




FROM 

**EMPOWERING
CHOICE**

TO

**TRANSFORMATIONAL
OPPORTUNITY**

ANNUAL REPORT 2018-19
SITI NETWORKS LIMITED

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MESSAGE FROM CHIEF PATRON



SITI - AN ENTITY GEARED TO HARNESS TRANSFORMATION OPPORTUNITY




DELIVERING EXPERIENTIAL ENTERTAINMENT



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***THE CHANGING
WORLD OF
ENTERTAINMENT HAS
CATALYSED A NEW
LEVEL OF DYNAMISM
IN THE INDUSTRY***

***THE TELEVISION
DISTRIBUTION
LANDSCAPE IN INDIA
IS IN THE MIDST
OF A DRAMATIC
TRANSFORMATION***

The New Tariff Order (NTO) has unleashed a wave of empowerment for consumers, giving them the freedom to choose their own entertainment.

It has opened new vistas of opportunity for CATV players to power greater growth – more sustainable and holistic than ever before.

For us, at SITl, it is an opportunity to transform ourselves into a more progressive and profitable organisation. Even as the consumers revel in their new-found freedom, we have embarked, aggressively, on the next trajectory of our growth.

Redefining our strategic approach and revisiting our business model, we have set forth on a journey to harness the new opportunity to enhance the possibilities of engagement and entertainment for consumers.

MESSAGE FROM CHIEF PATRON



Dear Shareholders,

It is with great pleasure and satisfaction that I connect with you at the end of an excellent year for SITI Networks, with industry-leading performance in a transformational environment triggered by the New Tariff Order (NTO).



With its far-sighted vision and futuristic approach, SITI had been building the foundations of this transition for the past two years. Harnessing the wave of opportunity unleashed by NTO, SITI went forward aggressively to translate it into excellent growth, as underlined by the two-fold increase in EBIDTA (excluding activation). The 19% increase posted by SITI in subscription revenue, which went up to ₹ 9,537 million in FY 2019 from ₹ 7,997 million in FY 2018, further manifested the inherent strength of our business eco-system and our strategic roadmap.



With our deep consumer insights and pioneering initiatives, we, at SITI, have successfully developed the perfect portfolio of offerings to deliver consumer delight, while ensuring targeted, on-track growth for the Company.

I personally think NTO was one of the best things that could have happened to the industry, the players in the value chain, and, most importantly, the consumers whose interests we, at SITI Networks, have always kept central to our business plans.

The NTO has plugged a major gap in the industry and will strengthen the business environment. The Local Cable Operators (LCOs), Multi-System Operator (MSOs) and broadcasters will definitely benefit in the new regime, which we welcome as a progressive step in the industry's journey.

With its far-sighted vision and futuristic approach, SITI had been building the foundations of this transition for the past two years. Harnessing the wave of opportunity unleashed by NTO, SITI went forward aggressively to translate it into excellent growth, as underlined by the two-fold increase in EBIDTA (excluding activation). The 19% increase posted by SITI in subscription revenue, which went up to ₹ 9,537 million in FY 2019 from ₹ 7,997 million in FY 2018, further manifested the inherent strength of our business eco-system and our strategic roadmap.

This growth is aligned to the realisation of our vision to be the preferred choice of consumers, as well as to the evolving media-scape, which has witnessed unprecedented change and expansion in recent years. The large-scale digitisation and Over-the-Top (OTT) revolution underway in the industry has changed not only the consumer aspirations but also the way the industry looks at content and the multitude of ancillary services it provides to the evolving consumers. With our deep consumer insights and pioneering initiatives, we have successfully developed the perfect portfolio of offerings to deliver consumer delight, while ensuring targeted, on-track business growth.

In my opinion, the current impact of digitisation and OTT on the industry

is just the beginning. Our strategic agenda in the new business landscape will, in fact, be structured not just to the consumer needs for today but for the foreseeable future, necessitating an even bigger focus across every facet of the business value chain. From content to consumption patterns and delivery systems, we see a wave of game-changing innovations ushering in new opportunities for major players like SITI.

In this evolving milieu, I see SITI playing a vital role in shaping the contours of the industry's future, not just by providing a more experiential ambience to the consumers and other players in the value chain but to the society at large. As a responsible industry player, we have always been at the helm of the social transformation that India needs if it is to sustain and grow its progressive momentum. We are now extending this growth charter to a larger population through more impactful social interventions and investments to enable sustainable and holistic development.

We believe that such all-encompassing growth is imperative for propelling the socio-economic change needed to put India at the forefront of global progress. Steered by this belief, we shall, going forward, scale up our social engagement goals even more, to power such a national social change, just as we have led the industry transformation through the years.

On this note, I would like to conclude by congratulating and thanking every member of the SITI family for making it possible for us to power the internal transformation and growth which was imperative to stay ahead of the fast-paced developments in the external environ. I would also like to thank all our stakeholders for their steadfast faith and support, which will continue to take us to new frontiers of progress in the years ahead.

