

SITI Sai Star Digital Media Private Limited (formerly known as Star Digital Media Private Limited)
Balance Sheet as at March 31, 2018

	Note	March 31, 2018 ₹ millions	March 31, 2017 ₹ millions
A. Assets			
1. Non-current assets			
Fixed assets			
(a) Property, plant and equipment	4	383.00	394.75
(b) Capital work-in-progress	4	4.70	43.73
(c) Financial assets			
(i) Loans	5	0.66	0.71
(ii) Others	6	-	5.11
(iii) Deferred Tax	7	0.31	-
Sub-total of Non-current assets		388.67	444.31
2. Current assets			
(a) Financial assets			
(i) Trade receivables	8	114.73	98.93
(ii) Cash and bank balances	9	14.78	10.91
(iii) Loans	11	19.30	19.79
(iv) Others	10	-	0.17
(b) Other current assets	12	40.69	36.40
Sub-total of Current assets		189.51	166.20
Total assets		578.18	610.51
B. Equity and liabilities			
Equity			
(a) Equity share capital	13 (a)	0.10	0.10
(b) Other equity	13 (b)	(60.09)	8.40
(c) Non-controlling interests			
Sub-total - Equity		(59.99)	8.50
Liabilities			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Long-term borrowings	14	244.21	255.63
(c) Deferred tax liability (net)	7	-	8.27
(d) Other non-current liabilities	15	5.81	5.81
Sub-total - Non-current liabilities		250.02	269.71
2. Current liabilities			
(a) Financial liabilities			
(i) Trade payables	16	359.94	297.31
(b) Other current liabilities	17	28.00	34.52
(c) Provisions	18	0.21	0.47
Sub-total of current liabilities		388.15	332.30
Total equity and liabilities		578.18	610.51
Summary of significant accounting policies	3	0.00	(0.00)

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 and on behalf of the Board of Directors

Siti Sai Star Digital Media Private Limited

Place:Vadodara
Date :16/05/2018

SD/- SD/-
(Director) (Director)
DIN : DIN :

SITI Sai Star Digital Media Private Limited (formerly known as Star Digital Media Private Limited)
Statement of Profit and Loss for the period ended March 31, 2018

	Notes	March 31, 2018 ₹ millions	March 31, 2017 ₹ millions
Revenue			
Revenue from operations	19	143.76	234.73
Other income	20	0.12	0.47
Total revenue		143.87	235.20
Expenses			
Cost of materials consumed			-
Purchases of traded goods			-
Carriage sharing, pay channel and related costs		99.54	2.47
Employee benefits expense	21	9.89	6.83
Finance costs	22	0.03	4.13
Depreciation and amortisation expenses	23	56.79	39.34
Other expenses	24	44.93	136.73
Total expenses		211.18	189.50
Loss before prior period expenses		(67.31)	45.70
(Deffred Tax Assets) /Deffred Tax Liability		1.18	13.93
Loss before and after tax		(68.49)	31.77
Loss per share after tax			
Basic	25	(6,848.68)	3,177.09
Summary of significant accounting policies	3		
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 and on behalf of the Board of Directors
Siti Sai Star Digital Media Private Limited

Place:Vadodara
Date :16/05/2018

SD/-
(Director)
DIN :

SD/-
(Director)
DIN :

