

# Subhash C. Gupta & Co.

## CHARTERED ACCOUNTANTS

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lokesh@scgco.in

### INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.**

#### **Report on the Standalone Financial Statements**

#### **Qualified Opinion**

1. We have audited the accompanying standalone financial statements of **MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2022, 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 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 2022, and its loss (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.462.5 millions for the year ended 31 March 2022, while there would have been no impact on the net loss for the year ended 31 March 2022.

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 there under, 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 there under. 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.

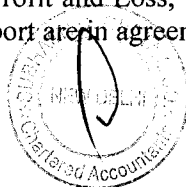
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation 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, 2020, 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 there under.

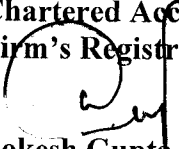
(e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(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 31<sup>st</sup> March 2022 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 : 20.05.2022**

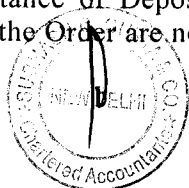
**UDIN - 22503853AKACVL4652**

## Annexure A to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of MASTER CHANNEL COMMUNITY NETWORK PVT. LTD. on the standalone financial statements for the year ended 31st March 2022.

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) 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) The Company has no intangible assets hence the clause is not applicable.
- (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.
- (d) The company has not revalued any of its property, plant and equipment and intangible assets during the year ended March 31, 2022.
- (e) No proceedings have been initiated during the year or are pending against the company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and the rules made there under.
- (ii) (a) The company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (b) The company has not been sanctioned any working capital limit from banks or financial institutions on the basis of security of current assets at any point of time during the year hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) According to the information and explanations provided to us the company has not made investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year hence clause 3(iii)(a) to 3(iii) (f) is not applicable to the company
- (iv) Since the company has not made investments, nor provided any guarantee or security or granted any loans or advances, accordingly the provisions of clause 3(iv) 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, GST, duty of customs, duty of excise and other material statutory dues as applicable, with the appropriate authorities. Further according to the information and explanation given to us, 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.

(b) There are no dues in respect of income-tax, GST, duty of customs, duty of excise, value added tax etc 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	91,60,054	Tribunal, VAT Department, Vizag, Ap
AP-VAT	VAT	22,90014	Tribunal, VAT Department, Vizag, Ap
AP-VAT	VAT	4,37,77,561	High Court
AP-VAT	VAT	1,09,44,390	High Court

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. Hence clause 3(viii) of the Order is not applicable to the company.

(ix) (a) The Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable.

(b) According to the information and explanations provided to us, the company has not been is a declared willful defaulter by any bank or financial institution or government or government authority.

(c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year hence the reporting under clause 3(ix) c) is not applicable to the company.

(d) According to the information and explanations given to us and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short term basis have been used for long term purposes by the company.



(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate companies. Accordingly, reporting under clause 3(ix)(e) of the order does not arise.

(f) The company does not hold any investment in any subsidiary, associates or joint venture (as defined under the Companies Act 2013) during the year ended March 31, 2022. Hence clause 3(ix) (f) of the Order is not applicable.

(x) (a) The company has not raised any funds during the year from initial public offer or further public offer. Accordingly, reporting under clause 3(x)(a) of the order does not arise.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year hence the clause 3(x)(b) of the Order is not applicable.

(xi) (a) 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.

(b) During the year, no report under sub-section (12) of section 143 of the Act has been filed in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the Management there have been no whistle blower complaints received by the Company during the year.

(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) (a) In our opinion and based on our examination, the company does not have an internal audit system commensurate with the size and nature of its business and is not required to have an internal audit system as per the provisions of section 138 of the Companies Act, 2013.

(b) Since the company is not required to have the internal audit system hence the clause 3(xiv)(b) is not applicable to the company.

(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) (a) 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.Hence reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no Core Investment Company within the group as defined in the core investment Companies(Reserve Bank ) Directions,2016 and accordingly, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current year and immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, requirement to report on Clause3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in notes to the Standalone Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying Financial Statements, our knowledge of the Board of Directors' and management's plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) Since the provisions of Section 135 of the Companies Act, 2013 with regard to corporate social responsibility are not applicable to the company hence clause 3(xx) of the Order is not applicable.

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

**Lokesh Gupta**  
**(Partner)**  
**Membership No.: 503853**

**Place : New Delhi**  
**Date : 20.05.2022**



## **Annexure B to Independent Auditors' Report**

**Referred to in paragraph 15 (f) of the Independent Auditors' Report of even date to the members of MASTER CHANNEL COMMUNITY NETWORK PVT. LTD. on the standalone financial statements for the year ended 31st March 2022.**

### **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 MASTER CHANNEL COMMUNITY NETWORK PVT. LTD. ("the Company") as of 31<sup>st</sup> March, 2022 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 2021:

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 loss for the year ended 31 March 2022.

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 2022, 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 2022.

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 2022, 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 : 20.05.2022**

**MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.**

**Balance sheet as at March 31, 2022**

	Notes	March 31, 2022 Rs.	March 31, 2021 Rs.
<b>A. Assets</b>			
<b>1. Non-current assets</b>			
<b>Fixed assets</b>			
(a) Property, plant and equipment	2	25,16,17,387	31,22,92,431
(b) Capital work-in-progress	2A	2,87,35,889	94,97,467
(c) Deferred Tax Assets	12	2,79,58,497	1,68,02,250
(d) Financial assets			
(i) Loans & Advances	3	27,30,904	27,30,904
<b>Sub-total of Non-current assets</b>		<b>31,10,42,677</b>	<b>34,13,23,052</b>
<b>2. Current assets</b>			
(a) Financial assets			
(i) Trade receivables	4	8,01,44,576	12,13,10,846
(ii) Cash and bank balances	5	12,74,61,618	15,25,13,460
(iii) Others Financial Assets	6	2,10,26,716	1,30,05,196
(b) Other current assets	7	5,54,92,252	7,72,22,891
<b>Sub-total of Current assets</b>		<b>28,41,25,162</b>	<b>36,40,52,392</b>
<b>Total assets</b>		<b>59,51,67,839</b>	<b>70,53,75,445</b>
<b>B. Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	8	5,00,000	5,00,000
(b) Other equity	9	8,46,18,866	9,75,45,158
<b>Sub-total - Equity</b>		<b>8,51,18,866</b>	<b>9,80,45,158</b>
<b>Liabilities</b>			
<b>1. Non-current liabilities</b>			
(a) Financial liabilities			
(i) Long-term borrowings	10	85,76,557	85,76,557
(b) Provisions	11	76,28,098	83,47,815
(c) Deferred tax liability (net)	12	-	-
(d) Other non-current liabilities	13	-	-
<b>Sub-total - Non-current liabilities</b>		<b>1,62,04,655</b>	<b>1,69,24,372</b>
<b>2. Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises, and	14	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	14	39,45,44,787	49,22,60,118
(b) Other current liabilities	15	9,07,07,752	9,10,54,772
(c) Provisions	16	85,91,780	70,91,026
<b>Sub-total of current liabilities</b>		<b>49,38,44,319</b>	<b>59,04,05,915</b>
<b>Total equity and liabilities</b>		<b>59,51,67,839</b>	<b>70,53,75,445</b>
Summary of significant accounting policies	1	0	0

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. 00410334

Lokesh Gupta  
Partner  
M. No-503853



For and on behalf of the Board of Directors of  
Master Channel Community Network Pvt. Ltd.