Best Wishes,

Dr. Subhash Chandra

TRANSFORMING THROUGH THE YEARS



1992

Cable business started by Promoters

1994

Became the 1st MSO to be launched in India

2009

Right Issue of ₹ 4,500 million fully subscribed

2008

Initiated mass digitisation through headend-in-the-sky (HITS) Services

2007

Implemented CAS in metros of Delhi, Mumbai and Kolkata; Became the 1st MSO to be listed on the stock exchanges

2012-2014

DAS implemented in Phase-1/Phase-2 Cities

2014

- Broadband launched in Delhi on DOCSIS 2/3 Technology
- Started providing 18 High-Definition (HD) Channels

2017

- Chosen to be a constituent of the Morgan Stanley Capital International (MSCI) India Domestic & Global Small Cap Index
- Started providing OTT services in partnership with Ditto TV; customer base at 60,000 subscribers
- Extended broadband presence in 3 cities of Haryana namely Hissar, Karnal and Rohtak
- Prepaid ongoing in select states with 1.2 million subscribers on prepaid across 134 locations
- Fund infusion of ₹ 1,500 million by Promoters

2016

Achieved financial turnaround for the first time in its history

2015

Raised ₹ 2,210 million from the secondary market via Qualified Institutional Placement (QIP) route in February 2015

2018

- Assigned long-term rating of "A-" by ICRA & CARE (The outlook on the long-term rating is stable)
- Seeded Industry-leading 3.1 million STBs across Phase 3 & 4

2019

- 2X increase in EBIDTA (excluding activation)
- ~19% increase in subscription revenue – to ₹9,537 million in FY 2019 from ₹7,997 million in FY 2018



SITI – AN ENTITY GEARED TO HARNESS TRANSFORMATION OPPORTUNITY

Led by a consumer-centric approach and a large footprint spread across 580+ locations pan-India, SITI is part of the diversified Essel Group, from where we inherit the capabilities to leverage the new transformational opportunity triggered by the evolving industry and market needs.

The New Tariff Order (NTO), launched by the Telecom Regulatory Authority of India (TRAI) effective February 2019, has led to a change in our business model and we are focussed on strategically translating it into increased growth and value delivery for all our stakeholders.



21+

States & UTs of presence



8.22 million

Active digital customers



41+ million

Consumers reached



~6%

Share of TV households in India



1.7 million

Broadband Home passes



33,000 kms

Optical fibre & coaxial network

Large customer outreach

Steered by our consumer-oriented business outlook, we are reaching out to consumers across markets and states pan-India.

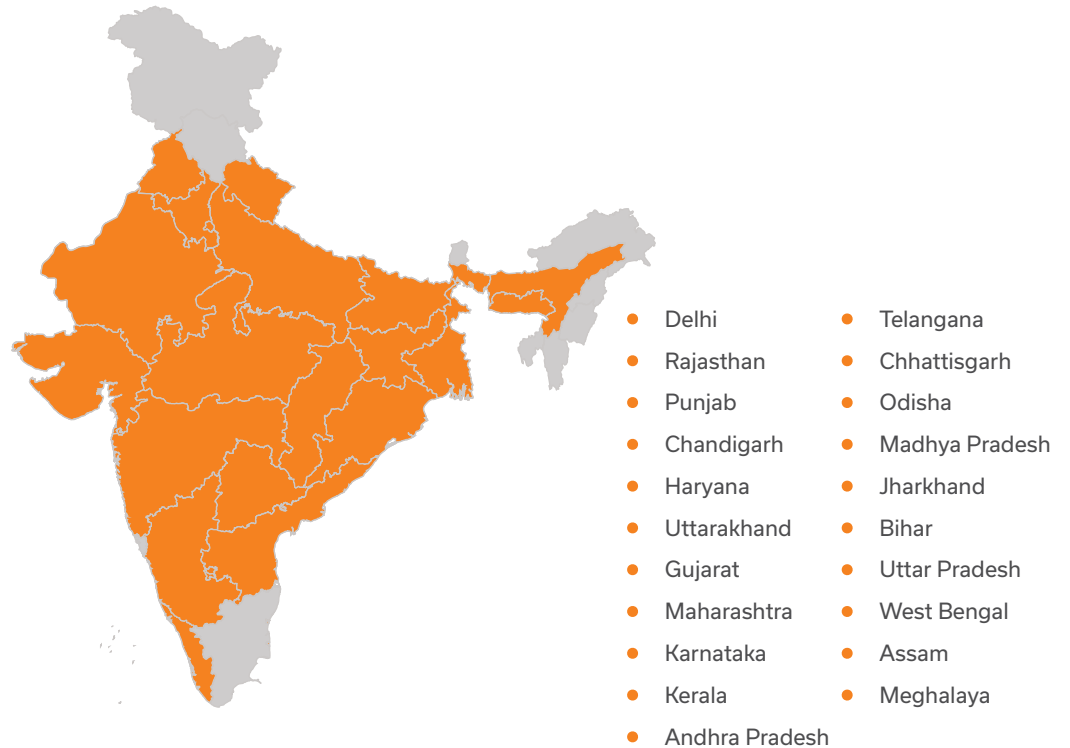
SITI Networks Limited is India's leading digital TV network, powered by a strong legacy, and with core strengths aimed at catering tomorrow's opportunity, across Digital Cable Television and Broadband services.

A rich corporate legacy

SITI Networks Limited, launched in 1994 as a 100% subsidiary of Zee Telefilms Limited, carries the proud legacy of Essel Group – a leading media business house spanning ~1.3 billion viewers in 171 countries through 75 channels. With a vertically integrated presence in Media & Entertainment, the Group has a large bouquet of diverse assets in Media, Packaging, Entertainment, Technology-enabled Services, Infrastructure Development and Education.

