

SITI VISION DIGITAL MEDIA PVT LTD.,

Balance Sheet as at Mar 31, 2018

	Notes	Un Audited Mar 31, 2018 Rs.	Un Audited March 31, 2017 Rs.
A. Assets			
1. Non-current assets			
Fixed assets			
(a) Property, plant and equipment	4	477,850,617	402,810,729
(b) Capital work-in-progress	4	4,704,226	27,261,498
(c) Other intangible assets	5	9,978,443	12,982,018
(d) Financial assets			
(i) Loans	6	797,205	862,000
Sub-total of Non-current assets		493,330,491	443,916,245
2. Current assets			
(a) Inventories			
(b) Financial assets			
(i) Trade receivables	7	287,524,546	168,469,653
(ii) Cash and bank balances	8	11,878,460	24,157,634
(iii) Loans	9	99,335,571	34,930,580
(iv) Others	10	41,104,629	7,165,569
(c) Other current assets	11	-	-
Sub-total of Current assets		439,843,206	234,723,436
Total assets		933,173,697	678,639,681
B. Equity and liabilities			
Equity			
(a) Equity share capital	12	14,776,210	14,776,210
(b) Other equity	13	(49,633,071)	(178,095,335)
(c) Non-controlling interests			
Sub-total - Equity		(34,856,861)	(163,319,125)
Liabilities			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Long-term borrowings	14	175,794,362	145,330,102
(b) Provisions	15	3,396,957	2,199,578
(c) Deferred tax liability (net)	16	(7,704,379)	2,050,861
(d) Other non-current liabilities	17	98,529,081	98,529,081
Sub-total - Non-current liabilities		270,016,021	248,109,622
2. Current liabilities			
(a) Financial liabilities			
(i) Trade payables	18	612,493,638	542,323,396
(ii) Other financial liabilities	19	33,236,905	3,934,197
(b) Other current liabilities	20	52,283,994	47,591,591
(c) Provisions	21	-	-
Sub-total of current liabilities		698,014,537	593,849,184
Total equity and liabilities		933,173,697	678,639,682
			0.58
Summary of significant accounting policies	3	(0)	1

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

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

For Subhash C. Gupta & Co.
Chartered Accountants

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

(Manoj Kumar)
Partner
M. No. FCA - 504435
Place : New Delhi
Date :

Director
DIN: 07197362
Suryaj Arora

Director
DIN
08100962
Vijay Kalur

SITI VISION DIGITAL MEDIA PVT LTD.,
Statement of Profit and Loss for the year ended Mar 31,2018

	Notes	Un Auditeed Mar 31,2018 Rs.	Un Auditeed March 31, 2017 Rs.
Revenue			
Revenue from operations	22	558,262,808	293,735,713
Other income	23	148	1,649,838
Total revenue		558,262,957	295,385,551
Expenses			
Carriage sharing, pay channel and related costs	24	258,933,384	211,467,272
Employee benefits expense	25	29,253,017	25,439,017
Finance costs	26	10,059,386	521,813
Depreciation and amortisation expenses	27	103,960,897	81,356,543
Other expenses	28	36,734,674	25,675,246
Total expenses		438,941,357	344,459,891
Loss before prior period expenses		119,321,599	(49,074,340)
Prior period expenses			-
Loss before Tax		119,321,599	(49,074,340)
Income tax expense			
Current Tax			
Deferred Tax		(9,755,240)	
Previous Year Tax			
MAT Credit Entitlement			
Total Tax Expense		(9,755,240)	-
Total Profit/(Loss) for the period		129,076,839	(49,074,340)
Other Comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined benefit (liabilities) / assets			
Total Comprehensive Income/(loss) for the year		129,076,839	(49,074,340)
Profit per share after tax	29		
Basic		87	(33)
Diluted		87	(33)
Summary of significant accounting policies	3		

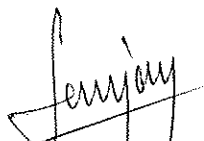
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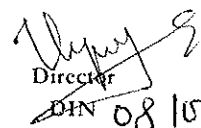
This is the statement of profit and loss referred to in our report of even date

For Subhash C. Gupta & Co.
Chartered Accountants

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

(Manoj Kumar)
Partner
M. No. FCA - 504435
Place : New Delhi
Date :