SITI SAISTAR DIGITAL MEDIA PVT LTD

Cash Flow Statement for the year ended on March 31, 2018

Particulars		March 31, 2018	March 31, 2017
A) CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit / Loss Before Tax & Extra Ordinary Items:		(67.31)	45.71
Adjustments For:			
Depreciation & Amortisation Expense		56.52	39.34
Interest Income		(0.12)	(0.47)
Operating Profit Before Working Capital Changes	i.	(10.91)	84.58
Adjustments For:			
Trade Receivables		(15.81)	(66.83)
Short-Term Loans and Advances		(3.63)	(26.12)
Trade Payables		62.63	254.73
Other Current Liabilities		(6.52)	19.71
Short Term Provisions		(0.26)	0.41
Cash Generated From Operations	ii.	36.41	181.90
Income Tax Paid	i+ii	25.51	266.48
	(A)	25.51	266.48
B) CASH FLOW FROM INVESTING ACTIVITIES			
Addition to Fixed Assets		(15.49)	(270.42)
Interest Income		0.12	0.47
Fixed Deposits		5.11	2.41
Security Deposits		0.04	(0.27)
Net Cash From Investing Activities	(B)	(10.21)	(267.81)
C) CASH FLOW FINANCING ACTIVITIES			
Increase in Long term Borrowings		(11.42)	8.71
Net Cash From Financing Activities	(C)	(11.42)	8.71
Increase in Cash and Cash Equivalents (A)+(B)+(C)	(D)	3.87	7.38
Cash and Cash Equivalents at the Beginning of the Year	(E)	10.91	3.53
Cash and Cash Equivalents at the End of the Year (D) +(E)		14.78	10.91
Components of Cash and Cash Equivalents:			
Cash on Hand		0.10	0.27
Other Bank Balances		14.68	10.64
		14.78	10.91

**For and on behalf of the Board of Directors
Siti Sai Star Digital Media Private Limited**

Place:Vadodara
Date :16/05/2018

SD/-
(Director)
DIN :

SD/-
(Director)
DIN :

SITI Sai Star Digital Media Private Limited (formerly known as Star Digital Media Private Limited)

A Equity share capital	₹ in million	
	Notes	Amount
Balance as at April 01, 2016		0.10
Balance as at March 31, 2017		0.10
Balance as at March 31, 2018		0.10

B Other equity	Reserves and surplus			Other Components of Equity			Total other equity	₹ in million
	Securities premium reserve	Retained earnings	General reserve	Optionally fully convertible debentures	Money received against warrants	Other comprehensive Income		Foreign currency monetary item translation difference account (FCMITDA)
Balance as at April 01, 2017		8.40						8.40
Loss for the year	-	(68.49)	-	-	-	-	-	(68.49)
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	(68.49)	-	-	-	-	-	(68.49)
Balance as at March 31, 2018	-	(60.09)	-	-	-	-	-	(60.09)

** Transaction with owner in capacity as owners

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

This is the statement of changes in equity referred to in our report of even date

For and on behalf of the Board of Directors
Siti Sai Star Digital Media Private Limited

Place:Vadodara
Date :16/05/2018

SD/- SD/-
(Director) (Director)
DIN : DIN :

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SITI Sai Star Digital Media Private Limited (formerly known as Star Digital Media Private Limited)

Note: 1 Company Overview and Significant Accounting Policies

1 Company Overview

SITI Sai Star Digital Media Private Limited.(hereinafter referred to as the 'Company') was incorporated in the state of Gujarat, India. The Company is engaged in distribution of television channels through analogue and digital cable distribution network and allied services.

Basis of preparation

The financial statements have been prepared in accordance with the accounting principals generally accepted in India, including the Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used consistently throughout all periods presented in these standalone financial statements.

2 General information

SITI Sai Star Digital Media Private Limited, is a company incorporated and domiciled in India. Its registered office is at 1,2,3/J Classic Complex Opp. Akota Garden, Radha Krishna Char Rasta, Akota, Vadodara-390015.

3 Summary of Accounting Policies

a. Use of estimate

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

b. Foreign Currency Translation

Functional and presentation currency

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

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

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

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

c. Revenue recognition

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

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

Revenue from rendering of Services

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

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

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

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

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)
Buildings	60
Plant and equipment	8
Computers	3
Office equipment	5
Furniture and fixtures	10
Air conditioners	5
Studio equipment	13
Vehicles	8
Set top boxes	8
Integrated receiver and decoder (IRD) boxes	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.

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 reporting 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.

Significant management judgement in applying accounting policies and estimation uncertainty

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

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

Significant Management Judgements

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

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

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

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

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

k. Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors;
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

1 Commitments

Future commitments towards capital contributions - NIL.

