Subhash C. Gupta & Co.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.**("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Responsibilities of Management for the Standalone Financial Statements

4. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and

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estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

5. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

6. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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NEW DELHI
Chartered Accountants

9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder.

(e) On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

i. The Company has disclosed the impact, if any, of pending litigations as at 31st March 2019 on its financial position in its standalone financial statements – Refer Note no. 1.3. c – of the notes to the financial statements;

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ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Manoj Kumar
(Partner)
Membership No.: 504435

Place : New Delhi
Date : 23/05/2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of MASTER CHANNEL COMMUNITY NETWORK PVT. LTD. on the standalone financial statements for the year ended 31st March 2019.

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

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

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

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

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

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

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

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

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(vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

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

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

Name of Statute	**Nature of Dues**	**Amount Involved Rs.**	**Forum/ period where the dispute is pending**
AP-VAT	VAT	91,60,054	Tribunal, VAT Department, Vizag, Ap
AP-VAT	VAT	22,90014	Deputy Commissioner, Vijayawada, AP
Entertainment Tax	Entertainment Tax	85,76,640	Entertainment Tax Department, Vijayawada, AP

(viii) The Company has no dues payable to a financial institution or a bank or debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) The company has not raised any funds during the year from initial public offer or further public offer or by way of term loans. Accordingly, the provisions of said clause of the Order are not applicable.

(x) Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statement and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

(xi) Managerial remuneration has been paid or provided by the company during the year in accordance with the requisite approvals mandate by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

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(xii) Since the company is not a Nidhi company the provisions of clause 3(xii) of the order are not applicable.

(xiii) As per the information and explanation provided to us, all the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(xiv) The company has not made any preferential allotment/private placement of shares or convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable.

(xv) According to the information and explanation provided to us the company has not entered into any non-cash transactions with directors or persons connected with him during the year accordingly the provisions of clause 3(xv) of the order are not applicable.

(xvi) In our opinion and according to the information and explanation provided to us the company is not required to be registered u/s 45-IA of the Reserve Bank of India Act, 1934.

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

SUBHASH C. GUPTA & CO. NEW DELHI Chartered Accountants

Manoj Kumar
(Partner)
Membership No.: 504435

Place : New Delhi
Date : 23/05/2019

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 (f) of the Independent Auditors' Report of even date to the members of MASTER CHANNEL COMMUNITY NETWORK PVT. LTD. on the standalone financial statements for the year ended 31st March 2019.

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

1. We have audited the internal financial controls over financial reporting of MASTER CHANNEL COMMUNITY NETWORK PVT. LTD. ("the Company") as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

SUBHASH C. GUPTA & CO. NEW DELHI Chartered Accountants

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

NEW DELHI
Chartered Accountants

Manoj Kumar
(Partner)
Membership No.: 504435

Place : New Delhi
Date : 23/05/2019

MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.
Balance sheet as at March 31, 2019

	Notes	March 31, 2019 Rs.	March 31, 2018 Rs.
A. Assets			
1. Non-current assets			
Fixed assets			
(a) Property, plant and equipment	2	416,075,873	419,443,315
(b) Capital work-in-progress		49,600,577	59,092,403
(c) Deferred Tax Assets	12	834,147	
(d) Financial assets			
(i) Loans & Advances	3	2,038,324	2,199,774
Sub-total of Non-current assets		**468,548,921**	**480,735,492**
2. Current assets			
(a) Financial assets			
(i) Trade receivables	4	135,179,296	91,969,454
(ii) Cash and bank balances	5	159,143,979	58,831,263
(iii) Others Financial Assets	6	13,457,394	7,174,672
(b) Other current assets	7	44,339,360	77,761,627
Sub-total of Current assets		**352,120,029**	**235,737,016**
Total assets		**820,668,950**	**716,472,508**
B. Equity and liabilities			
Equity			
(a) Equity share capital	8	500,000	500,000
(b) Other equity	9	106,187,705	50,636,056
Sub-total - Equity		**106,687,705**	**51,136,056**
Liabilities			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Long-term borrowings	10	8,576,557	8,576,557
(b) Provisions	11	5,057,945	3,567,845
(c) Deferred tax liability (net)	12	-	4,636,420
(d) Other non-current liabilities	13	-	34,336,894
Sub-total - Non-current liabilities		**13,634,502**	**51,117,716**
2. Current liabilities			
(a) Financial liabilities			
(i) Trade payables	14	607,544,907	500,192,772
(b) Other current liabilities	15	88,318,588	109,108,755
(c) Provisions	16	4,483,248	4,917,209
Sub-total of current liabilities		**700,346,743**	**614,218,736**
Total equity and liabilities		**820,668,950**	**716,472,508**
Summary of significant accounting policies	1		

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

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

For **Subhash C. Gupta & Co.**
Chartered Accountants
Firm Regn No.-004103N

Manoj Kumar
Partner
M. No-504435

Place : New Delhi
Date : 23 MAY 2019

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

Director
DIN 00833403
P. Sai Babu

Director
DIN 08194113
I.V. N. Thirunath.

MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.
Statement of profit and loss for the year ended March 31, 2019

	Notes	March 31, 2019 Rs.	March 31, 2018 Rs.
Revenue			
Revenue from operations	17	557,669,659	478,721,499
Other income	18	3,532,947	1,066,255
Total revenue		**561,202,606**	**479,787,755**
Expenses			
Purchases of traded goods	19	35,184,220	31,362,768
Carriage sharing, pay channel and related costs	20	192,743,124	171,227,773
Employee benefits expense	21	30,529,808	26,268,264
Finance costs	22	207,762	323,844
Depreciation and amortisation expenses	23	78,633,610	66,159,230
Other expenses	24	232,313,349	123,514,936
Total expenses		**569,611,873**	**418,856,814**
Profit before Exceptional items expenses		**(8,409,268)**	**60,930,941**
Exceptional items		-	45,986,591
Profit before tax		**(8,409,268)**	**14,944,350**
Tax Expenses			
Current Tax		4,201,700	4,684,000
Previous Year Tax		-	-
Deferred Tax		(5,470,567)	(884,276)
Total Profit/(Loss) for the period		**(7,140,401)**	**11,144,626**
Other Comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined benefit (liabilities) / assets		**(72,505)**	**(312,872)**
Total Comprehensive Income/(loss) for the year		**(7,067,896)**	**11,457,498**
Earning per share after tax	25		
Basic		(1,428.08)	2,228.93
Diluted		(1,428.08)	2,228.93
Summary of significant accounting policies	1		

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

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

For **Subhash C. Gupta & Co.**
Chartered Accountants
Firm Regn. No.-004103N

SUBHASH C. GUPTA & CO. NEW DELHI Chartered Accountants

M. Singhal

Manoj Kumar
Partner
M. No-504435

Place : New Delhi
Date : 23 MAY 2019

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

Director
DIN 00833403
P. Sai Babu

Director
DIN 08194113
I. V. N. Thrinath

MASTER CHANNEL COMMUNITY NETWORK PVT LIMITED

CASH FLOW STATEMENT

PARTICULARS	Year ended Mar 31 ,2019 Amount in Rs.	Year ended Mar 31 ,2018 Amount in Rs.
A **CASH FLOW FROM OPERATING ACTIVITIES**		
Net Income / (Loss) before Tax	(8,409,268)	14,944,350
Adjustments for :		
Depreciation	78,633,610	66,159,230
Loss(profit) on sale /disposal of assets	-	-
Provision for Doubtful Debts	8,884,475	-
Interest Expense/(Income)	-	-
Transfer from Deferred Activation Revenue	62,619,545	-
Income Tax paid	-	-
comprehensive income recognised directly in retained earnings	72,505	312,872
Provision for Income Taxes(including deferred tax)	1,268,867	(3,799,724)
Operating Profit before working capital changes	**143,069,734**	**77,616,728**
Increase Inventories	-	-
Decrease (increase) in Trade Receivables	(52,094,318)	33,016,460
Decrease(increase) in Long Terms L&A and non Current Assets	(672,697)	(296,700)
Decrease(increase) in Loans and Advances and Other Current Assets	27,139,545	(41,164,483)
Increase in Long term provisions	(37,483,214)	(3,325,672)
Increase/(Decrease) in Current Liabilities and Provisions	86,128,007	100,371,385
Net Cash Flow from Operating Activities	**166,087,058**	**166,217,718**
B **CASH FLOW FROM INVESTING ACTIVITIES**		
Purchase of Fixed Assets	(75,266,167)	(102,356,148)
Capital W.I.P.	9,491,826	(21,237,832)
sale of Fixed Assets		-
Net Cash utilised in Investing Activities	**(65,774,341)**	**(123,593,980)**
C **CASH FLOWS FROM FINANCING ACTIVITIES**		
Interest Received/(paid) (Net)	-	
Proceeds from Share Capital	-	-
Repayment of long term borrowing	-	-
Net Cash provided by Financing Activities	-	
Net Increase in cash and cash equivalents during the year	100,312,716	42,623,737
cash and cash equivalents at beginning of year	58,831,263	16,207,526
Cash and Cash Equivalents at end of the Year	**159,143,979**	**58,831,263**

Note :

1 Previous year figures have been regrouped / rearranged whereever necessary

2 Component of Cash & cash Equivalents at the end of year

Cash in hand	3,545,663	4,025,269
Cheques in Hand	-	-
FDR's	100,000,000	-
Balances with Scheduled Banks in Current Accounts	55,598,315	54,805,994
	159,143,979	58,831,263

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

SUBHASH C. GUPTA & CO. NEW DELHI Chartered Accountants

Manoj Kumar
Partner
M. No. 504435

Place: New Delhi

Date: 23 MAY 2019

For and on behalf of the Board

Director
DIN 06833403
Name P. Sai babu

Director
DIN 08194113
Name I. V. N. Thrinath

MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2019

2 Tangible assets

(` millions)