Director
DIN: 07197362
Sanjay Arora



Director
DIN 08100962
Vijay Kalur


SITI VISION DIGITAL MEDIA PVT LTD

CASH FLOW STATEMENT 2017-2018

PARTICULARS	Year ended	Year ended
	March 31, 2018	March 31, 2017
	Amount in Rs.	Amount in Rs.
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Income / (Loss) before Tax	119,321,599	(27,040,942)
Adjustments for :		
Depreciation	103,960,897	81,356,543
Loss(profit) on sale /disposal of assets	-	-
Provision for Doubtful Debts	-	-
Interest Expense	-	-
Income Tax paid	9,755,240	-
Provision for Taxation including Deferred Tax	-	-
Prior period Adjustment	-	-
comprehensive income recognised directly in retained earnings	(614,575)	-
Operating Profit before working capital changes	232,423,161	54,315,601
(Increase) in Trade Receivables	(119,054,894)	23,972,844
Decrease(Increase) in Long Terms L&A and Other non current assets	64,795	(725,000)
Decrease(Increase) in Short Terms L&A and Other current assets	(98,344,051)	(592,312)
Increase(Decrease) in Long Terms liabilities and provisions	(8,557,861)	(11,001,872)
Current Liabilities and Provisions	104,165,352	1,896,591
Net Cash Flow from Operating Activities	110,696,503	67,865,852
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(176,213,834)	(98,937,730)
Capital Work in progress	22,557,272	-
sale of Fixed Assets	216,624	-
Net Cash utilised in Investing Activities	(153,439,938)	(98,937,730)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid (Net)	-	-
Proceeds from Long Term borrowings	30,464,260	13,013,000
Proceeds from Share Application Money	-	-
Proceeds from Issue of Share Capital	-	-
Net Cash provided by Financing Activities	30,464,260.00	13,013,000
Net Increase in cash and cash equivalents during the year	(12,279,175)	(18,058,878)
cash and cash equivalents at beginning of year	24,157,635	42,216,513
Cash and Cash Equivalents at end of the Year	11,878,460	24,157,635
Note :		
1 Component of Cash & cash Equivalents at the end of year		
Cash in hand	1,179,583	5,922,338
Cheques in hand	1,359,070	16,284,984
Balances with Scheduled Banks in Current Accounts	9,139,807	1,750,312
FDR's with Bank	200,000	200,000
	<u>11,878,460</u>	<u>24,157,636</u>

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


Director
DIN No
07197362
Sanjay Arora


Director
DIN No 08100962
Vijay Kumar

SITI VISION DIGITAL MEDIA PVT LTD.,

Summary of significant accounting policies and other explanatory information for the year ended Mar 31, 2018

6	Loans	Mar 31,2018 Rs.	March 31, 2017 Rs.
	Security deposits		
	Unsecured, considered good	797,205	862,000
	Doubtful		
		797,205	862,000
	Less: Provision for doubtful security deposits	-	-
		797,205	862,000
7	Trade receivables	Mar 31,2018 Rs.	March 31, 2017 Rs.
	Unsecured, considered good	287,524,546	177,437,106
	Unsecured, considered doubtful	8,967,453	
		296,491,999	177,437,106
	Less: Provision for doubtful debts	8,967,453	8,967,453
		287,524,546	168,469,653
	Other receivables		
	Unsecured, considered good		
		287,524,546	168,469,653
8	Cash and bank balances	Current Mar 31,2018 Rs.	Current March 31, 2017 Rs.
	Cash and cash equivalents		
	Cash on hand	1,179,583	5,922,338
	Cheques on hand	1,359,070	16,284,984
	Balances with banks		
	On current accounts	9,139,807	1,750,312
	In deposit account (with maturity upto three months)		-
	Fixed Deposit	200,000	200,000
		11,878,460	24,157,634
9	Loans and advances	Short-term Mar 31,2018 Rs.	Short-term March 31, 2017 Rs.
	Advances to related parties unsecured, considered good		
	Advances recoverable in cash or kind		

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Unbilled	74,870,468	
Other advances		64,931
Advance to staff	153,073	10,300
Advance Direct Tax	8,647,006	3,731,284
Advance Indirect Tax	3,997,023	21,738,860
GST Input	2,287,467	
MAT Credit	9,346,523	9,346,523
Prepaid Expenses	34,011	38,682
	<u>99,335,571</u>	<u>34,930,580</u>
	<u>99,335,571</u>	<u>34,930,580</u>
10	Others - unbilled revenue and interest accrued on fi:	
	Non-current	Non-current
	Mar 31,2018	March 31, 2017
	Rs.	Rs.
	Others	
	Interest accrued and not due on fixed deposits	
	Unbilled revenue	
	41,104,629	7,165,569
	<u>41,104,629</u>	<u>7,165,569</u>
11	Other Current Assets	
	Mar 31,2018	March 31, 2017
	Rs.	Rs.
	Advance to Suppliers	-
	Recoverable from others	-
	-	-
12	Share capital	
	Mar 31,2018	March 31, 2017
	Rs.	Rs.
	Authorised share capital	
	1500000 (Previous year: 1500000) equity shares of ` 10	
	15,000,000	15,000,000
	Total authorised capital	
	15,000,000	15,000,000
	Issued, Subscribed and Paid up	
	1477621 (Previous year: 1477621) equity shares of	
	` 10 each	
	14,776,210	14,776,210
	Total paid up capital	
	14,776,210	14,776,210
	Forfeited equity shares	
	14,776,210	14,776,210
13	Other Equity	
	Mar 31,2018	March 31, 2017
	Rs.	Rs.
	Retained Earnings	
	Balance at the beginning of the year	
	(324,857,435)	(275,783,095)
	Prior Period Adjustment	
		-
	Add: Profit/(Loss) for the year	
	129,076,839	(49,074,340)
	Balances as at the end of the year (A)	
	(195,780,596)	(324,857,435)

