notification of Ind AS 115 and its adoption by the Company, the activation and set-top box pairing service doesn't qualify as a separate performance obligation and provides no material right to the customers. Such service does not extend beyond the initial contract period and has been recognised over the same.

The Company has elected to recognise cumulative effect of initially applying Ind AS 115 under modified retrospective approach as an adjustment to opening balance sheet as at April 01, 2018 on the contracts that were not completed as at that date.

d. Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.



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Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalization of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

e. Property, Plant and Equipment

Recognition and initial measurement

Properties plant and equipment are stated at their cost of acquisition. The cost comprises purchase price (net of CENVAT Credit availed), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Set top boxes are treated as part of capital work in progress till at the end of the month of activation thereof.

f. Subsequent measurement (depreciation and useful lives)

i.) Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013.

Type of assets	Useful Life (Years)
Computer	3.00
Office Equipments	5.00
Digital Equipment	8.00
Furniture & Fixtures	10.00
Set Top Boxes	8.00
Vehicles	8 to 10

ii.) Leasehold Improvements is amortised over the effective period of lease.

iii.) The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

g. Intangible Assets

Intangible assets acquired separately are stated at their cost of acquisition.

Subsequent measurement (Amortisation)

Cost of Intangible Assets are amortised under straight line method over the period of life.

h. Impairment of non-financial Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss.

If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the Statement of Comprehensive Income.

i. Investments and Other Financial Assets

Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

All other debt instruments are measured at Fair Value through other comprehensive income or Fair value through profit and loss based on Company's business model.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.



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Impairment of Financial Assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for Financial Assets.

j. Post-employment, long term and short term employee benefits

Defined contribution plans

Provident Fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Gratuity (Funded)

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of other comprehensive income in the year in which such gains or losses are determined.

Other Employee Benefits

Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the pr date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the Balance Sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

k. Taxation on Income

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are generally recognised in full, although IAS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the Company does not recognise deferred tax on temporary differences relating to goodwill, or to its investments in subsidiaries.

l. Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

· Possible obligations which will be confirmed only by future events not wholly within the control of the Company or

· Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets are disclosed when probable and recognised when realization of income is virtually certain.

m. Earning Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

n. Leases

Finance leases



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Finance leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

Operating leases

Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Associated costs, such as maintenance and insurance, are expensed as incurred.

o. Significant management judgement in applying accounting policies and estimation uncertainty

Financial Statements are prepared in accordance with GAAP in India which require management to make estimates and assumptions that affect the reported balances of assets, liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of income & expenses during the periods. Although these estimates and assumptions used in accompanying Financial Statements are based upon management's evaluation of relevant facts and circumstances as of date of Financial Statements which in management's opinion are prudent and reasonable, actual results may differ from estimates and assumptions used in preparing accompanying Financial Statements. Any revision to accounting estimates is recognized prospectively from the period in which results are known/ materialise in accordance with applicable Accounting Standards.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

Significant Management Judgements

The following are significant management judgements in applying the Accounting Policies of the Company that have the most significant effect on the Financial Statements.

Recognition of Deferred Tax Assets - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for Impairment of Assets - The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Property, Plant and Equipment - Management assess the remaining useful lives and residual value of property, Plant and Equipment and believes that the assigned useful lives and residual value are reasonable

Estimation Uncertainty- Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

Fair value measurement:-

The Company measures certain financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Company uses following measurement techniques:

- The fair value measurement for financial instruments where active market quotes are available is based on the quotes available in the principal market for selling the asset or transferring the liability.
- The Company uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.
- The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. Refer Note for Fair Value Hierarchy.

1.3 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS

a. Earning per share:

	31.03.2020	31.03.2019
a) Profit/(Loss) after Tax	18,807,297	5,611,144
b) Weighted average No. of Ordinary Shares		
Basic	10,000	10,000
Diluted	10,000	10,000
c) Nominal Value of Ordinary Share	10	10
d) Earning per Ordinary share considering:		
Basic	1,880.73	561.11
Diluted	1,880.73	561.11



b. Auditor's Remuneration (Including Legal & professional Charges)

Particulars	2019-20	2018-19
Audit fees Rs.	105,000	105,000
Tax Audit Fees	38,000	38,000
Other Matter	10,000	-

(Amount are exclusive of Service Tax)

c. Additional information**Contingent Liabilities not provided for on account of:**

	Amount	
VAT department	90,062,960	61,837,619
Director Remuneration	6,000,000	1,200,000
Earning in Foreign Currency	-	-
Remittances in Foreign Currency	-	-
Expenditure in Foreign Currency	-	-
CIF Value of Import	20,981,964	18,339,450