Gross block	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Studio equipment	Vehicles	Leasehold improvements	Set top boxes	Electrical Eqipments	Total
Balance as at March 31, 2017	479,900	45,949,135	2,079,326	3,177,404	1,446,562	8,173,782	2,049,986	1,996,797	444,270,198	291,136	509,914,226
Additions		2,358,508	17,966	14,000	36,642				99,929,032	-	102,356,148
Disposal											-
Balance as at March 31, 2018	479,900	48,307,643	2,097,292	3,191,404	1,483,204	8,173,782	2,049,986	1,996,797	544,199,230	291,136	612,270,374
Additions	-	1,318,856	932,719	397,150	81,187	1,928,248	2,172,000		68,367,845	68,162	75,266,167
Disposal											-
Balance as at March 31, 2019	479,900	49,626,499	3,030,011	3,588,554	1,564,391	10,102,030	4,221,986	1,996,797	612,567,075	359,298	687,536,541
Accumulated depreciation											
Balance as at March 31, 2017	440,040	25,897,578	1,889,696	2,476,233	1,181,096	7,089,023	829,384	1,597,436	85,056,873	210,469	126,667,828
Charge for the year	39,860	4,458,182	86,382	462,402	53,168	223,537	229,039	249,600	60,329,944	27,116	66,159,230
Reversal on disposal of assets											
Balance as at March 31, 2018	479,900	30,355,760	1,976,078	2,938,635	1,234,264	7,312,560	1,058,423	1,847,036	145,386,817	237,585	192,827,059
Charge for the year	-	4,637,702	214,951	297,407	52,771	260,909	461,859	149,761	72,535,790	22,460	78,633,610
Reversal on disposal of assets											
Balance as at March 31, 2019	479,900	34,993,462	2,191,029	3,236,042	1,287,035	7,573,469	1,520,282	1,996,797	217,922,607	260,045	271,460,668
Net block											
Balance as at March 31, 2018	(0)	17,951,883	121,214	252,769	248,940	861,222	991,563	149,761	398,812,413	53,551	419,443,315
Balance as at March 31, 2019	(0)	14,633,037	838,982	352,512	277,356	2,528,561	2,701,704	-	394,644,468	99,253	416,075,873

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MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2019

			March 31, 2019 Rs.	March 31, 2018 Rs.
3	**Loans & Advances (Unsecured, considered good)**			
	Security deposits		2,038,324	2,199,774
	Other Receivable		-	-
			2,038,324	2,199,774
	Less: Provision for doubtful security deposits		-	-
			2,038,324	**2,199,774**

			March 31, 2019 Rs.	March 31, 2018 Rs.
4	**Trade receivables (Unsecured, considered good)**			
	Particulars			
	-Unsecured, considered good		135,179,296	91,969,454
	Receivable - credit impaired		8,884,475	-
	Less: Allowance for Expected Credit Loss		(8,884,475)	-
		Total	**135,179,296**	**91,969,454**
	Allowance Movement for Trade Receivables			
	Balance at the beginning of the year		-	1,678,172
	Provision for doubtful trade receivables (net) for the year		(8,884,475)	(1,678,172)
		Total	**(8,884,475)**	**-**

		March 31, 2019 Rs.	March 31, 2018 Rs.
5	**Cash and bank balances**		
	Cash and cash equivalents		
	Cash on hand	3,545,663	4,025,269
	Cheques on hand	-	-
	Balances with banks		
	On current accounts	55,598,315	54,805,994
	In deposit account (with maturity upto three months)	100,000,000	-
		159,143,979	**58,831,263**

		March 31, 2019 Rs.	March 31, 2018 Rs.
6	**Other Financial Assets**		
	Unsecured, considered good		
	Unbilled Revenue	13,457,394	7,174,672
	Expenses Recoverable	-	
		13,457,394	7,174,672

		March 31, 2019 Rs.	March 31, 2018 Rs.
7	**Other Current Assets (Unsecured, considered good)**		
	Advance to suppliers	9,711,593	26,128
	Advance to suppliers-Related parties	1,328,686	19,449,783
	Advance to Employees	213,864	156,764
	Advance tax	19,114,036	14,090,792
	Deposit against VAT demand	5,725,038	4,866,283
	Prepaid Expenses	185,758	77,806
	Accrued Interest	184,314	-
	Investment	-	-
	Indirect Tax	7,876,070	39,094,071
		44,339,360	**77,761,627**

		March 31, 2019 Rs.	March 31, 2018 Rs.
8	**Share capital**		
	Authorised share capital		
	5,000 (Previous year: 5,000) equity shares of ` 100 each	500000	500000
	Total authorised capital	**500,000**	**500,000**
	Issued, Subscribed and Paid up		
	5,000 (Previous year: 5,000) equity shares of ` 100 each	500,000	500,000

SUBHASH C. GUPTA & CO. NEW DELHI Chartered Accountants

		March 31, 2019	March 31, 2018
Total paid up capital		500,000	500,000

(i) **Reconciliation of number of shares outstanding as on 31.03.2019**

Particulars		March 31, 2019	March 31, 2018
Balance at the beginning of the year	Nos.	5,000	5,000
Issued during the year	Nos.	-	-
Balance at the end of the year	**Nos.**	**5,000**	**5,000**

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

The Company has one class of equity shares having a par value of Rs. 100 per share. Each shareholder is eligible for one vote per share held. The dividend, if any proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, if any, in proportion to their shareholding.

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

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

Particulars		March 31, 2019	March 31, 2018
Central Bombay Cable Network Ltd	Nos	3,300	3,300
	%	**66.00**	**66.00**

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

Particulars		March 31, 2019	March 31, 2018
Central Bombay Cable Network Ltd	Nos.	3,300	3,300
	%	66.00	66.00
Potluri Kiranmayee	Nos.	754	754
	%	15.08	15.08
Potluri Sai Babu	Nos.	376	376
	%	7.52	7.52

9 Other Equity

	March 31, 2019 Rs.	March 31, 2018 Rs.
Retained Earnings		
Balance at the beginning of the year	50,636,056	39,178,558
Prior Period Adjustment	-	
Add: Profit/(Loss) for the year	(7,140,401)	11,144,626
Balances as at the end of the year (A)	**43,495,655**	**50,323,184**
Others		
Transfer from Deferred Activation Revenue	62,619,545	
Balances as at the end of the year (B)	**62,619,545**	**-**
Other Comprehensive income		
Other comprehensive income recognised directly in retained earnings		
Deferred Activation Revenue		
Gratuity/Leave Encashment	72,505	312,872
Balances as at the end of the year (C)	**72,505**	**312,872**
Balances as at the end of the year (A+B+C)	**106,187,705**	**50,636,056**