Vision

To gain the leadership position in the industry as an integrated service provider by being the preferred choice of the consumer, and enhance consumer delight through offering superior content, quality and services by using advanced technology as an edge.



Map not to scale



WE CAN SEE THE OPPORTUNITY TO TRANSFORM, TRIGGERED BY THE NEW TARIFF ORDER



FOR CONSUMERS

WHO ARE NOW EMPOWERED WITH THE FREEDOM TO SELECT THE CHANNEL/ BOUQUET THEY ARE INTERESTED IN AND PAY ONLY FOR THE CHANNELS THEY SUBSCRIBE TO!



FOR BUSINESS PARTNERS

WHO NOW HAVE A LEVEL-PLAYING FIELD, WITH GREATER PRICE TRANSPARENCY, TO GROW FREELY AND MORE AGGRESSIVELY IN THE MARKETS OF THEIR PRESENCE!



FOR BROADCASTERS

WHO NOW HAVE UNRESTRICTED ACCESS TO CONSUMERS ACROSS MARKETS, AT THE BACK OF THEIR STRONG BRAND AND CONTENT PULL, ENABLING DEVELOPMENT OF PAY-BASED REVENUE MODEL!



FOR DPOs

WHO HAVE A BIGGER AND MORE UNIFORM PLATFORM TO EXTEND THEIR OFFERINGS TO CONSUMERS IN THEIR TARGET MARKET AREAS!



FOR INVESTORS

WHO ARE NOW SET TO GET BETTER VALUE FOR THEIR INVESTMENTS AS A RESULT OF THE EXPECTED INCREASE IN THE COMPANY'S MARGINS!

AND WE ARE LEVERAGING THIS OPPORTUNITY, EFFICIENTLY AND FORCEFULLY, BACKED BY OUR CORE STRENGTHS AND EXPERIENCE

NEW TARIFF ORDER (NTO) – THE KEY TAKEAWAYS

The New Tariff Order has ushered in a more vibrant and exciting regime for broadcasting and distribution of cable TV services in India, creating a more enabling environment for the growth of the industry and boosting the confidence of investors.



Giving consumers choice

Consumers have got freedom to choose their viewing experience, based on their language and genre preference.

Balancing interests

The rights of the broadcasters have been balanced with the interests of the consumers as a result of a tighter regulatory framework and pricing controls.

Standardising service quality

Service quality standards have been made uniform across platforms through prescribed mandates for bouquets and maintenance.

Enhancing transparency

Transparency and compliance adherence have been enhanced, minimising risk of litigation and propelling increased sectoral growth.

Strengthening systems

With increased dependence on systems and processes, these are being streamlined and made more effective.

Enabling DPO growth

The stage is set for enhanced DPO growth, as the content cost will now be pass-through and companies shift to a more robust and efficient model of operation.

Measuring channel demand

The right to subscribers' demand of channels is now measurable, thus setting the tone for pricing and content.

RIDING ON THE NTO TO TRANSFORM

At SITI, we are making the most of the NTO to tap into the emerging opportunity and grow successfully across all the key matrices, as manifest in our operational performance and growth in the last fiscal.

Our robust business model, coupled with further augmentation of our technological capabilities, has powered significant performance improvements over the past two years. To address the new demands and harness the opportunities in the post-NTO era, we have initiated a series of transformational initiatives to align ourselves better with the demands of the changed environ.

Augmenting operational excellence

We implemented a series of activities during FY 2018-19 to boost our levels of operational excellence. Besides optimisation of the overall network OPEX, we also moved more proactively towards more optimal bandwidth cost.

Optimisation of the office administrative set-up at IP points was another key initiative to strengthen our operational excellence, resulting in 50% reduction in rent and electricity expenses. Optimal utilisation of manpower helped enhance productivity, while effective inventory management led to reduction in levels from ₹ 45 million to less than ₹ 27 million. We remain focused on monitoring and pursuing these activities on a monthly basis to further augment our excellence proposition.