2 Segment Reporting

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

3 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

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

iii Key Managerial Personnel

Anil Kumar Malhotra
Raju Raisinghani
Jayesh Pandya

Transactions with:

	Rs. In lacs	
	2018	2017
Holding Company- Siti Network Ltd.	17	2,684
Purchase - Set top box and Viewing Card	9	-
Purchase - Material	12	-
Management Charges	-	-
Allotment of Debentures - Optionally Convertible	51	159
Feed Cost Charges	1,170	140
Payment towards Pay Channel Subscription	71	-
SMS Charges	0	-
Roc Charges	-	-
With Key Managerial Personnel	2018	2017
Raju Rai singhani		50.00
Jayesh Pandya	66.79	
Jayesh Pandya(HUF)	10	
Outstanding as on 31.3.2017	18	
Unsecured Loan		

SITI Sai Star Digital Media Private Limited (formerly known as Star Digital Media Private Limited)
 Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

	₹ in million	
	As at	As at
	March 31, 2018	March 31, 2017
13 (a) Equity share capital		
Authorised share capital		
10,000 (Previous year: 10,000) equity shares of ₹ 10 each	0.10	0.10
Total authorised capital	0.10	0.10
Issued share capital		
10,000 (Previous year: 10,000) equity shares of ₹ 10 each	0.10	0.10
Total issued capital	0.10	0.10
Subscribed and fully paid up capital		
10,000 (Previous year: 10,000) equity shares of ₹ 10 each	0.10	0.10
Total paid up capital	0.10	0.10
10,000 (Previous year: 10,000) equity shares of ₹ 10 each	0.10	0.10
	0.10	0.10

(A) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

	March 31, 2018		March 31, 2017	
	No. of shares	₹ in million	No. of shares	₹ in million
Balance at the beginning of the year	10,000	0.01	10,000	0.01
Balance at the end of the year	10,000	0.01	10,000	0.01

(B) Details of shareholders holding more than 5% shares in the Company

	As at		As at	
	March 31, 2018		March 31, 2017	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares				

Siti Cable Network Limited	5,100	51.00%	5,100	51.00%
Raju Raisinghania	3,600	36.00%	3,600	36.00%
Jayesh Thakorlal Pandya	1,300	13.00%	1,300	13.00%

	₹ in million	
	As at	As at
	March 31, 2018	March 31, 2017
13 (b) Other reserve		
Securities premium reserve	-	-
Retained earnings	(60.09)	8.40
General reserve	-	-
Other comprehensive Income	-	-
Foreign currency monetary item translation difference account (FCMITDA)	-	-
Employee shares based reserve	-	-
	(60.09)	8.40

SITI Sai Star Digital Media Private Limited (formerly known as Star Digital Media Private Limited)
Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

4 Tangible assets (₹ millions)							
Gross block	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Set top boxes	Set top boxes-WIP	Total
Balance as at April 1, 2015	1.97	0.07	0.09	1.79	-		3.92
Additions	16.26	2.09	0.05	5.08	140.56		164.05
Disposal	-	0.07	0.08				0.15
Balance as at March 31, 2016	18.23	2.09	0.06	6.88	140.56	-	167.82
Additions	10.95	0.66	1.82	2.81	254.17		270.42
Disposal	-	-	-	-	-	-	-
Balance as at March 31, 2017	29.18	2.76	1.89	9.68	394.73	-	438.25
Additions 16-17	1.52		(1.51)			57.27	57.27
Additions 17-18	4.16	0.20	0.15	-	54.07	0.27	58.85
Disposal 16-17		-		-	13.54	-	13.54
Disposal 17-18						52.84	52.84
Balance as at March 31, 2018	34.86	2.96	0.52	9.68	435.26	4.70	487.98
Accumulated depreciation							
Balance as at April 1, 2015	0.11	0.03	0.02	0.18	-		0.34
Charge for the year	1.35	0.19	0.00	0.49	1.82		3.85
Reversal on disposal of assets		0.03	0.02				0.04
Balance as at March 31, 2016	1.46	0.19	0.01	0.67	1.82	-	4.15
Charge for the year	3.13	0.50	0.20	0.84	34.67		39.34
Reversal on disposal of assets	4.76						-
Balance as at March 31, 2017	4.59	0.70	0.21	1.51	36.48	-	43.49
Charge for the year 16-17	0.17						0.17
Charge for the year 17-18	3.87	0.57	0.05	0.92	51.66		57.06
Reversal on disposal of assets 16-17			0.17		0.27		0.44
Reversal on disposal of assets 17-18							-
Balance as at March 31, 2018	8.63	1.26	0.09	2.43	87.87	-	100.28
Net block							
Balance as at March 31, 2016	16.77	1.90	0.06	6.20	138.74	-	163.67
Balance as at March 31, 2017	24.60	2.06	1.68	8.17	358.25	-	394.75
Balance as at March 31, 2018	26.23	1.70	0.43	7.25	347.39	4.70	387.70