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Other Comprehensive income		
Other comprehensive income recognised directly in retained earnings		
Deferred Activation Revenue		
Gratuity/Leave Encashment		
	(614,575)	
Balances as at the end of the year (B)	(614,575)	-
Securities premium account		
Balance at the beginning of the year	146,762,100	146,762,100
Add: Received on issue of equity shares on conversion of Warrants and OFCDs (refer note 4(f))		
Less: Adjustment of expenses incurred on issue of equity shares		-
Balances as at the end of the year (C)	146,762,100	146,762,100
Balances as at the end of the year (A+B+C)	(49,633,071)	(178,095,335)
14 Long-term borrowings	Mar 31,2018	March 31, 2017
	Rs.	Rs.
Unsecured and unconfirmed		
Loans and advances from Directors/related parties	29,815,620	29,700,620
Loans and advances from others	145,978,742	115,629,482
	175,794,362	145,330,102
The above amount includes		
Secured borrowings	175,794,362	145,330,102
Unsecured borrowings		
Net amount	175,794,362	145,330,102
15 Provisions	Mar 31,2018	March 31, 2017
	Rs.	Rs.
Provision for employee benefits		
Provision for gratuity	3,103,394	1,870,468
Provision for Leave Encashment	293,563	329,110
	3,396,957	2,199,578
16 Deferred tax liability (net)	Mar 31,2018	March 31, 2017
	Rs.	Rs.
Deferred tax liability(Net)	(7,704,379)	2,050,861
	(7,704,379)	2,050,861
17 Other non-current liabilities	Mar 31,2018	March 31, 2017




	Rs.	Rs.
Deposit from operators	200,000	200,000
Deferred Activation Income	13,518,081	13,518,081
Advance from holding company	84,811,000	84,811,000
	<u>98,529,081</u>	<u>98,529,081</u>
18 Trade payables	Mar 31,2018	March 31, 2017
	Rs.	Rs.
- Total outstanding dues of micro enterprises and small enterprises; and		
- Total outstanding dues of creditors other than micro enterprises and small enterprises	612,493,638	542,323,396
	<u>612,493,638</u>	<u>542,323,396</u>
19 Other financial liabilities	Mar 31,2018	March 31, 2017
	Rs.	Rs.
Book overdraft	33,236,905	3,934,197
	<u>33,236,905</u>	<u>3,934,197</u>
20 Other Current Liabilities	Mar 31,2018	March 31, 2017
	Rs.	Rs.
Income received in advance	13,927,530	9,700,702
Advances from customers	21,642,039	4,211,828
Advance from others	465,003	1,039,589
Credit balance of Staff	1,258,004	1,249,859
Service tax payable		630,067
GST Payable	31,500	
Professional tax payable	7,050	8,150
Provident fund/ESI payable	268,039	270,898
Entertainment tax payable	-	199,335
Deferred Activation Income	11,016,699	28,161,246
TDS Payable	3,668,130	2,119,918
	<u>52,283,994</u>	<u>47,591,591</u>
21 Provisions	Mar 31,2018	March 31, 2017
	Rs.	Rs.
Provision for Taxation A/c		
Expense Payable	-	-
Audit Fees Payable	-	-
	<u>-</u>	<u>-</u>

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SITI VISION DIGITAL MEDIA PVT LTD.,

Summary of significant accounting policies and other explanatory information for the year ended Mar 31, 2018