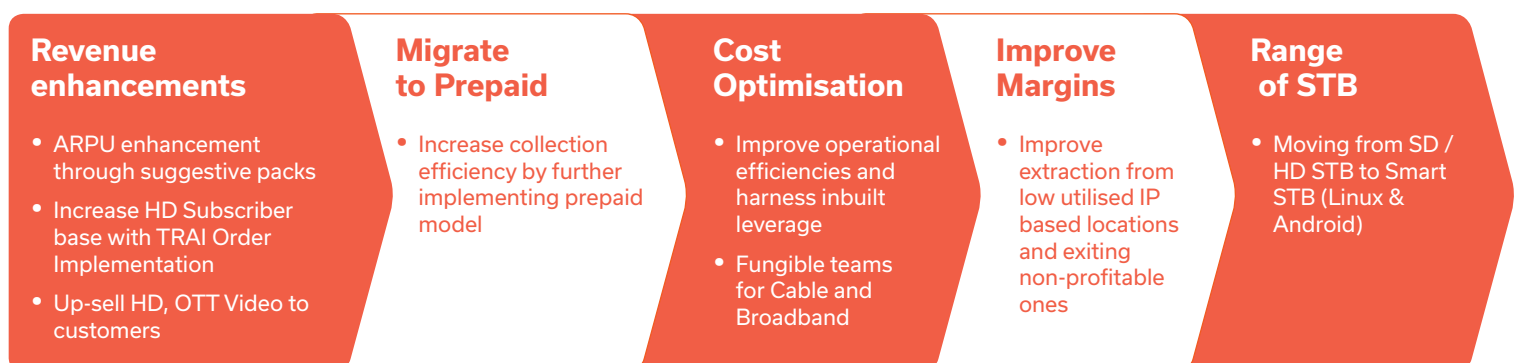
Transforming to grow

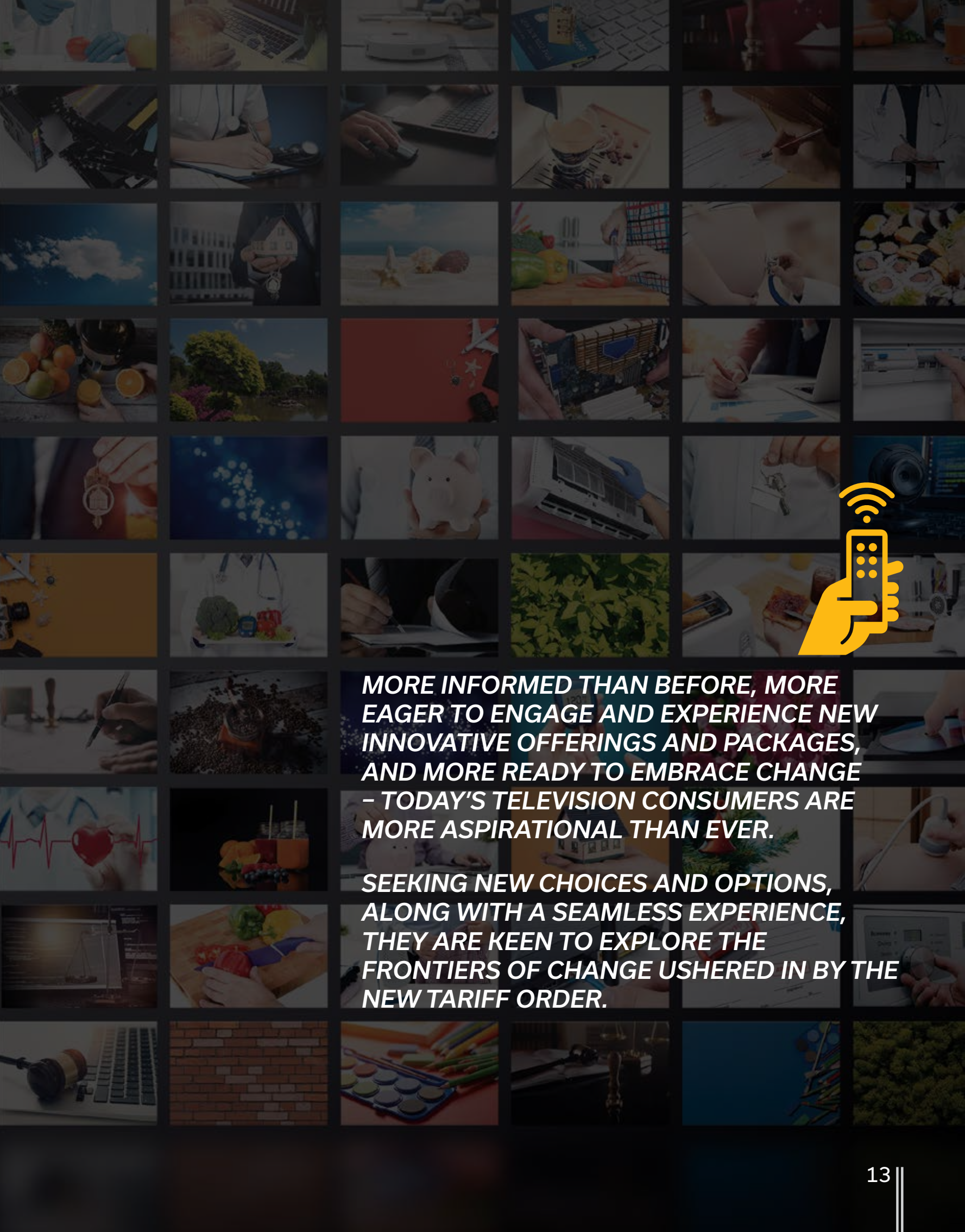
Our consumer-centric landscape is structured around the key pillars of Technological Capabilities, Systems & Processes, Strategic Alliances and Efficient Execution, in addition to our nation-wide access.

- We use the latest MPEG4 STBs, while our Broadband service is delivered through Hybrid (DOCSIS 2/3 & GPON) Network.
- In addition to our OYC Subscriber Management System, we have in place robust Conax CAS & SAP based systems, as well as uniform commercial policies.
- We are in discussion with various service providers for creating value-adds for the SITI base.
- We have a well-established corporate governance and compliance framework, steered by a professional management team and backed by a lean and agile organisational structure.

Creating a new Video strategic proposition

In line with the evolving demands in the transformational landscape powered by the NTO, we have restructured our Video strategy. The move is aimed at making the transition more seamless for our customers as well as the organisation, and boost profitability.