S. Babu Poturi  
Director  
DIN-00833403

Vijay Kalur  
Director  
DIN-08100962

Place : New Delhi

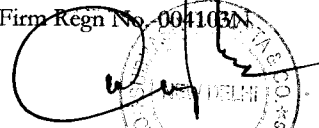
Date : 20 MAY 2022

**MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.**  
**Statement of profit and loss for the year ended March 31, 2022**


	Notes	March 31, 2022 Rs.	March 31, 2021 Rs.
<b>Revenue</b>			
Revenue from operations	17	71,61,77,746	76,53,35,481
Other income	18	41,58,011	53,46,090
<b>Total revenue</b>		<b>72,03,35,758</b>	<b>77,06,81,571</b>
<b>Expenses</b>			
Purchases of traded goods	19	1,12,40,083	72,55,645
Carriage sharing, pay channel and related costs	20	46,25,23,637	46,93,09,843
Employee benefits expense	21	3,29,82,820	2,96,86,437
Finance costs	22	29,01,145	78,591
Depreciation and amortisation expenses	23	9,13,72,803	8,86,57,021
Other expenses	24	11,11,62,860	18,38,70,840
<b>Total expenses</b>		<b>71,21,83,347</b>	<b>77,88,58,376</b>
<b>Profit before Exceptional items expenses</b>		<b>81,52,411</b>	<b>(81,76,805)</b>
Exceptional items		2,82,31,324	-
<b>Profit before tax</b>		<b>(2,00,78,913)</b>	<b>(81,76,805)</b>
<b>Tax Expenses</b>			
<b>Current Tax</b>		60,00,000	66,00,000
<b>Previous Year Tax</b>		-	-
<b>Deferred Tax</b>		(1,11,56,247)	(77,39,183)
<b>Total Profit/(Loss) for the period</b>		<b>(1,49,22,666)</b>	<b>(70,37,622)</b>
<b>Other Comprehensive income</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
(a) Remeasurement of the defined benefit (liabilities) / assets		(19,96,374)	(6,57,088)
<b>Total Comprehensive Income/(loss) for the year</b>		<b>(1,29,26,292)</b>	<b>(63,80,534)</b>
Earning per share after tax	25		
Basic		(2,984.53)	(1,407.52)
Diluted		(2,984.53)	(1,407.52)
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. 004103N

  
**Lokesh Gupta**  
Partner  
M. No-503853

For and on behalf of the Board of Directors of  
Master Channel Community Network Pvt. Ltd.

  
**Babu Potluri**  
Director  
DIN-00833403



  
**Vijay Kalur**  
Director  
DIN-08100962

Place : New Delhi

Date : 20 MAY 2022

**MASTER CHANNEL COMMUNITY NETWORK PVT LIMITED**

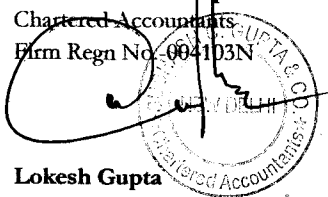
**CASH FLOW STATEMENT**

PARTICULARS	Year ended March 31, 2022	Year ended March 31, 2021
	Amount in Rs.	Amount in Rs.
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Income / ( Loss ) before Tax	(2,00,78,913)	(81,76,805)
Adjustments for :		
Depreciation	9,13,72,803	8,86,57,021
Provision for diubtful debts written off	-	(43,08,225)
Loss(profit) on sale /disposal of assets	-	-
Provision for Doubtful Debts	-	59,49,122
Interest Expense/(Income)	29,01,145	78,591
Less: Profit on sale of assets	-	-
Income Tax paid	-	-
comprehensive income recognised directly in retained earnings	19,96,374	6,57,088
Provision for Income Taxes(including deferred tax)	51,56,247	11,39,183
<b>Operating Profit before working capital changes</b>	<b>8,13,47,656</b>	<b>8,39,95,975</b>
Increase Inventories		
Decrease (increase) in Trade Receivables	4,11,66,270	32,43,813
Decrease(increase) in Long Terms L&A and non Current Assets	(1,11,56,247)	(77,48,383)
Decrease(increase) in Loans and Advances and Other Current Assets	1,37,09,120	(16,53,752)
Increase in Long term provisions	(7,19,717)	7,83,168
Increase/(Decrease) in Current Liabilities and Provisions	(9,65,61,597)	(13,11,17,264)
<b>Net Cash Flow from Operating Activities</b>	<b>2,77,85,485</b>	<b>(5,24,96,443)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(3,06,97,759)	(3,17,19,810)
Capital W.I.P.	(1,92,38,422)	(4,57,411)
Sale of Fixed Assets	-	-
<b>Net Cash utilised in Investing Activities</b>	<b>(4,99,36,181)</b>	<b>(3,21,77,221)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest Received/(paid) (Net)	(29,01,145)	(78,591)
Proceeds from Share Capital	-	-
Repayment of long term borrowing	-	-
<b>Net Cash provided by Financing Activities</b>	<b>(29,01,145)</b>	<b>(78,591)</b>
Net Increase in cash and cash equivalents during the year	(2,50,51,842)	(8,47,52,255)
cash and cash equivalents at beginning of year	15,25,13,460	23,72,65,715
<b>Cash and Cash Equivalents at end of the Year</b>	<b>12,74,61,618</b>	<b>15,25,13,460</b>
<b>Note :</b>		
1 Previous year figures have been regrouped / rearranged wherever necessary		
2 Component of Cash & cash Equivalents at the end of year		
Cash in hand	36,05,969	34,72,577
Cheques in Hand		
FDR's	7,00,00,000	10,00,00,000
Balances with Scheduled Banks in Current Accounts	5,38,55,649	4,90,40,883
	<b>12,74,61,618</b>	<b>15,25,13,460</b>
	(0.00)	(0)

For Subhash C. Gupta & Co.

Chartered Accountants

Firm Regn No. 004103N



Lokesh Gupta

Partner

M. No-503853

Place : New Delhi

Date : 20 MAY 2022

For and on behalf of the Board of Directors of  
Master Channel Community Network Pvt. Ltd.



Sri Babu Potluri

Director

DIN-00833403

Vijay Kalur

Director

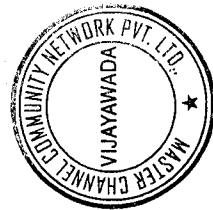
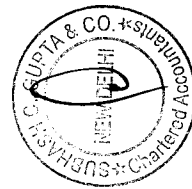
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**MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.**

**Statement of Changes in Equity for the Year ended 31st March, 2022**

	Amount in INR	
	As at March 31, 2022	As at March 31, 2021
(a) Equity share capital	No. of Shares	Amount
Balance at the beginning of the reporting period	5,000	5,00,000
Changes in equity share capital during the year	5,00,000	5,00,000
Balance at the end of the reporting period	5,000	5,00,000