Disclosure in Contingent Liability; Honourable Supreme Court of India in ruling dated 28 February 2019 has held that 'Allowance' paid by employer to its employees, will be included in the scope of 'basic wages' and hence, will be subject to provident fund contributions. As the above said ruling has not prescribed any clarification w.r.t to its application, the Company is in the process of evaluating the impact on the provident fund contributions. Pending clarification and evaluation of impact of above said, no provision for employee contribution has been recognised in the financial statements for the year ended 31 March 2019

d. Commitments

Future commitments towards capital contributions - NIL

e. Segment Reporting

Segment Reporting as required by Accounting Standard -17 issued by the Institute of Chartered Accountant of India is not applicable since the Company is in the business of providing Cable TV Services in one segment and there is no Geographical Segment.

f. Related Parties Disclosure:**List of Parties where control exists****i Ultimate Holding Company**

Siti Networks Limited (Formerly known as Siti Cable Networks Limited)

ii Fellow Subsidiary Companies

Indinet Service Pvt. Ltd. (100% Subsidiary of ICNCL)	SITI GLOBAL PVT. LTD.
SITI KARNAL DIGITAL MEDIA NETWORK PRIVATE LIMITED	Indian Cable Net Company Ltd.
Siti Prime Uttaranchal Communication Pvt. Ltd.	Siti Jind Digital Network Pvt. Ltd.
Central Bombay Cable Network Limited.	Siti Vroadband Services Pvt. Ltd.
Panchsheel Digital Communication Network Pvt. Ltd.	Sai Star Digital Media Pvt. Ltd.
Bargachh Digital Communication Network Pvt. Ltd.	Siti Vision Digital Media Pvt. Ltd.
Siti Jai Maa Durge Communications Pvt. Ltd.	Variety Entertainment Pvt. Ltd.
Siti Bhatia Network Entertainment Private Limited	Siti Guntur Digital Network P. Limited
Siti Krishna Digital Media Private Limited	Siti Faction Digital Private Limited
Siti Jony Digital Cable Network Private Limited	Siticable Broadband South Ltd.
Master Channel Community N/w Pvt. Ltd.	Wire & Wireless Tisai Satellite Ltd.
Siti Maurya Cable Net Pvt. Ltd. (Subsidiary of ICNCL)	Central Bombay Cable Network Ltd

iii Key Managerial Personnel

KRISHAN MOHAN RAO DANDAMUDI-MANAGING DIRECTOR	SURESH KUMAR
SAI BABU POTLURI	MANOJ PHOOLCHAND AGARWAL
POTLURI JAYANTH	RADHEY SHYAM PANDEY
SURYANARAYANA GUDURU	Sanjay Arya
Ankit Kumar Arya	Vijay Kalur
VENKATA NAGESWARA THRINATH ITIKA	Pawan Kumar gupta

iv Entities owned and significantly influenced by the Holding company/Promoter group

Zee Entertainment Enterprises Limited (ZEEL)
Zee Media Corporation Limited (ZMCL)

v Other Related Parties

Mega Satellite Services Private Limited	Lotus Broadband Private Limited
3 Way Cable Communication Pvt. Ltd.	Divya Cable Network
Singareni Home Entertainment Pvt. Ltd.	

Transactions with:

Holding Company- Siti Network Ltd.

Operational Expenses Paid	2020	2019
	6,427,364	-



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Management/Usage Charges	129,977,157	133,766,253
Purchase of STB	-	40,616,800
Reimbursement of expenses	140,445	10,600
Feed Charges Received	19,800,000	12,295,029
Pay channel expense payable	14,129,829	-
Pay Channel expenses	3,301,241	-
Purchase of VC cards	160,000	-
OCD fair valuation loss	9,034,288	-

Fellow Subsidiary Companies

Master Channel Community N/w Pvt. Ltd.

Sale of STB	2,879,041	5,793,600
Purchase of STB	25,228,600	34,947,286
Feed Charges Received	4,942,582	3,662,761
Transaction with- ZEEL, ZMCL		
Carriage fee/LCN Incentive income during the year -ZEEL	27,235,358.01	14,231,948.00
Carriage fee/LCN Incentive income during the year -ZMCL	4,325,100.00	5,190,120.00
Credit note issued during the year-ZMCL	5,190,120.00	0
Pay channel expense during the year-ZEEL	142,571,648.80	55,542,191.04

With Key Managerial Personnel

	<u>2020</u>	<u>2019</u>
Rent Paid	-	600,000
Remuneration Paid	6,000,000	1,200,000
Loan Repaid	-	11,902,500

With other related parties

Commission Paid	84,990,638	22,536,395
-----------------	------------	------------

Outstanding as on 31.3.2020

Unsecured Loan

Siti Cable Network Limited	198,564,191	356,041,299
Variety Entertainment Pvt. Ltd.	206,550,000	206,550,000
POTLURI JAYANTH	-	-
D.K. Mohan	-	-