MORE INFORMED THAN BEFORE, MORE EAGER TO ENGAGE AND EXPERIENCE NEW INNOVATIVE OFFERINGS AND PACKAGES, AND MORE READY TO EMBRACE CHANGE – TODAY'S TELEVISION CONSUMERS ARE MORE ASPIRATIONAL THAN EVER.

SEEKING NEW CHOICES AND OPTIONS, ALONG WITH A SEAMLESS EXPERIENCE, THEY ARE KEEN TO EXPLORE THE FRONTIERS OF CHANGE USHERED IN BY THE NEW TARIFF ORDER.

DELIVERING EXPERIENTIAL ENTERTAINMENT

Delving deep into the consumer's evolving mindscape, We, have developed strong insights into the aspirational revolution brewing amidst today's responding with agility to these emerging needs, we have adopted an evolutionary strategy that is centred on content, delivery and innovation.

With new and affordable packages, we are continuously aligning our content offerings to the choice of our consumers. Our new products and technological initiatives are designed to give them a smooth and more engaging experience. We are, at the same time, transforming our delivery models, across Video and Broadband, to make them more effective and holistic.

Repackaging to enhance consumer experience

With customer-centricity at the heart of our business strategy, we have crafted our new marketing and packaging proposition in tandem with the post-NTO requirements. Our efficient multi-tier packaging is focussed on the entire family, enabling ease of choice for the customers. We have also created multiple MY SITI Value packs to serve a wide gamut of customer needs and choices at various price points.



CURRENTLY, A SUBSTANTIAL NUMBER OF CONSUMERS HAVE CONSTRUCTED THEIR OWN BESPOKE PLANS, WHILE THE REST ARE ON THE COMPANY'S "BEST FIT" PLANS.

Strengthening the online interface

During the year under review, we strengthened our customer-centricity further with the launch of a consumers self-care portal and "MY SITI" android app to empower consumers with the freedom of choice. The portal and app also equip consumers with the ability to pay online, while giving them control over other direct functionalities, thus enabling seamless integration of the consumers into the new regime.

Further enhancing our consumers touch points and experience, we upgraded our website and contact centre to cater to the exponential jump in visits/calls in the new regime. Consumers were incentivised to share their choice on the MY SITI app and website by offering cashbacks and movie vouchers.

We have rolled out, and are continuously monitoring, Partner Support communication channels on WhatsApp and Email to ease transition from pre to post NTO systems. An Escalation Mail ID & Matrix has been implemented to manage customer queries through Social Media.



IN THE QUARTER STARTING JANUARY 2019, THE PAGE VIEWS AND USERS ON SITI'S WEBSITE HAVE GROWN ~400% AND ~80%, RESPECTIVELY, AS AGAINST THE COMMENSURATE PERIOD LAST YEAR. MY SITI APP AND WEBSITE GOT ~5,000 FRESH USERS EVERY DAY.

Taking offline interaction to the next level

Along with major investments in augmenting our online consumer experience, we have scaled up our offline proposition through a series of initiatives. Call Centre capacities are being upgraded to meet increased call volume in the transformed market environment.

To enhance experience, we have also made Customer Education and Support available in multiple languages at SITI's Toll Free Support Number 1800-1234-001, and on the Customer Information Channel (LCN- # 999) through videos and tutorials.

As part of our concerted efforts to create awareness among the consumers about the new offerings,

we ran different creative campaigns through the year, such as:

- Aapka Manoranjan Aapki Marzi
- Enjoy the power of choice, etc.

Empowering through technology

Technology being a key pivot to boost consumer experience, we have initiated a slew of measures to create a technologically empowering environment.

- With 1.3X upgradation across all feed and access links, we have made bandwidth capacity uniform and increased the channel delivery capacity
- Signal quality has been upgraded to ensure uniform quality across locations, with high quality equipment, while the number of Digital Head-Ends have been consolidated from six to two locations (Hyderabad and Noida)
- To reduce service uptime, we have changed the Telecom Service Provider, while controlling repeat impacts through the creation of additional paths at no incremental cost

- Overall Service uptime is being improved Quarter on Quarter, and Fibre Cut / 100 km reduction has led to improved Fibre Cut SLA performance
- We have put in place a Geographical Information System with all Inventory & Asset management across Video and Broadband businesses
- We have undertaken a series of technological initiatives to bring more vibrancy and dynamism into customer experience. These include planned Overhead to Underground conversion at Smart cities in UP, further automation of systems with CAPEX & OPEX material tracking and control, and Bandwidth Link payment management linkage with SAP

Creating intuitive customer choice framework

The new industry regime requires DPOs to be more intuitive and adaptive to consumer choice. At SITI, we have built scalability into our IT infrastructure by working with partners like Accenture and Conax to offer the perfect engine for seamless experience on CRM, Web and Mobile to our consumers and business partners.