10 Long-term borrowings

	March 31, 2019 Rs.	March 31, 2018 Rs.
Loans and advances from Directors/Related parties- Unsecured	8,576,557	8,576,557
*Terms of Repayment: Not Specified		
* Rate of interest: Nil		
	8,576,557	**8,576,557**
Total Long term Loan	**8,576,557**	**8,576,557**

11 Provisions

	March 31, 2019 Rs.	March 31, 2018 Rs.
Provision for employee benefits (Refer Note 31)		

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Provision for gratuity	3,626,114	2,689,979
Provision for compensated absences	1,431,831	877,866
	5,057,945	**3,567,845**

12 Deferred tax liability (net)

	March 31, 2019 Rs.	March 31, 2018 Rs.
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	3,130,357	6,077,141
Others	-	-
Gross deferred tax liability	**3,130,357**	**6,077,141**
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year	3,964,504	1,440,721
Others	-	-
Gross deferred tax Assets	**3,964,504**	**1,440,721**
Net deferred tax asset/(Liabilities)	**(834,147)**	**4,636,420**

13 Other Non-Current Liabilities

	March 31, 2019 Rs.	March 31, 2018 Rs.
Deferred Activation Revenue	-	34,336,894
	-	**34,336,894**

14 Trade payables

	March 31, 2019 Rs.	March 31, 2018 Rs.
Trade Payables - others	167,128,346	127,340,979
Trade payables - related parties	440,416,561	372,851,793
	607,544,907	**500,192,772**

15 Other Current Liabilities

	March 31, 2019 Rs.	March 31, 2018 Rs.
Advances from Non Related Parties	17,808,330	12,918,585
Advances from Related Parties	45,487,784	47,086,590
TDS Payable	6,968,464	4,778,171
Service Tax Payable	-	7,585
GST Payable	113,239	13,283,360
STB Deposit	138,400	-
ESI/PF/PT Payable	334,661	
Deferred Activation Revenue	-	28,282,651
Income received in advance	17,465,510	2,749,612
Uncliamed Liabilities	2,200	2,200
	88,318,588	**109,108,755**

16 Provisions

	March 31, 2019 Rs.	March 31, 2018 Rs.
Liability for expenses	-	-
Provision for gratuity	165,569	158,946
Provision for compensated absences	115,979	74,263
Provision for Taxation A/c	4,201,700	4,684,000
	4,483,248	**4,917,209**

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MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2019

17	**Revenue from operations**	**March 31, 2019 Rs.**	**March 31, 2018 Rs.**
	Sale of services		
	Digital income	375,072,462	329,500,781
	Advertisement income	70,625,940	54,231,414
	Carriage income	75,991,970	63,044,380
	Sale of STB	35,979,286	31,944,924
		557,669,659	**478,721,499**

18	**Other income**	**March 31, 2019 Rs.**	**March 31, 2018 Rs.**
	Interest income on		
	Bank deposits	3,383,637	-
	Others	-	58,530
	Excess provisions written back	99,247	561,409
	Other non-operating income	50,063	40,000
	Foreign Currency Fluctation	-	406,317
		3,532,947	**1,066,255**

19	**Purchases of traded goods**	**March 31, 2019 Rs.**	**March 31, 2018 Rs.**
	Purchase of STB	35,184,220	31362768
		35,184,220	**31,362,768**

20	**Carriage Sharing, Pay Channel and Related Cost**	**March 31, 2019 Rs.**	**March 31, 2018 Rs.**
	Pay Channel Subscription	192,743,124	171,227,773
	Purchase of STB		-
		192,743,124	**171,227,773**

21	**Employee benefits expense**	**March 31, 2019 Rs.**	**March 31, 2018 Rs.**
	Salaries, allowances and bonus	25,110,942	21,587,141
	Contributions to provident and other funds	1,957,350	1,755,008
	Employee benefits expenses	1,610,944	1,145,344
	Bonus	1,439,840	1,420,838
	Staff welfare expenses	410,732	359,933
		30,529,808	**26,268,264**

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MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2019

22 Finance costs	March 31, 2019 Rs.	March 31, 2018 Rs.
Interest on late deposit of TDS/Serice Tax/GST	207,762	323,844
Bank charges	-	-
	207,762	**323,844**

23 Depreciation and amortisation expenses	March 31, 2019 Rs.	March 31, 2018 Rs.
Depreciation of tangible assets (Refer note 12)	78,633,610	66,159,230
Amortisation of intangible assets (Refer note 13)	-	-
	78,633,610	**66,159,230**