Trade Payable

OCD amount payable to SCNL	744,900,000	735,865,712
Divya Digital Network	2,900,000	2,900,000
Singareni Home Entertainment Pvt. Ltd.	-	-
Master Channel Community N/w Pvt. Ltd.	4,967,772	1,328,686
JV Commission Creditors	16,798,775	10,479,123
Zee Entertainment Enterprises Limited	23,539,724.12	26,812,993.78

Trade receivables

Zee Entertainment Enterprises Limited	19,802,565.49	16,793,699.00
Zee Media Corporation Limited	4,671,109.00	6,124,343.00

Amount Payable to

POTLURI JAYANTH	0	540,000
D.K. Mohan	4179398	1,017,160
Siti Cable Network Limited	6427364	51,450,000
JV Commission Creditors	0	7,680,161

g. Optionally Convertible Debentures (OCD) has been fair valued as on 31st March, 2020 by the management and fair value Expense for the year of Rs. 9034288 (P.Y. Rs.NIL/-) has been booked through profit and loss.

h. Pursuant to the Accounting Standard for ' Taxes on Income' (AS-22), deferred tax liability/assets at the balance sheet date is:

	<u>2020</u>	<u>2019</u>
Deferred tax liability on account of difference between book value of depreciable assets as per books of account and written down value as per Income Tax	1,771,241	18,145,403
Deferred tax assets on account of disallowance under section 43 B or allowed on payment basis.	972,467	270,127
Net Deferred Tax Assets/(Liabilities)	(798,774)	(17,875,276)

i. Financial risk management objectives and policies



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The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors is responsible for overseeing the Company's risk assessment and management policies and processes.

a. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Credit risk management

Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk on financial

reporting date

B: High credit risk

The Company provides for expected credit loss based on the following:

Asset group	Basis of categorisation	Provision for expected credit loss
Low credit risk	Investment, Cash and cash	12 month expected credit loss
High credit risk	Trade receivables, security	Based on estimates

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Credit rating	Particulars	31-Mar-20	31-Mar-19
A: Low credit risk	Investment, Cash and cash equivalents and other financial assets except security deposits and amount recoverable	361.05	286.90
B: High credit risk	Trade receivables, security deposits and amount recoverable	279.99	234.13

Particular	Estimated gross carrying amount at default	Expected credit losses	Rs. in million
			Carrying amount net of impairment provision
Trade receivables	221.93	2.32	219.61
Security deposits	0.87	-	0.87
Advances recoverable	59.51	-	59.51

Particular	Estimated gross carrying amount at default	Expected credit losses	Rs. in million
			Carrying amount net of impairment provision
Trade receivables	204.73	-	204.73
Security deposits	0.79	-	0.79
Advances recoverable	28.61	-	28.61

Reconciliation of loss allowance provision – Trade receivable, security deposit and accounts receivable

Loss allowance on March 31, 2017

Changes in loss allowance

Loss allowance on March 31, 2019

Changes in loss allowance

2.32

Loss allowance on March 31, 2020

(i) Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. An impairment analysis is performed at each reporting date on an individual basis for major customers.

(ii) Financial assets that are neither past due nor impaired

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's assessment of credit risk about particular financial institution. None of the Company's cash equivalents, including term deposits (i.e., certificates of deposit) with banks, were past due or impaired as at 31 March 2018.



b. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

as at March 31, 2020

Amounts in Rs			
Particulars	Less than 1 year	1-5 year	Total
Borrowings	-	744,900,000	744,900,000
Trade payables	208,901,964	476,473,159	685,375,123

as at March 31, 2019

Amounts in Rs			
Particulars	Less than 1 year	1-5 year	Total
Borrowings	-	735,865,712	735,865,712
Trade payables	314,482,532	423,038,396	737,520,928

c. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

d. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Long-term borrowings do not expose the company to risk of changes in interest rates as the Company had issued the same at 0%

- j. In view of the nature of business, where the necessary documentary evidence does not support the payment made/expenses incurred, the same are accounted for on the basis of certification of the Management.
- k. Figures for the previous year have been regrouped / rearranged / recast whenever necessary to confirm for comparison purpose.
- l. Trade receivables, Trade payables, Current liabilities, Expenses Recoverable/payable & other loans & Advances are subject to confirmation and reconciliation from the parties.
- m. Information required as per the Micro, Small and Medium Enterprises Development Act, 2006 small Scale Industries.
The Company has identified Micro, Small and Medium Enterprises on the basis of information available. As at March 31, 2020 there are no dues to Micro, Small and Medium Enterprises that are reportable under the MSME Act, 2006.
- n. The new tariff order of Telecom Regulatory Authority of India (TRAI) was implemented from 1, 2019, as per the extended timelines. TRAI had further extended the timeline for subscribers to select channels. Owing to the initial delays in implementation of new tariff order, all the distribution platform operators (DPO) are in transition from previous regime to new regime and are in the process of implementation of contracts with the broadcasters and customers.
- o. The company has calculated the benefits provided to employees as per accounting standards 15, are as under

Defined Benefit Plans

- a.) Gratuity Plan
b.) Leave Encashment

In accordance with Accounting Standards 15 (Revised), the actuarial valuation carried out in respect of the aforesaid defined benefit plans is based on the following assumption.