Particulars	Attributable to the equity Shareholders					Non-Controlling Interests	Total Equity
	Reserves & Surplus	Retained earnings	Other items of other comprehensive income	Equity portion of OCD conversion	Total		
<b>(b) Other equity</b>							
<b>Balance at March 31, 2020</b>		10,39,25,692	-	-	10,39,25,692	-	10,39,25,692
Changes in accounting policy / prior period errors		-	-	-	-	-	-
<b>Restated balance at the beginning of the reporting period 01.04</b>		10,39,25,692	-	-	10,39,25,692	-	10,39,25,692
Profit/(Loss) for the year		(70,37,622)	-	-	(70,37,622)	-	(70,37,622)
Transfer from Deferred Activation Revenue		6,57,088	-	-	6,57,088	-	6,57,088
Other comprehensive income for the year		9,75,45,158	-	-	9,75,45,158	-	9,75,45,158
<b>Total comprehensive income for the year</b>		9,75,45,158	-	-	9,75,45,158	-	9,75,45,158
Add : Equity portion of OCD conversion		-	-	-	-	-	-
<b>Balance at March 31, 2021</b>		9,75,45,158	-	-	9,75,45,158	-	9,75,45,158
Changes in accounting policy / prior period errors		-	-	-	-	-	-
<b>Restated balance at the beginning of the reporting period 01.04</b>		9,75,45,158	-	-	9,75,45,158	-	9,75,45,158
Profit/(Loss) for the year		(1,49,22,666)	-	-	(1,49,22,666)	-	(1,49,22,666)
Transfer from Deferred Activation Revenue		-	-	-	-	-	-
Other comprehensive income for the year		19,96,374	19,96,374	-	19,96,374	-	19,96,374
<b>Total comprehensive income for the year</b>		8,26,22,492	19,96,374	-	8,46,18,866	-	8,46,18,866
Add : Equity portion of OCD conversion		-	-	-	-	-	-
<b>Balance at March 31, 2022</b>		8,46,18,866	-	-	8,46,18,866	-	8,46,18,866



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# **MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.**

## **Note: 1 Company Overview and Significant Accounting Policies**

### **1.1 Company Overview**

a. Master Channel Community Network Pvt. Ltd.(hereinafter referred to as the 'Company' or 'MCCN') 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 2022, together with the comparative period as at and for the year ended 31 March 2021. 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 except in some cases income carriage income has been booked on cash basis.

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 are not completed as at that date.



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**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.

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
Electrical Equipments	5.00
Studio Equipments	13.00
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.

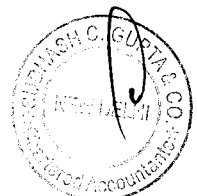
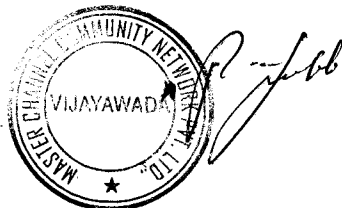
**Subsequent measurement (Amortisation)**

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 assets**

#### **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.

#### **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.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company consider the following –

- All contractual terms of the Financial Assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

#### **Trade Receivables**

As a practical expedient the Company has adopted 'simplified approach' for recognition of lifetime expected loss on trade receivables. The estimate is based on three years average default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. These average default rates are applied on total credit risk exposure on trade receivables at the reporting date to determine lifetime expected credit losses.

#### **Other Financial Assets**

For recognition of impairment loss on other Financial Assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased

## **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**

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.



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**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 Holding Company**

Central Bombay Cable Network Limited. (Extent of holding: 66%)

**iii Fellow Subsidiary Companies**

Indinet Service Pvt. Ltd. (100% Subsidiary of ICNCL)  
 SITI KARNAL DIGITAL MEDIA NETWORK PRIVATE LIMITED  
 Siti Prime Uttaranchal Communication Pvt. Ltd.  
 Central Bombay Cable Network Limited.  
 Siti Sagar Digital Cable Network Private Limited  
 Siti Godari Digital Communication Network Pvt. Ltd.- (Formerly known as Bargachh Digital Communication Network Pvt. Ltd.)  
 Siti Jai Maa Durge Communications Pvt. Ltd.  
 Siti Bhatia Network Entertainment Private Limited  
 Siti Krishna Digital Media Private Limited  
 Siti Jony Digital Cable Network Private Limited  
 Siti Guntur Digital Network Private Limited  
 Siti Maurya Cable Net Pvt. Ltd. (Subsidiary of ICNCL)

SITI GLOBAL PVT. LTD.  
 Indian Cable Net Company Ltd.  
 Siti Jind Digital Network Pvt. Ltd.  
 Siti Broadband Services Pvt. Ltd.  
 Sai Star Digital Media Pvt. Ltd.  
 Siti Vision Digital Media Pvt. Ltd.  
 Variety Entertainment Pvt. Ltd.  
 Siti Siri Digital Network Pvt. Ltd.  
 Siti Faction Digital Private Limited  
 Siticable Broadband South Ltd.  
 Wire & Wireless Tisai Satellite Ltd.  
 E Net Entertainment Pvt Ltd

**iv Key Managerial Personnel**

POTLURI KIRANMAYEE  
 SAI BABU POTLURI  
 VENKATA NAGESWARA THRINATH ITIKA

SANJAY ARYA  
 VIJAY KALUR

**v Other Related Parties**

Mega Satellite Services Private Limited  
 S. Guduru  
 P. Jayant  
 P. Meghna  
 Telemedia Agencies  
 Mega Satellite Services  
 City Cable Network

Lotus Broadband Private Limited  
 Divya Cable Network  
 P. Bharti  
 D Krishan Mohan  
 Futurepath  
 Manasa Network  
 R K Master

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

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

**Transactions with:**

**Holding Company- Siti Network Ltd.**

	<b><u>2021-22</u></b>	<b><u>2021-21</u></b>
Operational Expenses Paid	17,15,169	29,99,471
Management Charges	25,84,300	5,75,26,197
Purchase of STB	-	2,800
Reimbursement of expenses	800	-
Pay channel expense payable	-	-
Pay Channel expenses	-	-
Sale of STB	96,62,003	-

**Siti Siri Digital Network Pvt Ltd**

Purchase of STB	47,90,800	1,76,80,956
Sale of STB	16,10,000	57,60,000
Feed Charges Paid	42,75,000	41,08,379

**Siti Vision Digital Media Pvt Ltd**

Sale of STB	-	4,12,500
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**E Net Entertainment Pvt Ltd**

Others	11,370	-
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Handwritten signatures of Sanjay Arya and Vijay Kalur.

**Transaction with- ZEEL, ZMCL**

Carriage fee/LCN Incentive income during the year -ZEEL	1,09,76,402	1,24,86,101.00
Pay channel expense during the year-ZEEL	5,76,14,288	7,20,45,676

**With Key Managerial Personnel**

	<b>2021-22</b>	<b>2020-21</b>
Salary	60,00,000	61,80,000

**With other related parties**

Rent	-	5,40,000
Management Charges	-	3,14,11,682
Commission	1,68,32,170	48,11,173
Advance Given	-	86,00,00,000
Repayment Received	-	85,00,00,000

**Outstanding as on 31.3.2022****Unsecured Loan**

Siti Network Limited	85,76,557	85,76,557
----------------------	-----------	-----------

**Trade Payable**

Siti Guntur Digital Network Pvt. Ltd.	4,66,95,446	4,66,95,446
Siti Network Limited	25,41,29,696	28,66,91,662
M/s Mega Setelite Services	3,34,101.48	33,11,454
Future Path	15,39,731	15,39,731
Telemedia Agencies	35,13,836	5,15,879
Siti Siri Digital Networks Pvt. Ltd.	13,25,250	66,15,703
M/s Divya Digital Network	36,00,000	36,00,000
Zee Entertainment Enterprises Limited	23,54,424	98,00,121

**Trade Receivable**

Mega Satellite Services Private Limited	-	1,04,85,815
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**Incentive/Other Payable:**

Mr. Jayant P.	-	18,000
Siti Network Limited	-	28,66,91,663

**Amount Payable to**

Mr. P. Sai Babu	-	(1,12,352)
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**g. Tax Expense**

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

	Rs. in million	
	31-Mar-22	Mar 31,2021
<b>Income tax related to items recognised directly in the</b>		
Current tax - current year	6.00	6.60
Current tax - Previous year	-	-
Deferred tax charge / (benefit)	(11.16)	(7.74)
Total	(5.16)	(1.14)