SITI Sai Star Digital Media Private Limited (formerly known as Star Digital Media Private Limited)
Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

5	Loans	March 31, 2018	March 31, 2017
		₹ millions	₹ millions
	Security deposits		
	Unsecured, considered good	0.66	0.71
	Doubtful	0.66	0.71
	Less: Provision for doubtful security deposits	-	-
		0.66	0.71
6	Others- Fixed deposits	March 31, 2018	March 31, 2017
		₹ millions	₹ millions
	Margin money deposit (pledged) and deposit with statutory authorities	-	5.11
	Bank deposit with maturity upto twelve months	-	5.11
		-	5.11
7	Deffered Tax Assets	March 31, 2017	March 31, 2017
		₹ millions	₹ millions
		(8.27)	-
		8.58	(8.27)
		0.31	(8.27)
8	Trade receivables	March 31, 2018	March 31, 2017
		₹ millions	₹ millions
	Unsecured, considered good	114.73	98.93
	Unsecured, considered doubtful	-	-
		114.73	98.93
	Less: Provision for doubtful debts	-	-
		114.73	98.93
	Other receivables		
	Unsecured, considered good	-	-
		114.73	98.93
9	Cash and bank balances	March 31, 2018	March 31, 2017
		₹ millions	₹ millions
	Cash and cash equivalents		
	Cash on hand	0.10	0.27
	Cheques on hand	-	-
	Balances with banks		
	On current accounts	14.68	10.64
	In deposit account (with maturity upto three months)	-	-
		14.78	10.91
10	Others - unbilled revenue and interest accrued on fixed deposits	March 31, 2018	March 31, 2017
		₹ millions	₹ millions
	Interest accrued and not due on fixed deposits	-	0.17
	Unbilled revenue	-	-
		-	0.17
11	Loans and advances	March 31, 2018	March 31, 2017
		₹ millions	₹ millions
	Advances to related parties unsecured, considered good (refer note 34)		
	Advances recoverable in cash or kind		
	Unsecured, considered good		
	Other advances	19.30	19.79
	Doubtful		
	Advances to distribution companies	-	-
	Less: Provision for doubtful advances	-	-
		19.30	19.79
		19.30	19.79
12	Other loans and advances (Unsecured, considered good)	March 31, 2018	March 31, 2017
		₹ millions	₹ millions
	Ancillary cost of arranging for borrowings	-	-
	Advance tax	4.65	3.34
	Balances with statutory authorities	36.04	33.06
		40.69	36.40