22 Revenue from operations	Un Audited	Un Audited
	Mar 31 2018	March 31, 2017
	Rs.	Rs.
Sale of services		
Digital Revenue	412,502,790	149,322,974
Advertisement income	6,544,706	8,438,259
Carriage income	137,776,560	135,027,664
Other operating revenue	-	-
Other networking and management income	1,438,752	946,816
	<u>558,262,808</u>	<u>293,735,713</u>
23 Other income	Mar 31 2018	March 31, 2017
	Rs.	Rs.
Interest income on	-	-
Bank deposits	-	-
Others	-	849,190
Set Boxes repair & maintenance charges	-	-
Other non-operating income	-	-
Excess provisions written back	-	-
Sundry balance w/off	148	800,648
	<u>148</u>	<u>1,649,838</u>
24 Carriage sharing, pay channel and related costs	Mar 31 2018	March 31, 2017
	Rs.	Rs.
Pay Channel Subscription	258,933,384	211,467,272
	<u>258,933,384</u>	<u>211,467,272</u>
25 Employee benefits expense	Mar 31 2018	March 31, 2017
	Rs.	Rs.
Salaries, allowances and bonus	25,832,107	21,950,529.00
Contributions to provident and other funds	1,373,777	1,936,702.00
Employee Insurance expenses	(1,407,387)	1,461,420.00
Staff welfare expenses	2,225,958	1,800.00
Leave Encashment and Gratuity	1,228,562	88,566.00
	<u>29,253,017</u>	<u>25,439,017</u>
26 Finance costs	Mar 31 2018	March 31, 2017
	Rs.	Rs.
Interest/late fee on service tax/TDS	353,190	291,409.00
Interest on Income tax	-	28,360.00
Bank charges	302,797	200,088.00
BG Charges	-	1,956.00
Interest on LC	9,403,399	-
	<u>10,059,386</u>	<u>521,813.00</u>

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SITI VISION DIGITAL MEDIA PVT LTD.,

Summary of significant accounting policies and other explanatory information for the year ended Mar 31, 2018

27 Depreciation and amortisation expenses	Mar 31 2018	March 31, 2017
	Rs.	Rs.
Depreciation of tangible assets	100,957,322	81,356,543
Amortisation of intangible assets	3,003,575	
	<u>103,960,897</u>	<u>81,356,543</u>
28 Other expenses	Mar 31 2018	March 31, 2017
	Rs.	Rs.
Rent	3,782,966	3,409,980
Office Expenses	647,455	478,378
Rates & Taxes	103,723	17,237
Communication expenses	510,951	495,036
Repairs and maintenance	-	-
- Network	10,170,997	10,255,526
- Building	-	3,000
- Others	885,198	472,388
Electricity and water charges	3,517,781	2,686,032
Legal, professional and consultancy charges	802,782	1,267,134
Travelling and conveyance expenses	2,174,428	1,908,851
Printing & Stationery	135,192	151,312
Auditor's Remuneration	45,000	45,000
ROC Filing Fees	22,650	-
Books & periodicals	26,797	27,800
Security charges and house keeping charges	355,136	173,768
Provision for doubtful debts**	-	-
Vehicle expenses	124,266	117,913
Loss on sale of assets	17,810	-
Festival Celebration	77,593	67,849
Swachh Bharat Cess Expenses	318,287	1,089,890
Commission charges and incentives	265,000	487,951
Business & Sales Promotion	142,409	362,113
Guest House Expenses	(443,546)	443,546
Labour Charges	(4,350)	4,350
Loading & Unloading expenses	(144,728)	144,728
Postage & Courier	(30,724)	30,724
Distributor commission	4,500,000	
Other Operational cost	1,069,515	1,344,474
VC Card Maintenance charges	-	182,179
SMS Usage charges	7,661,888	
Freight charges	200	8,087
	<u>36,734,674</u>	<u>25,675,246</u>

*Auditors' remuneration

as an auditor	40,000
Limited review fees	
for other services (certifications)	5,000
for reimbursement of expenses	
	<u>45,000</u>

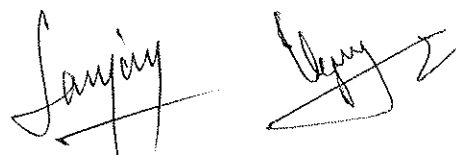



SITI VISION DIGITAL MEDIA PVT LTD.,

Summary of significant accounting policies and other explanatory information for the year ended Mar 31, 2018

29 Earnings per share

	Mar 31 2018	March 31, 2017
	Rs.	Rs.
Profit attributable to equity shareholders	129,076,839	(49,074,340)
Number of weighted average equity shares		
Basic	1,477,621	1,477,621
Diluted	1,477,621	1,477,621
Nominal value of per equity share (`)	10	10
Loss per share fter tax (`)		
Basic	87	(33)
Diluted	87	(33)

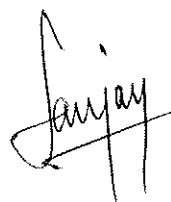



SITI VISION DIGITAL MEDIA PVT LTD.,
 Summary of significant accounting policies and other explanatory information for the year ended Mar 31, 2018
 Tangible assets