Actuarial Assumption

	Leave Encashment	Employee Gratuity Fund
Discount Rate (Per annum)	7.00%	7.00%
Rate of Increase in compensation levels	5.00%	5.00%
Expected Rate of return on plan assets	-	-
Expected Average remaining working lives of employees	27.20	27.20

Change in obligation during the year ended 31st March, 2020

Present Value of obligation as at 1st April, 2019	297,374	329,996
Acquisition adjustment	-	-
Interest cost	20,816	23,100
Past service cost	-	-



Current service cost	133,514	161,085
Curtailment cost/(Credit)	-	-
Settlement cost/(Credit)	-	-
Benefits paid	-	-
Actuarial (gain)/loss on obligation	(9,328)	77,308
Present value of obligation as at the end of period (31st March, 2020)	442,376	591,489
Change in fair value plan Assets	Nil	Nil

Movement in the liability recognized in the Balance

Opening net liability (01.04.2019)	(297,374)	(329,996)
Expense as above	145,002	261,493
Benefits paid	-	-
Actual return on plan assets	-	-
Acquisition adjustment	-	-
Net assets/(Liability) recognised in Balance Sheet as provision (31.03.2020)	(442,376)	(591,489)

Expenses recognized in Profit and Loss Account

Current service cost	133,514	161,085
Past service cost	-	-
Interest cost	20,816	23,100
Expected return on plan assets	-	-
Curtailment cost / (Credit)	-	-
Settlement cost / (credit)	-	-
Expenses recognized in the statement of profit & losses	154,330	184,185

Other comprehensive (income) / expenses (Remeasurement)

Actuarial (gain)/loss - obligation	(9,328)	77,308
Actuarial (gain)/loss - plan assets	-	-
Total Actuarial (gain)/loss	(9,328)	77,308

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Sensitivity Analysis for Gratuity

Period	As on: 31/03/2020
Defined Benefit Obligation (Base)	5,91,489 @ Salary Increase Rate : 5%, and discount rate : 7.00%
Liability with x% increase in Discount Rate	5,34,461; x=1.00% [Change (10)%]
Liability with x% decrease in Discount Rate	6,60,882; x=1.00% [Change 12%]
Liability with x% increase in Salary Growth Rate	6,61,604; x=1.00% [Change 12%]
Liability with x% decrease in Salary Growth Rate	5,32,965; x=1.00% [Change (10)%]
Liability with x% increase in Withdrawal Rate	6,00,390; x=1.00% [Change 2%]
Liability with x% decrease in Withdrawal Rate	5,80,152; x=1.00% [Change (2)%]

Sensitivity Analysis for Leave Encashment

Period	As on: 31/03/2020
Defined Benefit Obligation (Base)	442,376
Liability with x% increase in Discount Rate	3,98,698; x=1.00% [Change (10)%]
Liability with x% decrease in Discount Rate	4,95,557; x=1.00% [Change 12%]
Liability with x% increase in Salary Growth Rate	4,96,112; x=1.00% [Change 12%]
Liability with x% decrease in Salary Growth Rate	3,97,553; x=1.00% [Change (10)%]
Liability with x% increase in Withdrawal Rate	4,52,932; x=1.00% [Change 2%]
Liability with x% decrease in Withdrawal Rate	4,30,091; x=1.00% [Change (3)%]

p. Tax Expense

The major components of income tax for the year are as under:

	Rs. in million	
	Mar 31,2020	Mar 31,2019
Income tax related to items recognised directly in the		
Current tax - current year	11.10	-
Current tax - Previous year	-	-
Deferred tax charge / (benefit)	(17.08)	(6.77)
Total	-5.98	-6.77
Effective tax rate		

A reconciliation of the income tax expense applicable to the profit before income tax at statutory rate to the income tax expense at the Company's effective income tax rate for the year ended 31 March, 2020 and 31 March, 2019 is as follows:

Profit before tax	12.83	1.15
Effective tax rate	27.82%	27.82%



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Tax at statutory income tax rate	3.57	-
Tax effect on non-deductible expenses	-	-
Additional allowances for tax purposes	-	-
Other differences	-9.55	-6.77
Tax expense recognised in the statement of profit and loss	-5.98	-6.77

q. Fair value measurements

A. Financial instruments by category

	NOTES	Rs. millions	
		31-Mar-20	
		FVTPL	Amortised cost
Financial assets			
Bank deposits		-	-
Amount recoverable		-	7.58
Interest accrued and not due on fixed deposits		-	-
Security deposits		-	0.87
Unbilled revenues		-	51.93
Trade receivables		-	219.61
Investments (Current, financial assets)		-	-
Cash and cash equivalents		-	221.94
Total financial assets		-	501.92
Financial liabilities			
Borrowings (Non-current, financial liabilities)		9.03	744.90
Borrowings (Current, financial liabilities)		-	-
Payables for purchase of property, plant and equipment		-	-
Security deposits received from customer		-	-
Trade payables		-	685.38
Other financial liabilities (current)		-	-
Total financial liabilities		9.03	1,430.28

	NOTES	Rs. millions	
		31-Mar-19	
		FVTPL	Amortised cost
Financial assets			
Bank deposits		-	-
Amount recoverable		-	7.58
Interest accrued and not due on fixed deposits		-	-
Security deposits		-	0.79
Unbilled revenues		-	21.02
Trade receivables		-	204.74
Investment (Current, financial assets)		-	-
Cash and cash equivalents		-	160.46
Other bank balances		-	-
Total financial assets		-	394.60
Financial liabilities			
Borrowings (non-current, financial liabilities)		-	735.87
Borrowings (Current, financial liabilities)		-	-
Payables for purchase of property, plant and equipment		-	-
Security deposits		-	-
Trade payables		-	737.52
Other financial liabilities (current)		-	-
Total financial liabilities		-	1,473.39

B. Financial instruments measured at fair value

The following tables present financial assets and liabilities measured at fair value in the Balance sheet in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

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

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

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

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as on March 31, 2020 and March 31, 2019 as follows:

Rs. in million

March 31, 2020	Date of Valuation	Level 1	Level 2	Level 3
Financial liabilities	31.03.2020			744.90

March 31, 2019	Date of Valuation	Level 1	Level 2	Level 3
Financial liabilities	31.03.2019			735.87

Valuation technique to determine fair value



Amounts in Rs

Particulars	Less than 1 year	1-5 year	Total
Lease payments	-	-	-
Finance charges	-	-	-

Operating lease : Company as a lessee

The Company has taken various commercial premises under operating leases. These leases have varying terms, escalation clauses and renewal rights. On renewal the terms of the leases are renegotiated. Rent amounting to Rs.1747500 (March 31, 2018- Rs.1760000) has been debited to standalone statement of profit and loss during the year.

u. Capital management

Risk Management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Company's policy is to use current and non-current borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the gearing ratio which is net debt divided by total capital (equity plus net debt) . The Company is not subject to any externally imposed capital requirements. Net debt are non-current and current borrowings as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components

Particular	March 31, 2020	March 31, 2019
Cash and cash equivalents (refer note 5)	221,938,178	160,461,800
Current investments	-	-
Margin money	-	-
Total cash (A)	221,938,178	160,461,800
Borrowings (non-current, financial liabilities) (refer note 10)	744,900,000	735,865,712
Borrowings (current, financial liabilities) (refer note 15)	-	-
Current maturities of long-term borrowings (refer note 22)	-	-
Current maturities of finance lease obligations (refer note 22)	-	-
Total borrowing (B)	744,900,000	735,865,712
Net debt (C=B-A)	522,961,822	575,403,912
Total equity		
Total capital (equity + net debts) (D)	560,655,089	585,789,445
Gearing ratio (C/D)	0.93	0.98

v. The GST liabilities and Input credit of GST are subject to reconciliation.

w. COVID 19 was declared as a pandemic by WHO on 11, March, 2020 is continuing to spread across the world and India. Since March 2020, The Indian government has imposed a 21 day nationwide lockdown which was extended in tranches till 31st May 2020 with relaxations to essential services and selected economic activities. The company continued to operate during the lockdown providing the cable television services to its customers which has been declared as an essential service. Based on the management assessment and review of the current economic scenerio, the management does not expect any significant impact of COVID-19 on the company.

As per our Report of even date
For Subhash C. Gupta & Co.
Chartered Accountants
Firm Regn. No. 004403N

Lokesh Gupta
Partner
M. No. 503853



Place: New Delhi

Date: 20 JUN 2020

For and on behalf of the Board
For Siti Siri Digital Network
Pvt. Ltd.