**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, 2022 and 31 March, 2021 is as follows:**

Profit before tax	(20.08)	(8.18)
Effective tax rate	27.82%	27.82%
Tax at statutory income tax rate	-	-
Tax effect on non-deductible expenses	-	-
Additional allowances for tax purposes	-	-
Effect of tax on group companies incurring losses	-	-
Effect of tax rate difference of subsidiaries	-	-
Other differences	(5.16)	(1.14)
<b>Tax expense recognised in the statement of profit and loss</b>	<b>(5.16)</b>	<b>(1.14)</b>



*[Handwritten signatures]*

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

	<u>2022</u>	<u>2021</u>
Deferred tax asset on account of difference between book value of depreciable assets as per books of account and written down value as per Income Tax	2,00,49,489	1,02,62,270
Deferred tax assets on account of disallowance under section 43 B or allowed on payment basis.	79,09,008	65,39,980
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>2,79,58,497</b>	<b>1,68,02,250</b>

**i. Financial risk management objectives and policies**

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

- A: Low credit risk on financial reporting date  
B: High credit risk

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

<b>Asset group</b>	<b>Basis of categorisation</b>	<b>Provision for expected credit loss</b>
Low credit risk	Investment, Cash and cash equivalents and other financial assets	12 month expected credit loss
High credit risk	Trade receivables, security deposits and amount recoverable	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.

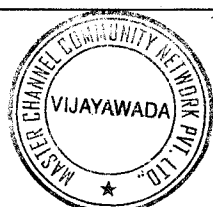
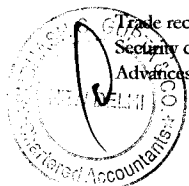
<b>Credit rating</b>	<b>Particulars</b>	<u>31-Mar-22</u>	<u>31-Mar-21</u>
A: Low credit risk	Investment, Cash and cash equivalents and other financial assets except security deposits and amount recoverable	182.95	229.74
B: High credit risk	Trade receivables, security deposits and amount recoverable	103.90	137.05

as at March 31, 2022

<b>Particular</b>	<b>Rs. in million</b>		
	<b>Estimated gross carrying amount at default</b>	<b>Expected credit losses</b>	<b>Carrying amount net of impairment provision</b>
Trade receivables	97.85	17.70	80.14
Security deposits	2.73	-	2.73
Advances recoverable	21.03	-	21.03

as at March 31, 2021

<b>Particular</b>	<b>Rs. in million</b>		
	<b>Estimated gross carrying amount at default</b>	<b>Expected credit losses</b>	<b>Carrying amount net of impairment provision</b>
Trade receivables	139.61	18.30	121.31
Security deposits	2.73	-	2.73
Advances recoverable	13.00	-	13.01



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

Loss allowance on March 31, 2020	16.65
Change in loss allowance	1.64
Loss allowance on March 31, 2021	18.29
Change in loss allowance	0.60
Loss allowance on March 31, 2022	18.89

**(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 2022.

**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.

**2022**

Amounts in Rs

Particulars	Less than 1 year	1-5 year	Total
Borrowings	-	85,76,557	85,76,557
Trade payables	10,00,45,186	29,44,99,601	39,45,44,787

**2021**

Amounts in Rs

Particulars	Less than 1 year	1-5 year	Total
Borrowings	-	85,76,557	85,76,557
Trade payables	12,39,65,016	36,82,95,101	49,22,60,118

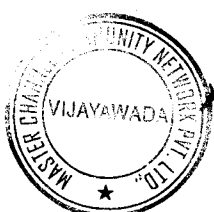
**c. Market risk**

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, 2022 there are no dues to Micro, Small and Medium Enterprises that are reportable under the MSMED 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 Indian Accounting Standards 19, are as under

**Defined Benefit Plans**

- a.) Gratuity Plan  
b.) Leave Encashment

In accordance with Indian Accounting Standards (Ind AS) 19, the actuarial valuation carried out in respect of the aforesaid defined benefit plans is based on the following assumption.

<b>Actuarial Assumption</b>	<b>Leave Encashment</b>	<b>Employee Gratuity Fund</b>
Discount Rate (Per annum)	7.25%	7.25%
Rate of Increase in compensation levels	5.00%	5.00%
Expected Rate of return on plan assets	-	-
Expected Average remaining working lives of employees	22.50	22.50
<b>Change in obligation during the year ended 31st March, 2022</b>		
Present Value of obligation as at 1st April, 2021	30,09,274.00	58,29,567.00
Acquisition adjustment	-	-
Interest cost	2,18,172.00	4,22,644.00
Past service cost	-	-
Current service cost	4,34,602.00	5,75,836.00
Curtailement cost/(Credit)	-	-
Settlement cost/(Credit)	-	-
Benefits paid	-	-
Actuarial (gain)/loss on obligation	(9,28,866.00)	(10,67,817.00)
Present value of obligation as at the end of period (31st March, 2022)	27,33,182.00	57,60,230.00
Change in fair value plan Assets	Nil	Nil
<b>Movement in the liability recognized in the Balance</b>		
Opening net liability (01.04.2021)	(30,09,274)	(58,29,567)
Expense as above	(2,76,092)	(69,337)
Benefits paid	-	-
Actual return on plan assets	-	-
Acquisition adjustment	-	-
Net assets/(Liability) recognised in Balance Sheet as provision (31.03.2022)	(27,33,182)	(57,60,230)
<b>Expenses recognised in Profit and Loss Account</b>		
Current service cost	4,34,602	5,75,836
Past service cost	-	-
Interest cost	2,18,172	4,22,644
Settlement cost / (credit)	-	-
Expenses recognized in the statement of profit & losses	6,52,774	9,98,480
<b>Other comprehensive (income) / expenses (Remeasurement)</b>		
Actuarial (gain)/loss - obligation	(9,28,866)	(10,67,817)
Actuarial (gain)/loss - plan assets	-	-
Total Actuarial (gain)/loss	(9,28,866)	(10,67,817)

**Actuarial Assumption.**

The discount rate is generally based upon the market yields available on Government Bonds and salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

**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:



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### Sensitivity Analysis for Gratuity

Period	As on: 3/31/2022
Defined Benefit Obligation (Base)	5760230 @ Salary Increase Rate : 5%, and
Liability with x% increase in Discount Rate	5380706; x=1.00% [Change (7)% ]
Liability with x% decrease in Discount Rate	6192452; x=1.00% [Change 8% ]
Liability with x% increase in Salary Growth Rate	6143295; x=1.00% [Change 7% ]
Liability with x% decrease in Salary Growth Rate	5422721; x=1.00% [Change (6)% ]
Liability with x% increase in Withdrawal Rate	5813333; x=1.00% [Change 1% ]
Liability with x% decrease in Withdrawal Rate	5699406; x=1.00% [Change (1)% ]

### Sensitivity Analysis for Leave Encashment

Period	As on: 3/31/2022
Defined Benefit Obligation (Base)	2713182
Liability with x% increase in Discount Rate	2548730; x=1.00% [Change (7)% ]
Liability with x% decrease in Discount Rate	2946695; x=1.00% [Change 8% ]
Liability with x% increase in Salary Growth Rate	2949402; x=1.00% [Change 8% ]
Liability with x% decrease in Salary Growth Rate	2543727; x=1.00% [Change (7)% ]
Liability with x% increase in Withdrawal Rate	2768535; x=1.00% [Change 1% ]
Liability with x% decrease in Withdrawal Rate	2693020; x=1.00% [Change (1)% ]

p. Figures have been rounded off to the nearest rupee.

q. Note 1 to 23 form an integral part of the accounts and have been duly authenticated.