	Rs.									
Gross block	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Air conditioners	Studio equipment	Vehicles	Electrical Equipments	Set top boxes	Total
Balance as at April 1, 2015	108,454,777	226,350	2,045,681	498,688	944,632	2,849,883	559,312	312,600	400,596,748	516,488,071
Additions	907,066	-	17,990	-	42,500	71,800	-	-	82,754,982	83,794,278
Disposal	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2016	109,361,783	226,350	2,063,671	498,688	986,532	2,921,683	559,312	312,600	483,351,730	600,282,349
Additions	1,351,065	143,000	49,555	96,000	-	-	-	-	94,183,572	95,823,192
Disposal	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	110,712,848	369,350	2,113,226	594,688	986,532	2,921,683	559,312	312,600	577,535,302	696,105,541
Additions	1,141,600	464,486	22,865	50,098	-	-	-	-	174,383,971	176,063,020
Disposal	-	-	-	-	-	-	234,434	-	-	234,434
Balance as at Mar 31, 2018	111,854,448	833,836	2,136,091	644,786	986,532	2,921,683	324,878	312,600	751,919,273	871,934,127
Accumulated depreciation										
Balance as at April 1, 2015	53,305,841	125,776	1,507,730	158,708	533,696	719,583	246,852	79,408	89,632,761	146,309,955
Charge for the year	15,492,788	91,611	416,055	59,004	336,123	254,276	80,839	42,203	51,858,990	68,631,889
Reversal on disposal of assets	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2016	68,798,629	217,387	1,923,785	217,712	869,819	973,859	327,691	121,211	141,491,751	214,941,844
Charge for the year	15,662,982	38,843	63,331	64,882	82,736	255,333	80,839	42,204	62,061,818	78,352,968
Reversal on disposal of assets	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	84,461,611	256,230	1,987,116	282,594	952,555	1,229,192	408,530	163,415	203,553,569	293,294,812
Charge for the year	15,816,700	79,100	59,576	70,740	8,500	255,333	55,005	42,203.00	84,570,165	100,957,322
Reversal on disposal of assets	-	-	-	-	-	-	168,624	-	-	168,624
Balance as at Mar 31 2018	100,278,311	335,330	2,046,692	353,334	961,055	1,484,525	294,911	205,618	288,123,734	394,083,510
Net block										
Balance as at March 31, 2016	40,563,154	8,963	139,886	280,976	116,713	1,947,824	231,621	191,389	341,859,979	385,340,505
Balance as at March 31, 2017	26,251,237	113,120	126,110	312,094	33,977	1,692,491	150,782	149,185	373,981,733	402,810,729
Balance as at Mar 31, 2018	11,576,137	498,506	89,399	291,452	25,477	1,437,158	29,967	106,982	463,795,539	477,850,617

SITI VISION DIGITAL MEDIA PVT LTD.,
Summary of significant accounting policies and other explanatory information for the year ended March 31 2018

5	Intangible assets		(Rs)
	Gross block	Software	Total
	Balance as at April 1, 2015	8,354,207.00	8,354,207.00
	Additions	9,667,245.00	9,667,245.00
	Balance as at March 31, 2016	18,021,452.00	18,021,452.00
	Additions		-
	Balance as at March 31, 2017	18,021,452.00	18,021,452.00
	Additions		-
	Balance as at 31 March 2018	18,021,452.00	18,021,452.00
	Accumulated amortisation		
	Balance as at April 1, 2015	639,077.00	639,077.00
	Charge for the year	1,396,782.00	1,396,782.00
	Balance as at March 31, 2016	2,035,859.00	2,035,859.00
	Charge for the year	3,003,575.00	3,003,575.00
	Balance as at March 31, 2017	5,039,434.00	5,039,434.00
	Charge for the year	3,003,575.00	3,003,575.00
	Balance as at Mar 31, 2018	8,043,009.00	8,043,009.00
	Net block		
	Balance as at March 31, 2016	15,985,593.00	15,985,593.00
	Balance as at March 31, 2017	12,982,018.00	12,982,018.00
	Balance as at Mar 31, 2018	9,978,443.00	9,978,443.00

SITI VISION DIGITAL MEDIA PVT LTD.

Note: 1. Company Overview and Significant Accounting Policies

1.1 Company Overview

a. Siti Vision Digital Media Pvt. Ltd was incorporated in the state of Telangana, 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 2018, together with the comparative period as at and for the year ended 31 March 2017. 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.

2 Summary of Accounting Policies

a. Use of estimate

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

b. Foreign Currency Translation

Functional and presentation currency

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

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

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

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

c. Revenue recognition

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

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

Revenue from rendering of Services

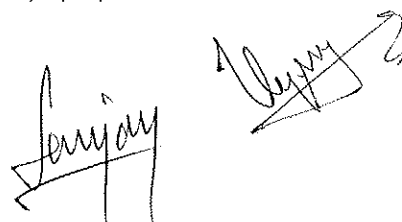
Subscription income is recognised on completion of services and when no significant uncertainty exists regarding the amount of consideration that will be derived.