24 Other expenses	March 31, 2019 Rs.	March 31, 2018 Rs.
Rent	3,426,488	2,758,942
Office Expenses	531,992	486,407
Rates and Taxes	32,380	50,538
Communication Expenses	840,487	869,572
Repairs and Maintenance :		
- Building	17,200	16,800
- Others	493,940	533,083
Program Production Expenses	1,625,002	1,588,524
Other Operational Cost	8,090,222	7,004,941
Repairs and Maintenance - Network	8,870,134	4,941,823
Management Service Charges	157,737,288	65,000,000
Labour renewal fees	15,000	36,350
Electricity Expenses & Water Charges	4,333,045	3,428,253
Loss on sale of Assets	-	3,852,737
Swachh Bharat Cess	-	429,292
Legal, Professional and Consultancy Charges	415,156	440,778
Printing and Stationery	339,728	394,112
R.O.C. Filing fee	29,400	30,950
Service Charges	113,922	69,002
Travelling and Conveyance Expenses	1,423,204	1,482,795
Insurance expenses	172,954	255,036
Miscellaneous Expenses	70,392	3,450
Penalties	529,339	296,531
Commission to payment gateways	1,132,094	-
Payment to auditor (Refer details below)	65,000	45,000
Commission Charges and Incentives	15,548,802	12,267,701
Provision for Doubtful debts	8,884,475	-
Bad Debts	14,566,000	16,932,569
Foreign Currency Fluctuation	2,785,112	-
Business and Sales Promotion	118,992	215,751
Donation	33,600	12,000
Security Service Charges	72,000	72,000
	232,313,349	**123,514,936**

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*Auditors' remuneration		
as an auditor	65,000	45,000
Limited review fees		
for other services (certifications)		-
for reimbursement of expenses		-
	65,000	**45,000**

** Provision for doubtful debts is net of write-back of liability in relation to specifically corresponding revenue sharing costs aggregating ` 20.52 million (Previous year ` 24.95 million).

25 Earnings per share

	March 31, 2019 Rs.	March 31, 2018 Rs.
Profit attributable to equity shareholders	(7,140,401)	11,144,626
Number of weighted average equity shares		
Basic	5000	5,000
Diluted	5,000	5,000
Effect of dilutive potential equity shares~		
Employee stock options		-
Warrants		-
Optionally fully convertible debentures		-
Nominal value of per equity share (`)	100	100
Earning per share after tax (`)		
Basic	(1,428.08)	2,228.93
Diluted	(1,428.08)	2,228.93

~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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MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2019

Amount in INR

(a) Equity share capital

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
Balance at the beginning of the reporting period Balance	5,000	500,000	5,000	500,000
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	5,000	500,000	5,000	500,000

(b) Other equity

Particulars	Attributable to the equity Shareholders				Non-Controlling Interests	Total Equity
	Reserves & Surplus					
	Retained earnings	Other items of other comprehensive income	Equity portion of OCD conversion	Total		
Balance at April 1, 2017	**39,178,558**	-	-	**39,178,558**	-	**39,178,558**
Changes in accounting policy / prior period errors	(45,986,591)	-	-	(45,986,591)	-	(45,986,591)
Restated balance at the beginning of the reporting period	**(6,808,033)**	-	-	**(6,808,033)**	-	**(6,808,033)**
Profit/(Loss) for the year	57,131,217	-	-	57,131,217	-	57,131,217
Other comprehensive income for the year	-	312,872	-	312,872	-	312,872
Total comprehensive income for the year	**50,323,184**	**312,872**	-	**50,636,056**	-	**50,636,056**
Any other charge (to be specified)	-	-	-	-	-	-
Balance at March 31, 2018	**50,636,056**		-	**50,636,056**	-	**50,636,056**
Changes in accounting policy / prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period 01.(	**50,636,056**	-	-	**50,636,056**	-	**50,636,056**
Profit/(Loss) for the year	(7,140,401)	-	-	(7,140,401)	-	(7,140,401)
Transfer from Deferred Activation Revenue		62,619,545		62,619,545		62,619,545
Other comprehensive income for the year		72,505		72,505	-	72,505
Total comprehensive income for the year	**43,495,655**	**62,692,050**	-	**43,568,160**	-	**106,187,705**
Add : Equity portion of OCD conversion			-			
Balance at March 31, 2019	106,187,705		-	106,187,705		106,187,705

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MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.

Note: 1 Company Overview and Significant Accounting Policies

1.1 Company Overview

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

b. Basis of preparation

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

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2019, together with the comparative period as at and for the year ended 31 March 2018. 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

1.2 Summary of Accounting Policies

a. Use of estimate

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

b. Foreign Currency Translation

Functional and presentation currency

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

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

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

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

c. Revenue recognition

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

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

Revenue from rendering of Services

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

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

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

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

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d. Borrowing Costs

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

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

e. Property, Plant and Equipment

Recognition and initial measurement

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

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

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

f. Subsequent measurement (depreciation and useful lives)

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

Type of assets	Useful Life (Years)
Computer	3.00
Office Equipments	5.00
Electrical Equipments	5.00
Studio Equipments	13.00
Furniture & Fixtures	10.00
Set Top Boxes	8.00
Vehicles	8 to 10

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

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

De-recognition

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

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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 are 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

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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

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Operating leases

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

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

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

p. 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.