### r. Fair value measurements

#### A. Financial instruments by category

##### Financial assets

Bank deposits	-	-
Amount recoverable	-	-
Interest accrued and not due on fixed deposits	-	-
Security deposits	-	2.73
Unbilled revenues	-	21.03
Trade receivables	-	80.14
Investments (Current, financial assets)	-	-
Cash and cash equivalents	-	127.46

##### Total financial assets

NOTES	Rs. millions	
	31-Mar-22	
	FVTPL	Amortised cost
<b>Total financial assets</b>	-	<b>231.36</b>

##### Financial liabilities

Borrowings (Non-current, financial liabilities)	-	8.58
Borrowings (Current, financial liabilities)	-	-
Payables for purchase of property, plant and equipment	-	-
Security deposits received from customer	-	-
Trade payables	-	394.54
Other financial liabilities (current)	-	-

##### Total financial liabilities

<b>Total financial liabilities</b>	-	<b>403.12</b>
------------------------------------	---	---------------

##### Financial assets

Bank deposits	-	-
Amount recoverable	-	-
Interest accrued and not due on fixed deposits	-	-
Security deposits	-	2.73
Unbilled revenues	-	13.01
Trade receivables	-	121.31
Investment (Current, financial assets)	-	-
Cash and cash equivalents	-	152.51

##### Total financial assets

NOTES	Rs. millions	
	31-Mar-21	
	FVTPL	Amortised cost
<b>Total financial assets</b>	-	<b>289.56</b>

##### Financial liabilities

Borrowings (non-current, financial liabilities)	-	8.58
Borrowings (Current, financial liabilities)	-	-
Payables for purchase of property, plant and equipment	-	-
Security deposits	-	-
Trade payables	-	492.26
Other financial liabilities (current)	-	-

##### Total financial liabilities

<b>Total financial liabilities</b>	-	<b>500.84</b>
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**C. Fair value of financial assets and liabilities measured at amortised cost**

	March 31, 2022	
	Carrying amount	Fair value
<b>Financial assets</b>		
Bank deposits	-	-
Amount recoverable	-	-
Interest accrued and not due on fixed deposits	-	-
Security deposits	2.73	2.73
Unbilled revenue	21.03	21.03
Trade receivables	36.05	80.14
Cash and cash equivalents	127.46	127.46
Other bank balances	-	-
<b>Total financial assets</b>	<b>187.27</b>	<b>231.36</b>
<b>Financial liabilities</b>		
Borrowings (non-current, financial liabilities)	8.58	8.58
Borrowings (current, financial liabilities)	-	-
Payables for purchase of property, plant and equipment	-	-
Security deposits	-	-
Trade payables	394.54	394.54
Other financial liabilities (current)	-	-
<b>Total financial liabilities</b>	<b>403.12</b>	<b>403.12</b>

	March 31, 2021	
	Carrying amount	Fair value
<b>Financial assets</b>		
Bank deposits	-	-
Amount recoverable	-	-
Interest accrued and not due on fixed deposits	-	-
Security deposits	2.73	2.73
Unbilled revenue	13.01	13.01
Trade receivables	139.61	121.31
Cash and cash equivalents	152.51	152.51
<b>Total financial assets</b>	<b>307.86</b>	<b>289.56</b>
<b>Financial liabilities</b>		
Borrowings (non-current, financial liabilities)	8.58	8.58
Borrowings (current, financial liabilities)	-	-
Payables for purchase of property, plant and equipment	-	-
Security deposits	-	-
Trade payables	492.26	492.26
Other financial liabilities (current)	-	-
<b>Total financial liabilities</b>	<b>500.84</b>	<b>500.84</b>

**s. Leases**

**Finance lease: Company as lessee**

**2022**  
Amounts in Rs

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

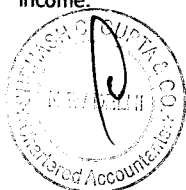
**Operating lease : Company as a lessee**

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.3264300/- (March 31, 2021- Rs.2856800/-) has been debited to standalone statement of profit and loss during the year.

**t. 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 including other comprehensive income.



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Particular	March 31, 2022	March 31, 2021
Cash and cash equivalents (refer note 5)	12,74,61,618	15,25,13,460
Current investments	-	-
Margin money	-	-
<b>Total cash (A)</b>	12,74,61,618	15,25,13,460
Borrowings (non-current, financial liabilities)	85,76,557	85,76,557
Borrowings (current, financial liabilities) (refer note 15)	5,93,32,018	4,54,87,784
Current maturities of long-term borrowings	-	-
Current maturities of finance lease obligations	-	-
<b>Total borrowing (B)</b>	6,79,08,575	5,40,64,341
<b>Net debt (C=B-A)</b>	(5,95,53,043)	(9,84,49,119)
Total equity		
<b>Total capital (equity + net debts) (D)</b>	2,55,65,823	(4,03,961)
<b>Gearing ratio (C/D)</b>	(2.33)	243.71

u. **Exceptional items:** Pursuant to implementation of the Tariff Order 2017 and upon changes in agreements with customers & due to COVID-19 pandemic situation management has assessed the likelihood of recovery of trade receivables and has accordingly written off trade receivables amounting to Rs. 28.23 millions during the year.

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

w. **Additional disclosures:-**

i The Company does not have any transactions or relationships with any companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956

ii The company does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies beyond the statutory period.

iii The company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

iv There are no transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 which have not been recorded in the books of account.

As per our Report of even date  
For Subhash C. Gupta & Co.  
Chartered Accountants  
Firm Regn. No. 004103N

Lokesh Gupta  
Partner  
M. No-503853



For and on behalf of the Board  
For Master Channel Community  
Network Pvt. Ltd.

Sri Babu Potluri  
Director  
DIN-00833403

Vijay Kalur  
Director  
DIN-08100962

Place : New Delhi

Date : 20 MAY 2022

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022**

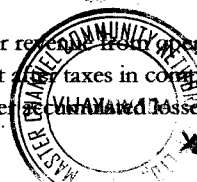
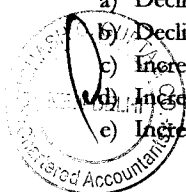
(All amounts in million, unless stated otherwise)

**x. Financials Ratios**

Sr. No.	Particulars	31 March 2022	31 March 2021	%Change
i)	<b>Current Ratio (A/B)</b>	0.58	0.62	-6.69%
	Current assets (A)	284.13	364.05	
	Current liabilities (B)	493.84	590.41	
ii)	<b>Debt-equity ratio (A/B)</b>	0.10	0.09	15.19%
	Total Debt (A)	8.58	8.58	
	Total equity (B)	85.12	98.05	
iii)	<b>Debt-service coverage ratio (A/B)</b>	11.94	9.39	27.14%
	Earnings available for debt services (i.e EBID)- (A)	102.43	80.56	refer note 7 (a)
	Borrowings including finance cost (B)	8.58	8.58	
iv)	<b>Return on equity ratio (A/B)</b>	(0.18)	(0.07)	144.24%
	Net profit for the year (A)	(14.92)	(7.04)	refer note 7 (b)
	Total equity (B)	85.12	98.05	
v)	<b>Inventory turnover ratio (A/B)</b>	NA	NA	NA
	Cost of goods sold (A)	-	-	
	Average inventory (B)	-	-	
vi)	<b>Trade receivables turnover ratio (A/B)</b>	7.11	6.18	14.97%
	Revenue from operations (A)	716.18	765.34	
	Average trade receivables (B)	100.73	123.75	
vii)	<b>Trade payables turnover ratio (A/B)</b>	1.32	1.18	11.54%
	Credit purchases (A)	584.93	660.44	
	Average trade payables (B)	443.40	558.41	
viii)	<b>Net capital turnover ratio (A/B)</b>	(3.41)	(3.38)	1.00%
	Revenue from operations (A)	716.18	765.34	
	Working Capital	(209.72)	(226.35)	
ix)	<b>Net profit ratio (A/B)</b>	(0.02)	(0.01)	126.60%
	Net profit after tax	(14.92)	(7.04)	refer note 7 (c)
	Revenue from operations	716.18	765.34	
x)	<b>Return on capital employed (A/B)</b>	(0.12)	(0.06)	96.01%
	Earning before interest but after taxes (A)	(12.02)	(6.96)	refer note 7 (d)
	Capital employed or net assets (B)	101.32	114.97	
xi)	<b>Return on investment</b>	(0.15)	(0.06)	140.60%
	Net profit after tax (A)	(14.92)	(7.04)	refer note 7 (e)
	Capital employed or net assets (B)	101.32	114.97	