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

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

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

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.

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.

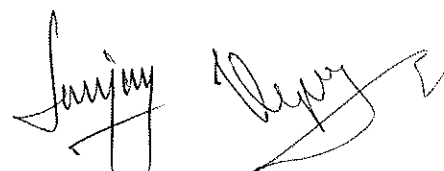
Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

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.

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.

o. Standards issued but not yet effective

Ind AS 21:

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:

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.

29 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.

30 Related Parties Disclosure:List of Parties where control exists**a Ultimate Holding Company**

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

b Holding Company

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

c 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.

Panchsheel Digital Communication Network Pvt. Ltd.

Master Channel Community Network Pvt. Ltd.

Siti Jai Maa Durga 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 Vroadband Services Pvt. Ltd.

Sai Star Digital Media Pvt. Ltd.

Siti Godaari Digital Services Pvt. Ltd.

Variety Entertainment Pvt. Ltd.

Siti Siti Digital Network Pvt. Ltd.

Siti Faction Digital Private Limited

Siticable Broadband South Ltd.

Wire & Wireless Tisai Satellite Ltd.

d Key Managerial Personnel

Kancherla Siva Rama Krishna

Jogi Gopala Rao

Suresh Kumar


Nikesh Goyal

Sanjay Berry

Vinay Chandok

Anil Kumar Jain

e Other Related Parties



Sri Satya O & M Services
 Silpi Tech
 Sprint Telefilms Pvt Ltd.
 Theme Ambience Construction Pvt Ltd
 Vishwaroopa Info Services India Pvt Ltd
 Vision Infotel india Pvt Ltd
 Vision Infracon India Pvt Ltd

M S E Swamy
 Shivam Infomedia & ENT P Ltd
 Squant Communication Pvt Ltd
 Subham Telecom Pvt Ltd
 Vainavi Communication
 Sitivision Aads Pvt Ltd
 Viswanth Traders

Transactions with:

Holding Company- Siti Network Ltd.

	<u>2018</u>	<u>2017</u>
Purchase of STB	95,658,828	103,995,936
Subscription charges paid	-	-
Carriage income Received	34,679,066	20,320,085
Operational Expenses Paid	4,035,612	121,289
Payments received on Behalf of others	-	-
Payents made on their behalf	40,265,313	-
License Fees and Maintanance Charges	-	-

Subsidiary Companies

With Key Managerial Personnel

	<u>2018</u>	<u>2017</u>
Salary	3,600,000	3,600,000
Reimbursement of Expenses	282,282	689,997
Rent Paid	540,000	540,000
Un Secured Loan Received	3,000,000	7,500,000
Un Secured Loan Repaid	2,885,000	9,577,000

With other related parties

Rent	360,000	-
Repairs And Mainatanance - Network	9,600,000	9,600,000
Management Charges Paid	-	-
Internet Charges	-	-
Un Secured Loan Received	39,431,060	23,700,000
Un Secured Loan Repaid	9,081,800	6,260,000
Interest on LC	2,596,195	-
STB Activation Income	-	90,537

Outstanding as on 31.3.2018

Unsecured Loan

Siti Cable Network Limited- CA (Cr)	283,199,604	241,245,404
Siti Cable Network Limited- Loan (Cr)	84,811,000	84,811,000
Indian Cable Net company Ltd	1,985,940	1,985,940
Sri Satya O & M Services	-	-
Silpi Tech (Cr)	4,709,899	4,709,899
Viswaroopa Info Services India Pvt Ltd	6,172,052	2,761,052
Viswaroopa Info Services India Pvt Ltd Loan	3,568,000	-
Sitivision Aads Pvt Ltd (Dr)	2,475,645	2,475,645
Vainavi Communication (Dr)	3,290,594	3,290,594
Theme Ambience (Cr)	(283,293)	1,781,998
Theme Ambience Loan	6,000,000	5,000,000
Squant communication Pvt Ltd	35,262,542	24,209,942
Squant communication Pvt Ltd (Cr)	18,083,458	18,083,458
Mr. K Siva Rama Krishna (Cr)	26,297,520	26,182,520
Mr. J Gopala Rao(Cr)	3,518,100	3,518,100
Other Related Parties	101,148,200	115,629,482

Amount Payable to




Mr. K Siva Rama Krishna	454,306	881,159
Siti Cable Network Limited	3,632,051	-
Mr. J Gopala Rao	1,080,004	1,080,004
Salaries payable to tech support	2,699,879	2,489,549

32 Tax Expense

The major components of income tax for the

	31-Mar-18	31-Mar-17
Income tax related to items recognised		
Current tax - current year	-	-
Deferred tax charge / (benefit)	-9.76	-3.08
Total	-9.76	-3.08
Effective tax rate	-8.18%	3.82%

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, 2018 and 31 March, 2017 is as follows:

Loss before tax	119.32	-80.48
Effective tax rate	30.90%	30.90%
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 permanent difference	-9.76	-3.08
Tax expense recognised in the statement	-9.76	-3.08

33 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.