Director
DIN:

Director
DIN:

SITI SIRI DIGITAL NETWORK PVT LTD.,

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2020

(Amounts in Rupees)

Tangible Assets	Computer	Digital Equipment	Office Equipment	EPABX and PRI for Call Center Asset	Furniture and Fixtures	Set Top Boxes	Leasehold Improvement	Total
For year ended 31 March 2019								
Gross carrying amount	310,397	32,155,204	1,823,984	-	259,493	1,437,880,177	1,681,639	1,474,110,894
Gross carrying amount as at 1 April 2018	71,220	-	43,643	-	5,800	81,974,561	22,139	82,117,364
Additions during the year	-	-	-	-	-	-	-	-
Deferred Government Grant	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Gross carrying amount as at 31 March 2019	381,617	32,155,204	1,867,627	-	265,293	1,519,854,738	1,703,778	1,556,228,258
Accumulated depreciation								
Accumulated depreciation as at 1 April 2018	193,379	12,260,404	708,112	-	38,903	341,154,588	306,719	354,662,105
Depreciation charge during the year	75,741	4,019,405	370,371	-	26,394	186,185,358	337,661	191,014,930
Deferred Government Grant	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31 March 2019	269,120	16,279,809	1,078,483	-	65,297	527,339,946	644,380	545,677,035
Net carrying amount	112,497	15,875,395	789,144	-	199,996	992,514,792	1,059,398	1,010,551,223
For year ended 31 March 2020								
Gross carrying amount	381,617	32,155,204	1,867,627	-	265,293	1,519,854,738	1,703,778	1,556,228,258
Gross carrying amount as at 1 April 2019	28,115	720,500	104,817	257,250	13,000	48,976,010	-	50,099,691
Additions during the year	-	-	-	-	-	-	-	-
Deferred Government Grant	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Gross carrying amount as at 31 Mar 2020	409,732	32,875,704	1,972,444	257,250	278,293	1,568,830,748	1,703,778	1,606,327,949
Accumulated depreciation								
Accumulated depreciation as at 1 April 2019	269,120	16,279,809	1,078,483	-	65,297	527,339,946	644,380	545,677,035
Depreciation charge during the year	63,162	4,088,996	308,280	65,781	27,575	192,841,207	341,690	197,736,691
Deferred Government Grant	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31 Mar 2020	332,282	20,368,805	1,386,763	65,781	92,872	720,181,153	986,070	743,413,726
Net carrying amount	77,450	12,506,899	585,681	191,469	185,421	848,649,595	717,708	862,914,223



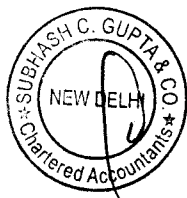
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SITI SIRI DIGITAL NETWORK PVT LTD.,

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2020

		March 31, 2020	March 31, 2019
		Rs.	Rs.
3	Loans & Advances		
	Security deposits		
	Unsecured, considered good	867,940	790,440
	Doubtful	867,940	790,440
	Less: Provision for doubtful security deposits	-	-
		867,940	790,440
4	Trade receivables		
	Particulars		
	Sub-classification		
	-Unsecured, considered good	219,606,108	204,737,956
	-Unsecured, considered doubtful	2,320,444	-
		221,926,552	204,737,956
	Expected Credit Loss Allowance	2,320,444	-
	Total	219,606,108	204,737,956
	Allowance Movement for Trade Receivables		
	Balance at the beginning of the year	-	-
	Provision for doubtful trade receivables (net) for the year	2,320,444	-
	Total	2,320,444	-
5	Cash and bank balances		
	Cash and cash equivalents		
	Cash on hand	63,352	99,707
	Cheques on hand	-	357,881
	Balances with banks		
	On current accounts	221,874,826	40,004,212
	In deposit account (with maturity upto three months)	-	120,000,000
		221,938,178	160,461,800
6	Other Financial Assets		
	Unsecured, considered good		
	Unbilled Revenue	51,928,177	21,022,635
	Expenses Recoverable	7,583,075	7,583,075
		59,511,252	28,605,711
7	Other Current Assets (Unsecured, considered good)		
	Advance to suppliers	1,318,772	1,330,400
	Advance tax	29,818,837	23,150,516
	Deposit against VAT demand	41,473,839	31,636,159
	Prepaid Expenses	230,660	1,217,700
	MAT Credit Entitlement	8,825,729	-
	Accrued Interest on FDR's	-	301,360
	Balances with statutory authorities	57,445,381	68,798,628
		139,113,218	126,434,764
8	Share capital		
	Authorised share capital		
	10,000 (Previous year: 10,000) equity shares of ₹ 10 each	100,000	100,000
	Total authorised capital	100,000	100,000
	Issued, Subscribed and Paid up		
	10,000 (Previous year: 10,000) equity shares of ₹ 10 each	100,000	100,000
	Total paid up capital	100,000	100,000
(i)	Reconciliation of number of shares outstanding as on 31.03.2018		



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Particulars		March 31, 2020	March 31, 2019
		Nos.	Nos.
Balance at the beginning of the year	Nos.	10,000	10,000
Issued during the year	Nos.	-	-
Balance at the end of the year	Nos.	10,000	10,000

(ii) **Rights, Preferences and Restrictions attached to equity shares**

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend, if any proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, if any, in proportion to their shareholding.