**Notes:**

- 1 Ratios relating to balance sheet items have been presented as at 31 March 2022 and 31 March 2021. Whereas, ratios relating to items of statement of profit and loss account has been presented for financial year ended 31 March 2022 and 31 March 2021.
- 2 Net profit after tax excludes other comprehensive income
- 3 Net assets is the total of equity share capital and other equity.
- 4 Total debt comprise of borrowings from external lenders.
- 5 Credit purchases comprise of purchases during the year and other expenses
- 6 Earnings available for debt services comprise of earning before interest and depreciation.
- 7 Reason for change by more than 25%
  - a) Declined due to lower earning before interest and depreciation as compared to previous year
  - b) Declined due to increase in loss for the year
  - c) Increase due to higher loss after tax and lower revenue from operations in comparison to previous year.
  - d) Increase due to higher loss before interest but after taxes in comparison to previous year.
  - e) Increase due to higher loss after tax and higher revenue from operations in comparison to previous year.



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**MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.**

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2022

**Property, Plant and Equipment**

Gross block	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Studio equipment	Vehicles	Leaschold improvements	Set top boxes	Electrical Equipments	Total
Balance as at Mar 31, 2020	4,79,900	5,10,27,618	40,25,614	40,72,417	15,71,594	1,16,67,713	24,96,986	19,96,797	64,65,22,620	3,59,298	72,42,20,556
Additions		6,48,000	10,339	97,032	62,223	7,58,189			2,98,13,918	3,30,109	3,17,19,810
Disposal		-	-	-	-	-	-	-	-	-	-
Balance as at Mar 31, 2021	4,79,900	5,16,75,618	40,35,953	41,69,449	16,33,817	1,24,25,902	24,96,986	19,96,797	67,63,36,538	6,89,407	75,59,40,366
Additions		2,99,915	1,11,864	1,72,952	1,865				3,01,11,476		3,06,98,073
Disposal		-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	4,79,900	5,19,75,533	41,47,818	43,42,401	16,35,681	1,24,25,902	24,96,986	19,96,797	70,64,48,014	6,89,407	78,66,38,439
<b>Accumulated depreciation</b>											
Balance as at March 31, 2020	4,79,900	3,94,20,995	26,99,293	34,08,941	13,31,659	79,68,035	7,79,838	19,96,797	29,66,45,415	2,60,045	35,49,90,916
Charge for the year		45,96,527	6,50,327	2,32,271	45,916	5,30,052	2,84,914		8,23,17,014		8,86,57,021
Reversal on disposal of assets		-	-	-	-	-	-	-	-	-	-
Balance as at Mar 31, 2021	4,79,900	4,40,17,522	33,49,620	36,41,212	13,77,575	84,98,087	10,64,752	19,96,797	37,89,62,429	2,60,045	44,36,47,935
Charge for the year		35,99,189	4,26,883	3,40,287	51,468	3,81,908	2,82,172		8,63,13,356		9,13,95,263
Reversal on disposal of assets		-	-	-	-	-	-	-	-	-	-
Prior period Dep adjustment									(314)		(314)
Balance as at Mar 31, 2022	4,79,900	4,76,16,711	37,76,503	39,81,499	14,29,043	88,79,995	13,46,924	19,96,797	46,52,76,098	2,37,585	53,50,21,052
Balance as at March 31, 2020	-	1,16,06,622	13,26,321	6,63,476	2,39,935	36,99,678	17,17,148	-	34,98,77,205	99,253	36,92,29,641
Balance as at Mar 31, 2021	-	76,58,095	6,86,333	5,28,237	2,56,242	39,27,815	14,32,234	-	29,73,74,109	4,29,362	31,22,92,431
Balance as at March 31, 2022	(0)	43,58,822	3,71,315	3,60,902	2,06,638	35,45,907	11,50,062	-	24,11,71,916	4,51,822	25,16,17,387



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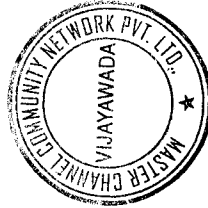
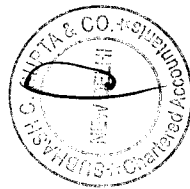
2A Capital Work In Progress Ageing Schedule

FY 21-22

CWIP	Amount in CWIP (Amount in Rupees) for a period of			Total (Amount in Rs.)
	Less than 1 year	1-2 years	2-3 years More than 3 years	
As at 31.03.2022	1,92,38,422	4,57,411	90,40,056 -	2,87,35,889

FY 20-21

CWIP	Amount in CWIP (Amount in Rupees) for a period of			Total (Amount in Rs.)
	Less than 1 year	1-2 years	2-3 years More than 3 years	
As at 31.03.2021	4,57,411	90,40,056	-	94,97,467



*R. J. S.*

*[Signature]*

3 MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.  
Summary of significant accounting policies and other explanatory information for the year ended March 31, 2022

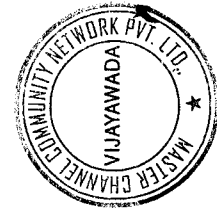
	March 31, 2022	March 31, 2021
	Rs.	Rs.
Loans & Advances (Unsecured, considered good)		
Security deposits	27,30,904	27,30,904
Other Receivable	-	-
Less: Provision for doubtful security deposits	27,30,904	27,30,904
	<u>27,30,904</u>	<u>27,30,904</u>
Trade receivables (Unsecured, considered good)		
Particulars	Rs.	Rs.
Trade Receivable - others	9,78,45,762	13,96,06,756
Trade Receivable - Related parties	1,77,01,187	1,82,95,911
Less: Expected Credit Loss Allowance	<u>8,01,44,576</u>	<u>12,13,10,846</u>
<b>Total</b>		

As at 31 March 2022

Particulars	Unbilled	Not due	Age					Total
			Less than 6 months	6 months - 1 year	1-2 Year	2-3 years	More than 3 years	
<b>Undisputed</b>								
(i) Considered good	-	-	1,78,53,752	1,81,93,951	-	-	-	3,60,47,703
(ii) Significant increase in credit risk	-	-	-	-	61,62,343	-	2,45,64,997	4,40,96,873
(iii) Credit impaired	-	-	-	-	-	1,33,69,532	1,77,01,187	1,77,01,187
<b>Disputed</b>								
(iv) Considered good	-	-	-	-	-	-	-	-
(v) Significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Credit impaired	-	-	-	-	-	-	-	-
<b>Unbilled</b>								
<b>Total</b>			<u>1,78,53,752</u>	<u>1,81,93,951</u>	<u>61,62,343</u>	<u>1,33,69,532</u>	<u>4,22,66,184</u>	<u>9,78,45,762</u>