1.3 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS

a. Earning per share:

	31.03.2019	**31.03.2018**
a) Profit/(Loss) after Tax	(7,140,401)	11,144,626
b) Weighted average No. of Ordinary Shares		

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iv Key Managerial Personnel

POTLURI KIRANMAYEE
SAI BABU POTLURI
VENKATA NAGESWARA THRINATH ITIKA
SANJAY ARYA
VIJAY KALUR

v Other Related Parties

Mega Satellite Services Private Limited
S. Guduru
P. Jayant
P. Meghna
Lotus Broadband Private Limited
Divya Cable Network
P. Bharti
D Krishan Mohan

Transactions with:

Holding Company- Siti Network Ltd.	**2018-19**	**2017-18**
Operational Expenses Paid	3,596,865	4,630,363
Management Charges	153,500,000	65,000,000
Purchase of STB	18,623,800	48,520,468
Reimbursement of expenses	22,400	24,080
Subsidiary Companies		
Siti Guntur Digital Network Pvt Ltd		
Commission Paid	250,000	266,517
Advance received	-	3,000,000
Siti Siri Digital Network Pvt Ltd		
Purchase of STB	5,793,600	3,923,284
Sale of STB	34,947,286	31,944,924
Feed Charges Paid	3,662,761	1,732,500
Siti Vision Digital Media Pvt Ltd		
Sale of STB	1,032,000	-

With Key Managerial Personnel	**2018-19**	**2017-18**
Salary	660,000	660,000
Incentive on collection	2,537,173	1,630,270
Others	-	-
With other related parties		
Salary and Incentives	6,193,641	4,170,264
Rent	840,000	770,000
Incentive on collection	5,074,344	3,260,535
Internet Charges	-	225,000
Management Charges	4,237,288	1,732,500
Commission	9,437,977	3,770,300

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Outstanding as on 31.3.2019

Unsecured Loan		
Siti Cable Network Limited	8,576,557	8,576,557
Sundry Creditors		
Siti Guntur Digital Network Pvt. Ltd.	46,695,446	46,412,946
Siti Network Limited	431,067,832	372,851,793
M/s Mega Setelite Services	617,845	455,554
Lotus Broadband Private Limited	-	-
Siti Siri Digital Networks Pvt. Ltd.	-	18,776,139
M/s Divya Digital Network	3,600,000	3,600,000
Amount Recoverable		
Siti Siri Digital Networks Pvt. Ltd.	1,328,686	-
Incentive/Other Payable:		
Mr. Jayant P.	440,932	143,634
Mrs. P. Meghna	63,000	161,633
Mrs. Bharti P.	440,932	143,633
Siti Network Limited	-	2,732,874
D. K. Mohan	1,365,412	818,565
S. Guduru	-	-
Amount Payable to		
Mr. P. Sai Babu	370,908	187,962
P. Kiranmayee	15,000	15,000

g. Tax Expense

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

	Mar 31,2019	Mar 31,2018
		Rs. in million
Income tax related to items recognised directly in the statement of profit and loss		
Current tax - current year	4.20	4.68
Current tax - Previous year	-	-
Deferred tax charge / (benefit)	(5.47)	(0.88)
Total	**(1.27)**	**3.80**
Effective tax rate	15.09%	25.43%

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, 2019 and 31 March, 2018 is as follows:

Profit before tax	(8.41)	14.94
Effective tax rate	27.82%	27.55%
Tax at statutory income tax rate	-	-
Other differences	(1.27)	3.80
Tax expense recognised in the statement of profit and loss	**(1.27)**	**3.80**

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

	2019	**2018**
Deferred tax liability on account of difference between book value of depreciable assets as per books of account and written down value as per Income Tax	3,130,357	6,077,141
Deferred tax assets on account of disallowance under section 43 B or allowed on payment basis.	3,964,504	1,440,721
Net Deferred Tax Assets/(Liabilities)	834,147	(4,636,420)

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i. Financial risk management objectives and policies

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

a. Credit risk

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

Credit risk management

Credit risk rating

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

A: Low credit risk on financial reporting date

B: High credit risk

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

Asset group	**Basis of categorisation**	**Provision for expected credit loss**
Low credit risk	Investment, Cash and cash equivalents and other financial assets	12 month expected credit loss
High credit risk	Trade receivables, security deposits and amount recoverable	Based on estimates

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

Credit rating	Particulars	31-Mar-19	31-Mar-18
A: Low credit risk	Investment, Cash and cash equivalents and other financial assets except security deposits and amount recoverable	203.48	136.59
B: High credit risk	Trade receivables, security deposits and amount recoverable	150.68	101.34

as at March 31, 2019

Rs. in million

Particular	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	144.06	8.88	135.18
Security deposits	2.04	-	2.04
Advances recoverable	13.46	-	13.46

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as at March 31, 2018

Rs. in million

Particular	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	91.97	-	91.97
Security deposits	2.20	-	2.20
Advances recoverable	7.17	-	7.17

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

Loss allowance on April 01, 2017	1.68
Changes in loss allowance	(1.68)
Loss allowance on March 31, 2018	-
Changes in loss allowance	8.88
Loss allowance on March 31, 2019	8.88

(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 2019.

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.

2019

Amounts in Rs

Particulars	Less than 1 year	1-5 year	Total
Borrowings	-	8,576,557	8,576,557
Trade payables	319,188,687	288,356,221	607,544,907

2018

Amounts in Rs

Particulars	Less than 1 year	1-5 year	Total
Borrowings	-	8,576,557	8,576,557
Trade payables	500,192,772	-	500,192,772

c. Market risk

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

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NEW DELHI
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d. Interest rate risk

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

j. In view of the nature of business, where the necessary documentry evidence does not support the payment made/expenses incurred, the same are accounted for on the basis of certification of the Management.