14	Long-term borrowings	March 31, 2018	March 31, 2017
	(a) Term loans from banks (Secured)	₹ millions	₹ millions
	Term loans	-	19.33
	Buyer's credits	-	-
	Finance lease obligations	-	-
	Unsecured loan	244.21	236.30
		244.21	255.63
	The above amount includes		
	Secured borrowings	244.21	255.63
	Amount disclosed under the head "other current liabilities" (Note 8)	-	-
	Net amount	244.21	255.63
15	Other liabilities	March 31, 2018	March 31, 2017
		₹ millions	₹ millions
	Deferred Activation Income	5.81	5.81
		5.81	5.81
16	Trade payables	March 31, 2018	March 31, 2017
		₹ millions	₹ millions
	- Total outstanding dues of micro enterprises and small enterprises; and	-	-
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	359.94	297.31
		359.94	297.31
17	Other Current Liabilities	March 31, 2018	March 31, 2017
		₹ millions	₹ millions
	Advances from customers	20.70	27.15
	Payable for statutory liabilities	0.80	4.05
	Deferred Activation Income	6.50	3.32
		28.00	34.52
18	Provisions	March 31, 2018	March 31, 2017
		₹ millions	₹ millions
	Provision for employee benefits		
	Provision for gratuity	0.21	0.47
	Provision for compensated absences	0.21	0.47

SITI Sai Star Digital Media Private Limited (formerly known as Star Digital Media Private Limited)
 Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

19 Revenue from operations

	March 31, 2018	March 31, 2017
	₹ millions	₹ millions
Sale of services		
Subscription income	110.55	75.20
Advertisement income	0.80	1.00
Carriage income	14.63	5.50
Activation and Set top boxes pairing charges	17.77	153.03
	143.76	234.73

20 Other income

	March 31, 2018	March 31, 2017
	₹ millions	₹ millions
Interest income on		
Bank deposits	0.02	0.45
Others	0.01	0.01
Other non-operating income	0.09	0.01
	0.12	0.47

21 Employee benefits expense

	March 31, 2018	March 31, 2017
	₹ millions	₹ millions
Salaries, allowances and bonus	8.99	6.07
Contributions to provident and other funds	0.63	0.09
Staff welfare expenses	0.27	0.66
	9.89	6.83

22 Finance costs

	March 31, 2018	March 31, 2017
	₹ millions	₹ millions
Interest	-	3.04
Bank charges	0.03	1.09
	0.03	4.13

23 Depreciation and amortisation expenses

	March 31, 2018	March 31, 2017
	₹ millions	₹ millions
Depreciation of tangible assets	56.79	39.34
	56.79	39.34

24 Other expenses

	March 31, 2018	March 31, 2017
	₹ millions	₹ millions
Rent	2.18	1.50
Rates and taxes	1.88	0.75
Communication expenses	0.19	0.16
Repairs and maintenance		
- Network	0.66	0.37
- Building	0.06	0.06
- Others	0.02	0.25
Electricity and water charges	2.53	1.87
Legal, professional and consultancy charges	1.59	0.62
Printing and stationery	0.05	0.06
Service charges	0.26	0.15
Travelling and conveyance expenses	0.86	-
Auditors' remuneration*	0.08	-
Program production expenses	-	0.16
Other operational cost	34.10	128.86
Miscellaneous expenses	0.46	1.93
	44.93	136.73

*Auditors' remuneration

as an auditor	0.07	-
Limited review fees		
for other services (certifications)		
for reimbursement of expenses	0.02	-
	0.08	-

SITI Sai Star Digital Media Private Limited (formerly known as Star Digital Media Private Limited)
Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

25 Earnings per share

	March 31, 2018	March 31, 2017
	₹ millions	₹ millions
Loss attributable to equity shareholders	(68.49)	31.77
Number of weighted average equity shares		
Basic	10,000.00	10,000.00
Diluted		
Effect of dilutive potential equity shares~		
Employee stock options		
Warrants		
Optionally fully convertible debentures		
Nominal value of per equity share (₹)	10	10
Loss per share after tax (₹)		
Basic	(6,848.68)	3,177.09
Diluted	(6,848.68)	3,177.09

~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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**SITI Sai Star Digital Media Private Limited (formerly known as Star Digital Media Private
Summary of significant accounting policies and other explanatory information for the year ended March 31,
2018**

A. Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Company causing financial loss. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk management

Credit risk rating

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

A: Low credit risk on financial reporting date

B: High credit risk

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

Asset group	Basis of categorisation	Provision for expected credit loss
Low credit risk	Investment, Cash and cash equivalents, trade receivable and other financial assets	12 month expected credit loss
High credit risk	Trade receivables, security deposits and amount recoverable	Life time expected credit loss or fully provided for

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

Credit rating	Particulars	₹ in million	
		March 31, 2018	March 31, 2017
A: Low credit risk	Investment, Cash and cash equivalents and other financial assets except security deposits and amount recoverable	149.48	135.62
B: High credit risk	Trade receivables, security deposits and amount recoverable	134.04	118.72

Concentration of trade receivables

The Company has widespread customers and there is no concentration of trade receivables.