As at 31 March 2021

Particulars	Unbilled	Not due	Age					Total
			Less than 6 months	6 months - 1 year	1-2 Year	2-3 years	More than 3 years	
<b>Undisputed</b>								
(i) Considered good	-	-	3,82,29,879	1,99,53,577	-	-	-	5,81,83,456
(ii) Significant increase in credit risk	-	-	-	-	1,43,45,205	4,33,18,454	54,63,731	6,31,27,390
(iii) Credit impaired	-	-	-	-	-	-	1,82,95,911	1,82,95,911
<b>Disputed</b>								
(iv) Considered good	-	-	-	-	-	-	-	-
(v) Significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Credit impaired	-	-	-	-	-	-	-	-
<b>Unbilled</b>								
<b>Total</b>			<u>3,82,29,879</u>	<u>1,99,53,577</u>	<u>1,43,45,205</u>	<u>4,33,18,454</u>	<u>2,37,59,641</u>	<u>13,96,06,756</u>



*Rajeev*

*[Signature]*



5 Cash and bank balances

	March 31, 2022 Rs.	March 31, 2021 Rs.
<b>Cash and cash equivalents</b>		
Cash on hand	36,05,969	34,72,577
Cheques on hand	-	-
Balances with banks		
On current accounts	5,38,55,649	4,90,40,883
In deposit account (with maturity upto three months)	7,00,00,000	10,00,00,000
	<b>12,74,61,618</b>	<b>15,25,13,460</b>

6 Other Financial Assets

	March 31, 2022 Rs.	March 31, 2021 Rs.
<b>Unsecured, considered good</b>		
Unbilled Revenue	2,10,26,716	1,30,05,196
	<b>2,10,26,716</b>	<b>1,30,05,196</b>

7 Other Current Assets (Unsecured, considered good)

	March 31, 2022 Rs.	March 31, 2021 Rs.
Advance to suppliers	1,17,19,828	2,20,63,786
Advance to Related Party	-	1,00,00,000
Income Tax Refund	42,60,311	46,69,441
Advance to Employees	1,48,800	2,95,151
Advance tax	1,60,50,161	1,69,91,186
Deposit against VAT demand	2,13,27,189	2,13,27,189
Prepaid Expenses	2,41,220	2,16,450
Accrued Interest	-	62,722
Indirect Tax	17,44,744	15,96,966
	<b>5,54,92,252</b>	<b>7,72,22,891</b>

8 Share capital

	March 31, 2022 Rs.	March 31, 2021 Rs.
<b>Authorised share capital</b>		
5,000 (Previous year: 5,000) equity shares of ` 100 each	5,00,000	5,00,000
<b>Total authorised capital</b>	<b>5,00,000</b>	<b>5,00,000</b>
<b>Issued, Subscribed and Paid up</b>		
5,000 (Previous year: 5,000) equity shares of ` 100 each	5,00,000	5,00,000
<b>Total paid up capital</b>	<b>5,00,000</b>	<b>5,00,000</b>

(i) Reconciliation of number of shares outstanding as on 31.03.2012

Particulars		March 31, 2022	March 31, 2021
Balance at the beginning of the year	No	5,000	5,000
Issued during the year	No	-	-
<b>Balance at the end of the year</b>	No	<b>5,000</b>	<b>5,000</b>

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

The Company has one class of equity shares having a par value of Rs. 100 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.

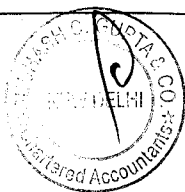
(iii) Shares held by Holding Company, Ultimate Holding Company and their subsidiaries/associates:

The details of equity shares held by holding company, Ultimate Holding Company and their subsidiaries/associates are as under :

Particulars		March 31, 2022	March 31, 2021
Central Bombay Cable Network Ltd	No	3,300	3,300
	%	<b>66.00</b>	<b>66.00</b>

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

Particulars		March 31, 2022	March 31, 2021
Central Bombay Cable Network Ltd	No	3,300	3,300
	%	<b>66.00</b>	<b>66.00</b>
Potluri Kiranmayee	No	754	754
	%	<b>15.08</b>	<b>15.08</b>
Potluri Sai Babu	No	376	376
	%	<b>7.52</b>	<b>7.52</b>



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<b>9 Other Equity</b>		<b>March 31, 2022</b>	<b>March 31, 2021</b>
		<b>Rs.</b>	<b>Rs.</b>
<b>Retained Earnings</b>			
Balance at the beginning of the year		9,75,45,158	10,39,25,692
Prior Period Adjustment		-	-
Add: Profit/(Loss) for the year		(1,49,22,666)	(70,37,622)
<b>Balances as at the end of the year (A)</b>		<b>8,26,22,492</b>	<b>9,68,88,070</b>
<b>Others</b>			
Transfer from Deferred Activation Revenue		-	-
<b>Balances as at the end of the year (B)</b>		<b>-</b>	<b>-</b>
<b>Other Comprehensive income</b>			
<b>Other comprehensive income recognised directly in retained earnings</b>			
Deferred Activation Revenue		-	-
Gratuity/Leave Encashment		19,96,374	6,57,088
<b>Balances as at the end of the year (C)</b>		<b>19,96,374</b>	<b>6,57,088</b>
<b>Balances as at the end of the year (A+B+C)</b>		<b>8,46,18,866</b>	<b>9,75,45,158</b>
<b>10 Long-term borrowings</b>		<b>March 31, 2022</b>	<b>March 31, 2021</b>
		<b>Rs.</b>	<b>Rs.</b>
<b>Loans and advances from Directors/Related parties- Unsecured</b>		85,76,557	85,76,557
*Terms of Repayment: Not Specified			
* Rate of interest: Nil			
		<b>85,76,557</b>	<b>85,76,557</b>
<b>Total Long term Loan</b>		<b>85,76,557</b>	<b>85,76,557</b>
<b>11 Provisions</b>		<b>March 31, 2022</b>	<b>March 31, 2021</b>
		<b>Rs.</b>	<b>Rs.</b>
<b>Provision for employee benefits (Refer Note 31)</b>			
Provision for gratuity		52,14,340	55,26,105
Provision for compensated absences		24,13,758	28,21,710
		<b>76,28,098</b>	<b>83,47,815</b>
<b>12 Deferred tax Assets (net)</b>		<b>March 31, 2022</b>	<b>March 31, 2021</b>
		<b>Rs.</b>	<b>Rs.</b>
<b>Deferred tax liability</b>			
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting		-	-
Others		-	-
Gross deferred tax liability		-	-
<b>Deferred tax asset</b>			
Impact of expenditure charged to the statement of profit and loss in the current year but		79,09,008	65,39,980
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting		2,00,49,489	1,02,62,270
Others		-	-
Gross deferred tax Assets		<b>2,79,58,497</b>	<b>1,68,02,250</b>
<b>Net deferred tax asset/(Liabilities)</b>		<b>(2,79,58,497)</b>	<b>(1,68,02,250)</b>
<b>13 Other Non-Current Liabilities</b>		<b>March 31, 2022</b>	<b>March 31, 2021</b>
		<b>Rs.</b>	<b>Rs.</b>
Deferred Activation Revenue		-	-
		<b>-</b>	<b>-</b>
<b>14 Trade payables</b>		<b>March 31, 2022</b>	<b>March 31, 2021</b>
		<b>Rs.</b>	<b>Rs.</b>
Trade Payables - others		13,78,82,179	19,67,75,130
Trade payables - related parties		25,66,62,607	29,54,84,988
		<b>39,45,44,787</b>	<b>49,22,60,118</b>