(iii) **Shares held by Holding Company:**

The details of equity shares held by holding company are as under :

Particulars		March 31, 2020	March 31, 2019
		Nos	Nos
Siti Networks Limited	Nos	5,100	5,100
	%	51.00	51.00

(iv) **Shareholders holding more than 5% of total equity shares**

Particulars		March 31, 2020	March 31, 2019
		Nos.	Nos.
Siti Networks Limited	Nos.	5,100	5,100
	%	51.00	51.00
Krishan Mohan Rao Dandamudi	Nos.	2,450	2,450
	%	24.50	24.50
Potluri Sai Babu	Nos.	2,450	2,450
	%	24.50	24.50

9 **Other Equity**

Retained Earnings

	March 31, 2020	March 31, 2019
	Rs.	Rs.
Balance at the beginning of the year	10,275,789	(63,042,621)
Previous year MAT Credit Entitlement	8,568,417	-
Change in Equity	-	-
Add: Profit/(Loss) for the year	18,807,297	5,611,144
	37,651,503	(57,431,477)

Others

Transfer from Deferred Activation Revenue	-	67,707,266
Balances as at the end of the year (A)	37,651,503	10,275,789

Other Comprehensive income

Balance at the beginning of the year	9,744	56,846
Other comprehensive income -Gratuity/Leave Encashment	(67,980)	(47,102)
Balances as at the end of the year (B)	(58,236)	9,744

Balances as at the end of the year (A+B)

	37,593,267	10,285,533
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10 **Long-term borrowings**

(a) **Term loans from banks (Secured)**

HDFC Bank Car Loan

*Terms of Repayment: 36 Monthly Installments

*Rate of Interest: 9.50%^{p.a.}

Total

	March 31, 2020	March 31, 2019
	Rs.	Rs.
	-	-
	-	-
	-	-
Total	-	-

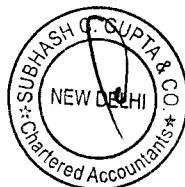
(b) **Unsecured Optionally Convertible Debentures (OCD) issued to holding company**

744900000 (744900000) No. of OCDs of Rs. 1/- each	744,900,000	735,865,712
Less: Transfer to equity	-	-
Add: Interest Accrued for the year	-	-
At the end of the year	744,900,000	735,865,712

Terms & Conditions:

The term of OCD shall be 20 years from the date or option exercised by company /Debenture Holders ,whichever is earlier.

- The Company or the Debenture holder have an option either to redeem or to convert the one OCD into Equity shares of such no. within a period of 20 Years.



Each OCD shall be converted into such number of equity shares/preference shares of the face value of Rs.10 each calculated at fair market value as on the date of issue of OCDs.
 -The OCDs issued are Unsecured Debentures and are non marketable.
 The OCDs would carry an interest @0.01% p.a. Which shall be cumulative and payable only at the time of conversion and/or redemption.

(c) Loans and advances from Directors/Related parties- Unsecured

*Terms of Repayment: Not Specified

* Rate of interest: Nil

Total Long term Loan (A+B+C)

	744,900,000	735,865,712

11 Provisions

Provision for employee benefits (Refer Note 31)

Provision for gratuity
 Provision for compensated absences

	March 31, 2020 Rs.	March 31, 2019 Rs.
	497,499	329,039
	366,787	247,377
	864,286	576,416

12 Deferred tax liability (net)

Deferred tax liability

Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting

Others

Gross deferred tax liability

	March 31, 2020 Rs.	March 31, 2019 Rs.
	1,771,241	15,632,064
	-	2,513,339
	1,771,241	18,145,403

Deferred tax asset

Impact of expenditure charged to the statement of profit and loss in the current year but allowed

Others

Gross deferred tax Assets

	972,467	270,127
	972,467	270,127

Net deferred tax Liabilities

	798,773	17,875,276
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13 Other Non-Current Liabilities

Deferred Activation Revenue

	March 31, 2020 Rs.	March 31, 2019 Rs.
	-	-

14 Trade payables

Trade Payables - others
 Trade payables - related parties

	March 31, 2020 Rs.	March 31, 2019 Rs.
	280,260,932	174,929,630
	405,114,191	562,591,299
	685,375,123	737,520,928

15 Other Current Liabilities

Advances from customers
 Payable for statutory liabilities
 ESIC/PF/PT Payable
 Bonus Payable
 Others - Employee dues
 Income billed in advance
 Interest free Deposit received against STB