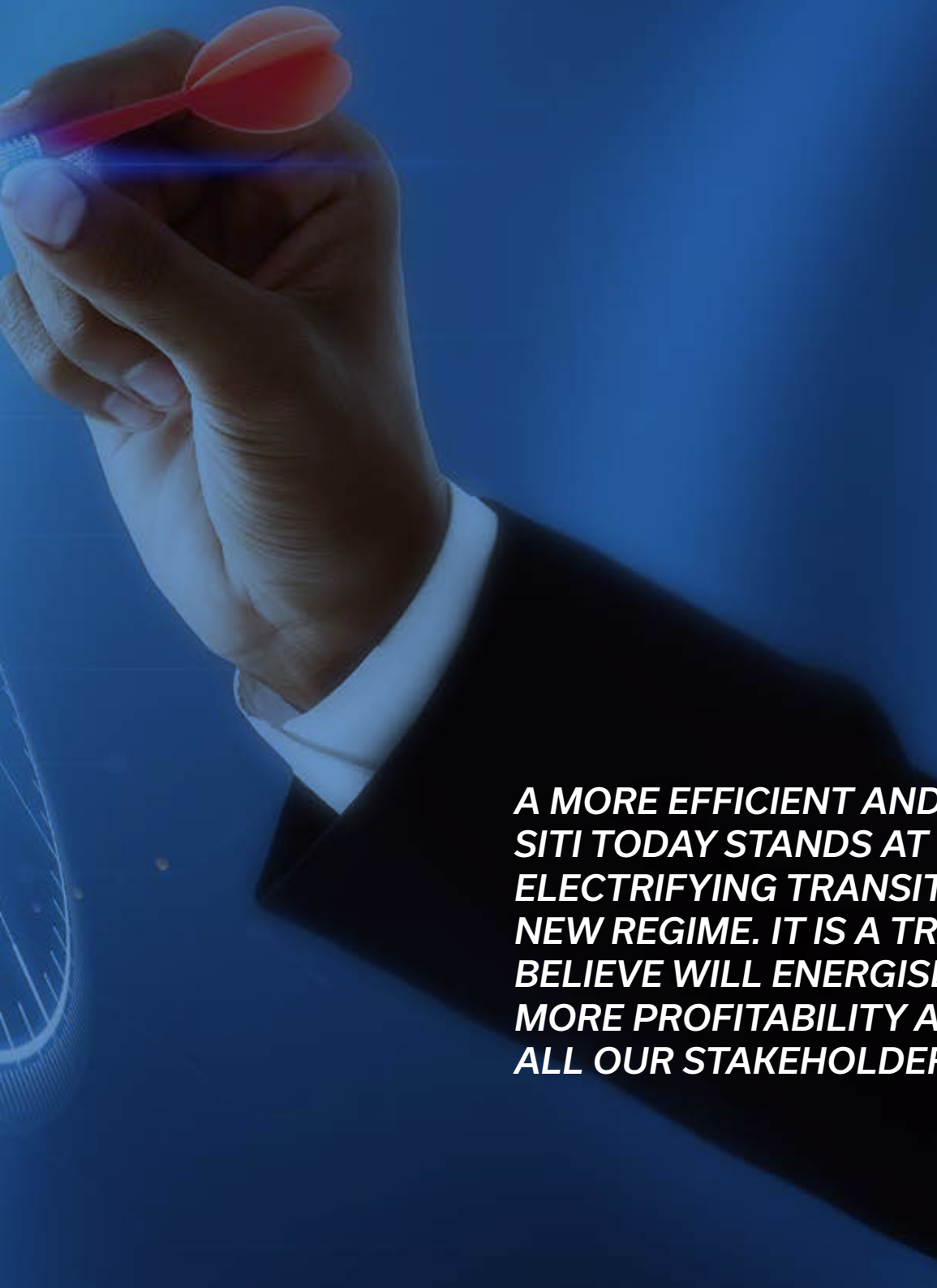
TO ADDRESS THE EMERGING CUSTOMER NEEDS TRIGGERED BY THE NTO, WE HAVE ENHANCED THE COMPUTING CAPABILITIES OF THE OFFER ENGINE 5 TIMES AND SCALABILITY 10 TIMES, LEADING TO 10-TIME INTERNET BANDWIDTH UPGRADATION.

As part of our OYC Scalability and Readiness initiatives, we have streamlined action processing to further reduce the activation cycle time, and have embarked on enhancement in user experience with introduction of single command for multiple package selection. We are also gearing up to ease the DPO Package change process by sending selective/unique commands of uncommon child packs.

Our Billing Module Readiness is evident in the implementation of an automated module for smooth functioning for the Company and the LCO in the new prepaid regime.



**WITH THE NEW
TARIFF ORDER
TRANSLATING INTO NEW
TRANSFORMATIONAL
OPPORTUNITY, WE, AT
SITI, HAVE AUGMENTED
OUR ORGANISATIONAL
GOALS MANIFOLD. AMID
THE CONSOLIDATION
POWERED BY THIS
TRANSFORMATION, WE
ARE MORE FOCUSSED
NOW ON TAKING OUR
GROWTH STRATEGY TO
THE NEXT LEVEL.**



**A MORE EFFICIENT AND A MORE EMPOWERED
SITI TODAY STANDS AT THE CUSP OF AN
ELECTRIFYING TRANSITION, LED BY THE
NEW REGIME. IT IS A TRANSITION THAT WE
BELIEVE WILL ENERGISE MORE GROWTH,
MORE PROFITABILITY AND MORE VALUE FOR
ALL OUR STAKEHOLDERS.**

CATALYSING EXPONENTIAL GROWTH

Our platform for transitioning into the post-NTO regime has been built over the past two years, with greater focus on boosting operational efficiencies and economies of scale.