(i) Trade and other receivables

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

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

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

b. Liquidity risk



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

Particulars	Amounts in Rs		
	Less than 1 year	1-5 year	Total
Borrowings	-	260,605,362	260,605,362
Trade payables	612,493,638	-	612,493,638

34 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.

35 The company has calculated the benefits provided to employees as per accounting standards 15, are as under

Defined Benefit Plans

- a.) Gratuity Plan
- b.) Leave Encashment

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

Actuarial Assumption

	Leave Encashment	Employee Gratuity Fund
Discount Rate (Per annum)	7.75%	7.75%
Rate of Increase in compensation levels	6.00%	5.00%
Expected Rate of return on plan assets	-	-
Expected Average remaining working lives of employees (years)	22.60	22.60

Change in obligation during the year ended 31st March, 2018

Present Value of obligation as at 1st April, 2017	329,110.00	1,870,468.00
Acquisition adjustment	-	-
Interest cost	25,336.00	196,747.00
Past service cost	(2,193.00)	668,203.00
Current service cost	69,096.00	510,127.00
Curtailment cost/(Credit)	-	-
Settlement cost/(Credit)	-	-
Benefits paid	-	-
Actuarial (gain)/loss on obligation	(127,786.00)	(142,151.00)
Present value of obligation as at the end of period (31st March, 2018)	293,563.00	3,103,394.00

Change in fair value plan Assets

Nil Nil

Movement in the liability recognized in the Balance Sheet

Opening net liability (01.04.2017)	(329,110)	(1,870,468)
Expense as above	(35,547)	1,232,926
Benefits paid	-	-
Actual return on plan assets	-	-
Acquisition adjustment	-	-
Net assets/(Liability) recognised in Balance Sheet as provision (31.03.2018)	(293,563)	(3,103,394)

Expenses recognised in Profit and Loss Account

Current service cost	69,096	510,127
Past service cost	-	-
Interest cost	25,336	196,747

Expected return on plan assets	-	-
Curtailment cost / (Credit)	-	-
Settlement cost / (credit)	-	-
Expenses recognized in the statement of profit & losses	94,432	706,874
Other Comprehensive (income) / expenses (Remeasurement)		
Actuarial (gain)/loss - obligation	(127,786)	(142,151)
Actuarial (gain)/loss - plan assets		-
Total Actuarial (gain)/loss	(127,786)	(142,151)

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.

SITI VISION DIGITAL MEDIA PVT LTD.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

36 Fair value measurements

A. Financial instruments by category

	31-Mar-18	
	FVTPL	Amortised cost
Financial assets		
Security deposits	797,205	797,205
Amount recoverable	24,465,103	24,465,103
Unbilled revenues	115,975,097	115,975,097
Trade receivables	287,524,546	287,524,546
Cash and cash equivalents	11,878,460	11,878,460
Total financial assets	440,640,411	440,640,411
Financial liabilities		
Borrowings (non-current, financial liabilities)	175,794,362	175,794,362
Trade payables	612,493,638	612,493,638
Other financial liabilities (current)	33,236,905	33,236,905
Total financial liabilities	821,524,905	821,524,905
	31-Mar-17	
	FVTPL	Amortised cost
Financial assets		
Security deposits	862,000	862,000
Amount recoverable	34,930,580	34,930,580
Trade receivables	168,469,653	168,469,653
Cash and cash equivalents	24,157,634	24,157,634
Unbilled revenues	7,165,569	7,165,569
Total financial assets	235,585,435	235,585,435
Financial liabilities		
Borrowings (non-current, financial liabilities)	145,330,102	145,330,102
Trade payables	542,323,396	542,323,396
Other financial liabilities (current)	3,934,197	3,934,197
Total financial liabilities	691,587,695	691,587,695

B. Financial instruments measured at fair value

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

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

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

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

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

The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as on March 31, 2018 and March 31, 2017 as follows:

31-Mar-18	Date of Valuation	Level 1	Level 2	Level 3
Financial assets				
Investment in optionally convertible debentures	At March 31, 2018	-	-	-
March 31, 2017	Date of Valuation	Level 1	Level 2	Level 3
Financial assets				
Investment in optionally convertible debentures	At March 31, 2017	-	-	-