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

l. Trade receivables, Trade payables, Current liabilities, Expenses Recoverable/payable & other loans & Advances are subject to confirmation and reconciliation from the parties.

m. Information required as per the Micro, Small and Medium Enterprises Development Act, 2006 small Scale Industries.
The Company has identified Micro, Small and Medium Enterprises on the basis of information available. As at March 31, 2019 there are no dues to Micro, Small and Medium Enterprises that are reportable under the MSMED Act, 2006.

n. Master Channel Community Networks Pvt. Ltd. (hereinafter referred to as the 'Company') was incorporated in the state of Andhra Pradesh, India. The Company is engaged in distribution of television channels through digital cable distribution network and allied services. Effective February 01, 2019, the revised regulatory framework (hereinafter referred to as "Tariff Order 2017") released in March 2017 by the Telecom Regulatory Authority of India 'TRAI' for digital television services is applicable on the Company.

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

Defined Benefit Plans

a.) Gratuity Plan
b.) Leave Encashment

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

Acturial Assumption	**Leave Encashment**	**Employee Gratuity Fund**
Discount Rate (Per annum)	7.75%	7.75%
Rate of Increase in compensation levels	5.00%	5.00%
Expected Rate of return on plan assets	-	-
Expected Average remaining working lives of employees	24.50	24.50
Change in obligation during the year ended 31st March, 2019		
Present Value of obligation as at 1st April, 2018	952,129.00	2,848,925.00
Acquisition adjustment	-	-
Interest cost	73,790.00	220,792.00
Past service cost	-	-
Current service cost	560,982.00	755,380.00
Curtailment cost/(Credit)	-	-
Settlement cost/(Credit)	-	-
Benefits paid	-	-
Actuarial (gain)/loss on obligation	(39,091.00)	(33,414.00)
Present value of obligation as at the end of period (31st March, 2019)	1,547,810.00	3,791,683.00
Change in fair value plan Assets	Nil	Nil

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Movement in the liability recognized in the Balance

Opening net liability (01.04.2018)	(952,129)	(2,848,925)
Expense as above	595,681	942,758
Benefits paid	-	-
Actual return on plan assets	-	-
Acquisition adjustment	-	-
Net assets/(Liability) recognised in Balance Sheet as provision (31.03.2019)	(1,547,810)	(3,791,683)

Expenses recognised in Profit and Loss Account

Current service cost	560,982	755,380
Past service cost	-	-
Interest cost	73,790	220,792
Settlement cost / (credit)	-	-
Expenses recognized in the statement of profit & losses	634,772	976,172

Other comprehensive (income) / expenses (Remeasurement)

Actuarial (gain)/loss - obligation	(39,091)	(33,414)
Actuarial (gain)/loss - plan assets	-	-
Total Actuarial (gain)/loss	(39,091)	(33,414)

Acturial Assumption.

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

Sensitivity Analysis

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

Sensitivity Analysis for Gratuity

Period	As on: 3/31/2019
Defined Benefit Obligation (Base)	37,91,683 @ Salary Increase Rate : 5%, and discount rate :7.75%
Liability with x% increase in Discount Rate	35,26,686; x=1.00% [Change (7)%]
Liability with x% decrease in Discount Rate	40,92,764; x=1.00% [Change 8%]
Liability with x% increase in Salary Growth Rate	40,98,042; x=1.00% [Change 8%]
Liability with x% decrease in Salary Growth Rate	35,17,682; x=1.00% [Change (7)%]
Liability with x% increase in Withdrawal Rate	38,07,812; x=1.00% [Change 0%]
Liability with x% decrease in Withdrawal Rate	37,68,802; x=1.00% [Change (1)%]

Sensitivity Analysis for Leave Encashment

Period	As on: 3/31/2019
Defined Benefit Obligation (Base)	15,47,810
Liability with x% increase in Discount Rate	14,29,259; x=1.00% [Change (8)%]
Liability with x% decrease in Discount Rate	16,85,920; x=1.00% [Change 9%]
Liability with x% increase in Salary Growth Rate	16,88,386; x=1.00% [Change 9%]
Liability with x% decrease in Salary Growth Rate	14,25,280; x=1.00% [Change (8)%]
Liability with x% increase in Withdrawal Rate	15,78,434; x=1.00% [Change 2%]
Liability with x% decrease in Withdrawal Rate	15,12,940; x=1.00% [Change (2)%]

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

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

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r. Fair value measurements

A. Financial instruments by category

NOTES		Rs. millions
	31-Mar-19	
	FVTPL	**Amortised cost**
Financial assets		
Bank deposits	-	-
Amount recoverable	-	-
Interest accrued and not due on fixed deposits	-	-
Security deposits	-	2.04
Unbilled revenues	-	13.46
Trade receivables	-	135.18
Investments (Current, financial assets)	-	-
Cash and cash equivalents	-	159.14
Total financial assets	**-**	**309.82**
Financial liabilities		
Borrowings (Non-current, financial liabilities)	-	8.58
Borrowings (Current, financial liabilities)	-	-
Payables for purchase of property, plant and equipment	-	-
Security deposits received from customer	-	-
Trade payables	-	607.54
Other financial liabilities (current)	-	-
Total financial liabilities	**-**	**616.12**

		Rs. millions
	31-Mar-18	
	FVTPL	**Amortised cost**
Financial assets		
Bank deposits	-	-
Amount recoverable	-	-
Interest accrued and not due on fixed deposits	-	-
Security deposits	-	2.20
Unbilled revenues	-	7.17
Trade receivables	-	91.97
Investment (Current, financial assets)	-	-
Cash and cash equivalents	-	58.83
Other bank balances	-	
Total financial assets	**-**	**160.18**
Financial liabilities		
Borrowings (non-current, financial liabilities)	-	8.58
Borrowings (Current, financial liabilities)	-	-
Payables for purchase of property, plant and equipment	-	-
Security deposits	-	-
Trade payables	-	500.19
Other financial liabilities (current)	-	-
Total financial liabilities	**-**	**508.77**