Leveraging this achievement, we have:

Powered fast-paced migration to the prepaid model under the NTO to boost collection

Remodelled our packaging structure to make it leaner, with more power in the hands of the Distribution platform

Enabled content pass-through to increase EBIDTA

Performance Impact

These initiatives have translated into exponential growth, with the improved operational and cost efficiencies pushing us towards new frontiers of performance.

6X

increase in EBIDTA from
FY 2017 to FY 2019

95%
(Q4 FY 2019)



82%
(FY 2017)

Improvement
in subscription
collection

We continued to scale performance from FY 2018 to FY 2019 to report:

21.2%



1.76x y-o-y

Increase in Operating EBITDA margins

₹ 3,001 Million



₹ 1,508 Million

2X increase in EBITDA (excluding activation)

₹ 9,537 Million



₹ 7,997 Million

19% Growth in video subscription revenues

₹ 14,186 Million¹



13% y-o-y

Total Revenue² rises 13%

1. Includes one-time impact of ~₹ 47 Million in Q4 FY 2019 on account of sale of STBs

2. Excluding Activation



31.4%

Subscriber ARPU leaps

Powering the future

As we focus on consolidating the gains of the past two years, we shall tap further into the growing opportunity to boost convergence of Linear TV viewing with OTT. We are ready with STBs which support both Linear and Non-linear viewing, in line with the changing aspirations of viewers.

We also see in this transformation the opportunity for convergence in Tier 3 & 4 markets, where the new, aspirational consumer is moving into the post-NTD environment. Increased choice options and the fact that OTT viewing is trickling down from the Tier 1 & 2 cities is opening new possibilities for growth in Tier 3 & 4 markets, where we aim to be the distribution platform of choice.

BOARD OF DIRECTORS

1. Suresh Arora

Executive Director

Mr. Suresh Arora brings to the table extensive experience of about 34 years across diverse fields, A Commerce graduate from the University of Delhi, with a PG Diploma in Business Administration (specialisation in Marketing Management) from Symbiosis, Pune, the 56-year-old has worked extensively in the areas of Sales & Marketing, Finance & Accounts and Export/Import procedures & documentation. During his previous assignment with Pan India Network Limited ("PINL") – an Essel Group company, he held a senior position in the Sales and Marketing Department. He was instrumental in creating a strong network of channel partners, including distributors and retail outlets, to spread and strengthen PINL's Online/Paper Lottery business operations in Punjab & Haryana. In this position, he liaised closely with senior officials of the Punjab government to take the PINL business to new levels of success.

2. Prof. Sunil Kumar Maheshwari

Independent Director

Currently is a Professor in Human Resource Management Area at the Indian Institute of Management, Ahmedabad. Prof. Sunil Kumar Maheshwari has served on boards of many organisations including UCO Bank and Andhra Bank.

He is an Alumni of IIT Delhi and IIM Ahmedabad, worked with BHEL and Indian Railways (IRPS Cadre) before getting into academics in 1998. He worked as Advisor to Minister of HRD from January 2009 to January 2013.

His research, consulting and teaching interests are in strategic human resource management, international human resource management and business turnaround. His book titled "Turnaround Excellence," published by Penguin Books India, has been among the business bestsellers. The book is based on a study of six turnaround cases.

He has widely published in both national and international journals of high repute. He has written more than 30 cases. He has been a consultant to many large national and international organisations. He has received many awards for excellence in his career.

3. Kavita Kapahi

Independent Director

An entrepreneur in the security and surveillance industry, Ms. Kapahi is currently managing the business operations of APK Trading & Investment Pvt. Ltd. A Commerce Graduate from Bombay University, she is a Director on Minotaur Holdings and Finance Private Ltd., Indian Cable Net Company Limited and Shirpur Gold Refinery Limited. With a strong zeal for welfare work for the disadvantaged sections of the society, she has, over the past three years, been involved in grooming differently-abled children and young adults and empowering them with employment skills. She is also aiding various charitable organisations engaged in education among the marginalised, who otherwise would remain deprived of basic education.

4. Deepak Mittal

Independent Director

Mr. Deepak Mittal is an engineering graduate from IIT Delhi, and currently the CEO & Co-Founder of Intelligrape Software (TO THE NEW). Mr. Mittal brings 20 years of industry experience and 10 years of entrepreneurship experience with him. He is an industry veteran, book author and a known speaker in digital technology landscape including Data Engineering, AI/ML, Block Chain, Cloud and Analytics. Before founding Intelligrape, he played technology leadership roles at various software companies.

Mr. Mittal founded Intelligrape Software (TO THE NEW) in 2008. TO THE NEW has grown more than 30 times in the last 7 years from 25 people to 750-people strong and presence in 5 different countries. Mr. Mittal has acquired and integrated many companies in India and SEA. Under the leadership of Mr. Mittal, TO THE NEW has become a leading digital transformation services player with clients in India, US, Europe, UAE & ANZ regions; and has figured in "Great Place to Work" in top 50 mid-size companies in 2015, 2017 and 2018.

Mr. Mittal is Director of Blogmint Digital Private Limited, Intelligrape Software Private Limited, Thought Buzz India Private Limited, Ignitee Digital Services Private Limited and Daffodil Software Private Limited.