C. Fair value of financial assets and liabilities measured at amortised cost

	March 31, 2018		March 31, 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Loans	24,465,103	24,465,103	34,930,580	34,930,580
Security deposits	797,205	797,205	862,000	862,000
Unbilled revenue	115,975,097	115,975,097	7,165,569	7,165,569
Trade receivables	287,524,546	287,524,546	168,469,653	168,469,653
Cash and cash equivalents	11,878,460	11,878,460	24,157,634	24,157,634
Total financial assets	440,640,411	440,640,411	235,585,435	235,585,435
Financial liabilities				
Borrowings (non-current, financial liabilities)	175,794,362	175,794,362	145,330,102	145,330,102
Trade payables	612,493,638	612,493,638	542,323,396	542,323,396
Other financial liabilities (current)	33,236,905	33,236,905	3,934,197	3,934,197
Total financial liabilities	821,524,905	821,524,905	691,587,695	691,587,695

37 Financial risk management objectives and policies

SITI VISION DIGITAL MEDIA PVT LTD.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

Financial risk management

The Company is exposed to various risks in relation to financial instruments. The main types of risks are credit risk, liquidity risk and market risk.

The Company's risk management is coordinated in close co-operation with the board of directors, and focuses on securing Company's short to medium term cash flows.

This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the related impact in these standalone financial statements.

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

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	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	31-Mar-18	31-Mar-17
A: Low credit risk	Investment, Cash and cash equivalents and other financial assets except security deposits and amount recoverable	152,318,660	66,253,783
B: High credit risk	Trade receivables, security deposits and amount recoverable	288,321,751	169,331,653

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. Further, the Company has analysed expected credit loss separately for carriage revenue customer and other than carriage revenue customer primarily because the characteristics and historical losses trend was different in these two streams. As per this methodology, the Company has determined the expected credit loss as 15.5% for customers other than carriage and 5.5% for carriage customers.

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

Ageing	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	296,491,999	(8,967,453)	287,524,546
Security deposits	797,205	-	797,205
Advances recoverable	24,465,103	-	24,465,103

as at March 31, 2017

Ageing	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	177,437,106	(8,967,453)	168,469,653
Security deposits	862,000	-	862,000.00
Advances recoverable	34,930,580	-	34,930,580

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

Loss allowance on April 01, 2016	(8,967,453)
Changes in loss allowance	-
Loss allowance on March 31, 2017	(8,967,453)
Changes in loss allowance	-

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SITI VISION DIGITAL MEDIA PVT LTD.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

Loss allowance on March 31, 2018

(8,967,453)

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:

Contractual maturities of financial liabilities

March 31, 2018

Non-derivatives

Trade payables

Total non-derivative liabilities

March 31, 2017

Non-derivatives

Borrowings (non-current,financial liabilities)

Borrowings (current,financial liabilities)

Other financial liabilities

Trade payables

Total non-derivative liabilities

	Less than one year	One to two years	More than two years
Trade payables	612,493,638		
Total non-derivative liabilities	612,493,638	-	-
Borrowings (non-current,financial liabilities)			
Borrowings (current,financial liabilities)			
Other financial liabilities	542,323,396		
Trade payables			
Total non-derivative liabilities	542,323,396	-	-

38 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

Cash and cash equivalents (refer note 11)

Current investments (refer note 12)

Margin money (refer note 7)

Total cash (A)

Borrowings (non-current, financial liabilities) (refer note 14)

Borrowings (current, financial liabilities) (refer note 20)

Current maturities of long-term borrowings (refer note 22)

Current maturities of finance lease obligations (refer note 22)

Total borrowing (B)

Net debt (C=B-A)

Total equity

Total capital (equity + net debts) (D)


Gearing ratio (C/D)

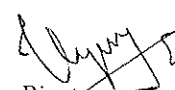
	31-Mar-18	31-Mar-17
Cash and cash equivalents (refer note 11)	11,878,460	24,157,634
Current investments (refer note 12)		
Margin money (refer note 7)		
Total cash (A)	11,878,460	24,157,634
Borrowings (non-current, financial liabilities) (refer note 14)	175,794,362	145,330,102
Borrowings (current, financial liabilities) (refer note 20)		
Current maturities of long-term borrowings (refer note 22)		
Current maturities of finance lease obligations (refer note 22)		
Total borrowing (B)	175,794,362	145,330,102
Net debt (C=B-A)	163,915,902	121,172,468
Total equity	(34,856,861)	(163,319,125)
Total capital (equity + net debts) (D)	129,059,041	(42,146,657)
Gearing ratio (C/D)	1.27	-2.88

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

As per our Report of even date

For and on behalf of the Board of Directors of
Siti Vision Digital Media Pvt. Ltd.


Director
DIN: 68117362


Director
DIN: 68100962

Sarvag Arora Vijay Kalor