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As at 31 March 2022

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment			Total
			Less than 1 year	1-2 years	2-3 years	
i) MSME	-	-	-	-	-	-
ii) Others	5,21,79,852.08	-	4,78,65,334.06	1,41,39,467.59	1,55,12,378.69	26,48,47,754.22
iii) Dispute dues - MSME	-	-	-	-	-	-
iv) Dispute dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>5,21,79,852.08</b>	<b>-</b>	<b>4,78,65,334.06</b>	<b>1,41,39,467.59</b>	<b>1,55,12,378.69</b>	<b>39,45,44,786.64</b>

As at 31 March 2021

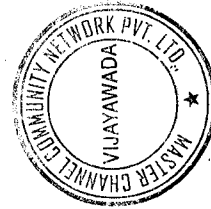
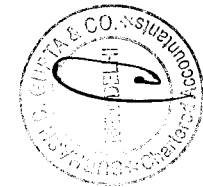
Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment			Total
			Less than 1 year	1-2 years	2-3 years	
i) MSME	-	-	-	-	-	-
ii) Others	4,91,89,731.67	-	7,47,75,284.75	3,42,98,961.76	2,43,33,259.29	30,96,62,880.13
iii) Dispute dues - MSME	-	-	-	-	-	-
iv) Dispute dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>4,91,89,731.67</b>	<b>-</b>	<b>7,47,75,284.75</b>	<b>3,42,98,961.76</b>	<b>2,43,33,259.29</b>	<b>49,22,60,117.60</b>

**Other Current Liabilities**

	March 31, 2022	March 31, 2021
	Rs.	Rs.
Advances from Non Related Parties	1,38,44,234	1,46,89,666
Advances from Related Parties	4,54,87,784	4,54,87,784
TDS Payable	97,09,964	52,90,672
GST Payable	46,44,019	40,90,621
STB Deposit	2,55,100	2,55,100
ESI/PF/PT Payable	3,83,039	3,34,053
Income billed in advance	1,63,83,612	2,08,65,616
Unclaimed Liabilities	-	41,260
	<b>9,07,07,752</b>	<b>9,10,54,772</b>

**Provisions**

	March 31, 2022	March 31, 2021
	Rs.	Rs.
Provision for gratuity	5,45,890	3,03,462
Provision for compensated absences	3,19,424	1,87,564
Provision for Taxation A/c	77,26,466	66,00,000
	<b>85,91,780</b>	<b>70,91,026</b>



**MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.****Summary of significant accounting policies and other explanatory information for the year ended March 31,2022**

<b>17 Revenue from operations</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
	<b>Rs.</b>	<b>Rs.</b>
Sale of services		
Digital income	44,48,57,964	52,95,90,894
Advertisement income	4,55,42,589	3,04,86,783
Carriage/Incentive income	21,45,05,190	19,78,52,305
Sale of STB	16,10,000	74,05,500
Sale of Headend	96,62,003	-
	<b>71,61,77,746</b>	<b>76,53,35,481</b>
<b>18 Other income</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
	<b>Rs.</b>	<b>Rs.</b>
Interest income on		
Bank deposits	26,25,343	48,50,660
IT Refund	12,47,493	-
Foreign Currency Fluctuation	2,43,288	-
Excess provisions written back	-	4,51,820
Other non-operating income	41,887	43,610
	<b>41,58,011</b>	<b>53,46,090</b>
<b>19 Purchases of traded goods</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
	<b>Rs.</b>	<b>Rs.</b>
Purchase of STB	15,78,080	7255645
Purchase of Headend	96,62,003	-
	<b>1,12,40,083</b>	<b>72,55,645</b>
<b>20 Carriage Sharing, Pay Channel and Related Cost</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
	<b>Rs.</b>	<b>Rs.</b>
Pay Channel Subscription	46,25,23,637	46,93,09,843
	<b>46,25,23,637</b>	<b>46,93,09,843</b>



**MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.****Summary of significant accounting policies and other explanatory information for the year ended March 31,2022**

<b>21 Employee benefits expense</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
	<b>Rs.</b>	<b>Rs.</b>
Salaries, allowances and bonus	2,79,94,872	2,39,14,391
Contributions to provident and other funds	24,71,352	21,69,611
Employee benefits expenses	-	17,16,694
Bonus	16,39,895	14,69,243
Staff welfare expenses	8,76,701	4,16,498
	<b>3,29,82,820</b>	<b>2,96,86,437</b>
<b>22 Finance costs</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
	<b>Rs.</b>	<b>Rs.</b>
Interest on late deposit of TDS/Service Tax/GST	28,70,456	72,108
Bank charges	30,689	6,483
	<b>29,01,145</b>	<b>78,591</b>
<b>23 Depreciation and amortisation expenses</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
	<b>Rs.</b>	<b>Rs.</b>
Depreciation of tangible assets (Refer note 12)	9,13,72,803	8,86,57,021
Amortisation of intangible assets (Refer note 13)	-	-
	<b>9,13,72,803</b>	<b>8,86,57,021</b>
<b>24 Other expenses</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
	<b>Rs.</b>	<b>Rs.</b>
Rent	32,64,300	28,56,800
Office Expenses	8,71,627	5,65,829
Rates and Taxes	14,098	14,708
Communication Expenses	5,43,127	3,80,029
Repairs and Maintenance :		
- Building	10,400	10,150
- Others	83,23,409	4,07,100
Program Production Expenses	11,71,268	10,03,943
Other Operational Cost	2,02,52,640	1,51,28,055
Repairs and Maintenance - Network	5,18,537	2,09,89,484
Management Service Charges	49,26,638	8,99,65,147
Electricity Expenses & Water Charges	46,12,162	49,47,302
Legal, Professional and Consultancy Charges	14,87,400	4,30,475
Printing and Stationery	2,58,294	1,94,322
Service Charges	87,000	2,22,837
Service Tax Write off	-	3,99,462
Ineligible GST Expense	-	1,18,836
Travelling and Conveyance Expenses	15,30,118	8,86,758
Insurance expenses	1,04,862	1,32,867
Miscellaneous Expenses	10,029	4,80,427
Commission to payment gateways	20,87,596	31,65,207
Payment to auditor (Refer details below)	75,000	75,000
Commission Charges, and Incentives	6,01,96,712	3,51,13,285
Provision for Doubtful debts	-	59,12,011



**MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.**

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2022**

Bad Debts		
Foreign Currency Fluctuation	-	2,49,720
Business and Sales Promotion		1,25,462
Security Service Charges	7,57,643	27,625
	60,000	68,000
	<b>11,11,62,860</b>	<b>18,38,70,840</b>

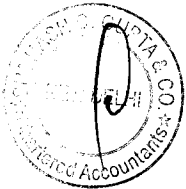
*Auditors' remuneration as an auditor		
Limited review fees	75,000	75,000
for other services (certifications)	30,000	25,000
for reimbursement of expenses	95,430	72,500
	<b>2,00,430</b>	<b>1,72,500</b>

**25 Earnings per share**

	March 31, 2022	March 31, 2021
	Rs.	Rs.
Profit attributable to equity shareholders	(1,49,22,666)	(70,37,622)
Number of weighted average equity shares		
Basic	5000	5,000
Diluted	5,000	5,000
Effect of dilutive potential equity shares~		
Employee stock options		-
Warrants		-
Optionally fully convertible debentures		-
Nominal value of per equity share (₹)	100	100
Earning per share after tax (₹)		
Basic	(2,984.53)	(1,407.52)
Diluted	(2,984.53)	(1,407.52)

~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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