Credit risk exposure

Provision for expected credit losses

The Company provides for 12 month expected credit losses for following financial assets.

For the purpose of computation of expected credit loss, the Company has analysed the trend of provisions for doubtful debts created in earlier years. The average rate of provision has been computed based on the adjusted sales (excluding those where the Company does not have any historical provision) and provision for doubtful debtors created against those sales. As per this methodology, the Company has determined the expected credit loss as 5% for customers of subscription and carriage and 15% for advertisement customers.

Expected credit loss for trade receivables under simplified approach
as at March 31, 2018

Ageing	₹ in million		
	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	114.73	-	114.73
Security deposits	-	-	-
Advances recoverable	19.30	-	19.30

as at March 31, 2017

Ageing	₹ in million		
	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	98.93	-	98.93
Security deposits	-	-	-
Advances recoverable	19.79	-	19.79

B.Liquidity risk

Liquidity risk is the risk that suitable sources of funding for the Company's business activities may not be available .

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. Short term liquidity requirements comprises mainly of trade payables and employee dues arising during normal course of business as on each balance sheet date. Long- term liquidity requirement is assessed by the management on periodical basis and is managed through internal accruals and through funding commitments from shareholders. As at each statement of financial position date, the Company's liabilities having contractual maturities (including interest payments where applicable) are summarised as follows:

**SITI Sai Star Digital Media Private Limited (formerly known as Star Digital Media Private
Summary of significant accounting policies and other explanatory information for the year ended March 31,
2018**

Contractual maturities of financial liabilities	₹ in million		
	Less than one year	One to two years	More than two years
March 31, 2018			
Non-derivatives			
Borrowings (non-current, financial liabilities)	2.90	2.78	22.32
Borrowings (current, financial liabilities)			
Other financial liabilities			
Trade payables	359.94		
Total non-derivative liabilities	362.84	2.78	22.32
March 31, 2017			
Non-derivatives			
Borrowings (non-current, financial liabilities)	2.82	2.82	33.12
Borrowings (current, financial liabilities)			
Other financial liabilities			
Trade payables	297.31		
Total non-derivative liabilities	300.13	2.82	33.12

27 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.

Particular	₹ in million	
	March 31, 2018	March 31, 2017
Cash and cash equivalents (refer note 9)	14.78	10.91
Total cash (A)	14.78	10.91
Total borrowing (B)	-	(0.01)
Net debt (C=B-A)	-14.78	-10.92
Total equity	(59.99)	8.50
Total capital (equity + net debts) (D)	-74.76	-2.41
Gearing ratio (C/D)	0.20	4.52

28 Tax Expense

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

	₹ in million	
	March 31, 2018	March 31, 2017
Income tax related to items recognised directly in the statement of profit and		
Current tax - current year		
Deferred tax charge / (benefit)	1.2	13.9
Total	1.2	13.9
Effective tax rate	-1.8%	30.5%
A reconciliation of the income tax expense applicable to the profit before income tax at statutory rate to the income		
Loss before tax	-67.3	45.7
Effective tax rate	30.9%	30.9%
Tax at statutory income tax rate	-	14.1
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 permanent difference	-	-0.2
Tax expense recognised in the statement of profit and loss	-	13.9

29 Figures for the previous year have been regrouped / rearranged / recast whenever necessary to confirm for comparison purpose.

**For and on behalf of the Board of Directors
Siti Sai Star Digital Media Private Limited**

Place: Vadodara
Date: 16/05/2018

SD/-
(Director)
DIN :
SD/-
(Director)
DIN :