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

	March 31, 2019	
	Carrying amount	**Fair value**
Financial assets		
Bank deposits	-	-
Amount recoverable	-	-
Interest accrued and not due on fixed deposits	-	-
Security deposits	2.04	2.04
Unbilled revenue	13.46	13.46
Trade receivables	144.06	135.18
Cash and cash equivalents	159.14	159.14
Other bank balances	-	-
Total financial assets	**318.70**	**309.82**
Financial liabilities		
Borrowings (non-current, financial liabilities)	8.58	8.58
Borrowings (current, financial liabilities)	-	-
Payables for purchase of property, plant and equipment	-	-
Security deposits	-	-
Trade payables	607.54	607.54
Other financial liabilities (current)	-	-
Total financial liabilities	**616.12**	**616.12**

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	March 31, 2018	
	Carrying amount	Fair value
Financial assets		
Bank deposits	-	-
Amount recoverable	-	-
Interest accrued and not due on fixed deposits	-	-
Security deposits	2.20	2.20
Unbilled revenue	7.17	7.17
Trade receivables	91.97	91.97
Cash and cash equivalents	58.83	58.83
Other bank balances	-	
Total financial assets	**160.18**	**160.18**
Financial liabilities		
Borrowings (non-current, financial liabilities)	8.58	8.58
Borrowings (current, financial liabilities)	-	-
Payables for purchase of property, plant and equipment	-	-
Security deposits	-	-
Trade payables	500.19	500.19
Other financial liabilities (current)	-	-
Total financial liabilities	**508.77**	**508.77**

s. Leases

Finance lease: Company as lessee

2019

Amounts in Rs

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

Operating lease : Company as a lessee

The Company has taken various commercial premises under operating leases. These leases have varying terms, escalation clauses and renewal rights. On renewal the terms of the leases are renegotiated. Rent amounting to Rs.3426488 (March 31, 2018- Rs.2758942) has been debited to standalone statement of profit and loss during the year.

t. Capital management

Risk Management

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

Particular	**March 31, 2019**	**March 31, 2018**
Cash and cash equivalents (refer note 5)	159,143,979	58,831,263
Current investments	-	-
Margin money	-	-
Total cash (A)	159,143,979	58,831,263
Borrowings (non-current, financial liabilities)		
Borrowings (current, financial liabilities) (refer note 15)	45,487,784	47,086,590
Current maturities of long-term borrowings	-	-
Current maturities of finance lease obligations	-	-
Total borrowing (B)	45,487,784	47,086,590
Net debt (C=B-A)	(113,656,195)	(11,744,673)
Total equity		
Total capital (equity + net debts) (D)	(6,968,490)	39,391,385
Gearing ratio (C/D)	16.31	(0.30)

SUBHASH C. GUPTA & CO. NEW DELHI Chartered Accountants

u. GST Reconciliation

GST output liabilities and GST input credits are subject to reconciliation.

v. Ind AS 116:

Ind AS 116 supersedes Ind AS 17, Leases. Under Ind AS 116, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right of use asset) at the commencement date of lease. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the right of use asset. Lessor accounting under Ind AS 116 remains substantially unchanged from accounting under Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. The impact of the amendment on the Financial Statements, as assessed by the Company, is expected to be not material.

Appendix C, Uncertainty over Income Tax Treatment to Ind AS 12, Income Taxes:

The Appendix clarifies how to apply the recognition and measurement principles while recognizing current tax, deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatments under Ind AS 12. As per the Appendix, the Company needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings. The Appendix will be applied retrospectively with the cumulative effect of its initial application on the opening balance sheet as on 1st April 2019. The impact of the Appendix on the Financial Statements, as assessed by the Company, is expected to be not material.

Amendment to Ind AS 12, Income Taxes:

The amendment clarifies that an entity shall recognize income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

w. Ind AS 115:

The Company has adopted Ind As 115 with effect from 01 April 2018 and accordingly these financial results are prepared in accordance with recognition and measurement principals laid down in Ind AS 115 "Revenue from Contracts with Customers". The Impact of the recognition of activation revenue over the initial contract period under Ind AS 115 in standalone financial result has led to the following impact:

Particulars	Year ended 31.03.2019		Quarter ended 31.03.2019	
Financial results line item	**Amount as per Ind AS 115**	**Amount as per Ind AS 18**	**Amount as per Ind AS 115**	**Amount as per Ind AS 18**
Revenue from operations (including activation, subscription, advertisement and other revenue from operation)	557,669,659	569,099,486	121,906,089	127,742,023

Further under the modified retrospective approach, the following adjustments are made to the retained earnings as at April 01, 2018 pursuant to adoption of INDAS 115.

Particulars	
Statement of Assets and Liabilities Line Item	**Amount**
Other Equity	62,619,544

The Company will apply these amendments for annual reporting periods beginning on or after 1st April 2019. The impact on the Financial Statements is being evaluated.

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

SUBHASH C. GUPTA & CO. NEW DELHI Chartered Accountants

Manoj Kumar Singhal

Manoj Kumar
Partner
M.No. 504435

Place: New Delhi
Date: 23 MAY 2019

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

Director
DIN: 00833403
P. Sai Babu

Director
DIN: 08194113
I. V. N. Thrinath