	March 31, 2020 Rs.	March 31, 2019 Rs.
	5,800,659	30,341,204
	23,262,772	11,769,805
	82,445	81,038
	385,950	343,610
	4,179,398	1,017,160
	43,513,709	25,648,185
	152,600	85,400
	77,377,533	69,286,401

16 Provisions

Liability for Gratuity
 Liability for Leave Encashment
 Provision for Taxation A/c

	March 31, 2020 Rs.	March 31, 2019 Rs.
	93,990	957
	75,589	49,997
	11,100,000	-
	11,269,579	50,954



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SITI SIRI DIGITAL NETWORK PVT LTD.,

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2020

17 Revenue from operations

	March 31, 2020	March 31, 2019
	Rs.	Rs.
Sale of services	1,060,970,119	646,520,765
Digital income		-
Advertisement income	307,985,182	67,656,152
Carriage income	4,806,375	5,793,600
Sale of STB		
	1,373,761,676	719,970,516

18 Other income

	March 31, 2020	March 31, 2019
	Rs.	Rs.
Interest income on Bank deposits and other	16,907,623	2,317,353
Excess provisions written back	9,276	277,076
STB Repairing Charges Income AP	944,222	1,060,032
Digital Feed & Installation Charges	24,742,582	15,957,790
Other non-operating income	353,226	157,279
	42,956,929	19,769,530

19 Carriage Sharing, Pay Channel and Related Cost

	March 31, 2020	March 31, 2018
	Rs.	Rs.
Purchase of STB	4,735,124	5,618,039
	4,735,124	5,618,039

20 Carriage Sharing, Pay Channel and Related Cost

	March 31, 2020	March 31, 2018
	Rs.	Rs.
Pay Channel Expenses	885,495,843	332,854,459
	885,495,843	332,854,459

21 Employee benefits expense

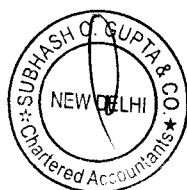
	March 31, 2020	March 31, 2018
	Rs.	Rs.
Salaries and allowances	11,028,429	4,839,932
Contributions to provident and other funds	449,684	357,982
Employee benefits expenses	338,515	253,701
Bonus	339,990	319,110
Staff welfare expenses	118,285	107,640
	12,274,903	5,878,365

22 Finance costs

	March 31, 2020	March 31, 2018
	Rs.	Rs.
Interest on late deposit of TDS/Service Tax/GST	780,205	597,377
Bank charges	24,659	34,137
Profit/Loss on fair valuation of OCD	9,034,288	-
	9,839,152	631,514

23 Depreciation and amortisation expenses

	March 31, 2020	March 31, 2018
	Rs.	Rs.
Depreciation of tangible assets (Refer note 12)	197,736,691	191,014,930
Amortisation of intangible assets (Refer note 13)	-	-
	197,736,691	191,014,930



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SITI SIRI DIGITAL NETWORK PVT LTD.,

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2020

24 Other expenses

	March 31, 2020	March 31, 2019
	Rs.	Rs.
Rent	1,666,839	1,747,500
Rates and taxes	68,977	50,030
Communication expenses	685,940	242,116
Repairs and maintenance		
- Network	880,860	1,107,791
- Others	101,346	1,772,180
Bandwidth Charges	49,688,608	38,832,350
Other Operational Expenses	6,427,364	7,766,253
Business Promotion	654,897	279,974
Management Charges	129,977,157	126,000,000
Electricity and water charges	789,464	892,041
Legal, professional and consultancy charges	1,160,570	408,600
Printing and stationery	57,249	77,450
Travelling and conveyance expenses	205,347	134,917
Auditors' remuneration*	90,000	120,000
Commission on Collection	84,990,638	22,536,395
Commission to payment gateways	8,679,932	2,037,788
Office Expenses	140,805	139,970
Other operational cost	5,000,442	150,727
Exchange fluctuation loss (net)	144,219	578,839
Provision for Doubtful debts	2,320,444	-
Miscellaneous expenses	75,000	22,600
	293,806,098	204,897,519

*Auditors' remuneration

as an auditor

Limited review fees

for other services (certifications)

for reimbursement of expenses

90,000

120,000

90,000

120,000

25 Earnings per share

	March 31, 2020	March 31, 2018
	Rs.	Rs.
Loss attributable to equity shareholders	18,807,297	5,611,144
Number of weighted average equity shares		
Basic	10,000	10,000
Diluted	10,000	10,000
Effect of dilutive potential equity shares~		
Employee stock options		-
Warrants		-
Optionally fully convertible debentures		-
Nominal value of per equity share (₹)	10	10
Profit/Loss per share after tax (₹)		
Basic	1,880.73	561.11
Diluted	1,880.73	561.11

~Effect of potential equity shares being anti-dilutive has not been considered while calculating diluted weighted average equity shares and earnings per share.

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