5. Bhanu Pratap Singh

Independent Director

Mr. Bhanu Pratap Singh graduated from Duke University with a BA in Economics. Thereafter, he joined JP Morgan Chase as an investment banking analyst in the New York office covering the power sector. Mr. Singh did his MBA from the Tuck School of Business, Dartmouth College, USA. Mr. Singh worked as an MBA summer intern at Nomura Securities in the New York office in the Debt Private Placement Group.

After graduation from his MBA program, he worked in the Leveraged Finance Group of Citigroup in New York. In his time there, he worked on structuring and financing leveraged loans and high yield bonds for large US corporates and Private Equity firms. Beginning his entrepreneurial journey, Mr. Singh moved back to India to found the Bhavani Group focussing on small hydropower projects in Himachal Pradesh. Shree Bhavani Power Projects Pvt. Ltd. commissioned Manglad 5MW small hydro project in 2010 and it is generating power since then.

In 2013, his group company Bhavani Renewable Energy commissioned Binwa4MW small hydro project. His group company Cosmos Hydro Power is building a 22MW plant in Chamba, HP and it is under construction to be commissioned in 2020. Mr. Singh is simultaneously developing future hydroprojects and also working with new technologies in the Renewable Energy space.

Mr. Singh is Director of Bhavani Renewable Energy Private Limited, Shantanu Energy Private Limited, Cosmos Hydro Power Private Limited & Monte Cristo Hydro Private Limited and Managing Director of Shree Bhavani Power Projects Private Limited & Monte Cristo Infrastructure Private Limited.

MANAGEMENT TEAM



Sanjay Berry
Chief Financial Officer



Alok Govil
Chief Operating Officer - Video



Yogesh Sharma
Chief Operating Officer - Video



Ashish Goel

Chief Human Resources Officer



Sanjay Arya

Head Technology



Suresh Kumar

Company Secretary and Compliance Officer

**AS WE MOVE TOWARDS
HIGHER LEVELS OF
GROWTH IN THE NEW
ENVIRONMENT, WE SEE
OUR PEOPLE PLAYING A
CRITICAL ROLE IN THE
REALISATION OF OUR
VISION FOR THE FUTURE.
WE ARE CONTINUOUSLY
INVESTING IN
BUILDING OUR PEOPLE
CAPABILITIES TO
ALIGN THEM WITH
THE ORGANISATIONAL
GOALS.**



TRAINING AND EMPOWERMENT OF THE EMPLOYEES HAS EMERGED AS A KEY TO THE EFFICIENT AND DYNAMIC EXECUTION OF OUR STRATEGY IN THE EVOLVING REGULATORY AND INDUSTRY MILIEU.

EMPOWERING PEOPLE, INSPIRING CHANGE

Over the years, we have strengthened our talent pool to align it more intricately with the changing business environment, while ensuring that our values remain embedded in the SITI culture.

A series of initiatives steered our Human Resource development charter during FY 19, making us better equipped to meet the emerging demands in the post-NTO era.

Talent induction & management

Induction at SITI is a carefully crafted process, and we look for a commonality of values in the people we select for the organisation. We have in place a robust induction programme to handhold the new joinees and help them adapt quickly to the organisational culture and business model.

We are also focussed on improving our talent management systems to ensure better performance management at the granular level. These systems are closely monitored and calibrated on an ongoing basis.

With the Annual PMS exercise of 2018-19, we have identified the high potential performers, in whose growth we see the development of the second line of leadership. We aim to nurture the homegrown talent through a well thought mentoring programme, which would ensure their retention and carve for them a structured growth path. This, we believe, will help give them visibility cross functionally, along with vertical movement through the lattices, backed by role enrichment and enhancement.

2-pronged approach of nurturance & development





AMID INCREASED ADOPTION OF CUTTING-EDGE NEW TECHNOLOGIES IN THE GLOBAL BUSINESS ENVIRONMENT, WE ARE GEARING UP TO MEET THE EMERGING CHALLENGES THROUGH IMPLEMENTATION OF SAP SUCCESS FACTORS, WITH A MULTI-FACETED INTERFACE FOR OPTIMISING EFFICIENCIES.



Employee engagement

We have crafted our employee engagement strategy at three levels:

Emotional Engagement

SITizens engage with the brand at an emotional level and bond with the organisation. Fun at work events and festivals are organised across locations.

Intellectual Engagement

Opportunities are spotted, and SITizens are groomed to ensure the right fit goes to the right job. We harness talent and expose SMEs to different business challenges, ensuring mutual development.

Rewards and Recognition

Talent is suitably recognised and rewarded for contribution to the business and achievements.

Engagement events

To strengthen employee connect and keep them motivated, we involve them in our business planning process, assessing opportunities and introducing improvement ideas for business strategy. Our mentorship programme, which pairs experienced employees with newly hired ones, is an excellent engagement driver for newcomers.

Occasions like Yoga day, employee's birthdays/ anniversaries, work anniversaries, women's day and festivals are celebrated with passion and energy at SITI. Cultural and sports events are organised regularly to help employees imbibe the organisation's true spirit and ethos on all fronts.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Suresh Arora

Whole Time Executive Director

Prof. Sunil Kumar Maheshwari

Independent Director

Kavita Kapahi

Independent Director

Deepak Mittal

Independent Director

Bhanu Pratap Singh

Independent Director

SENIOR MANAGEMENT

Sanjay Berry

Chief Financial Officer

Alok Govil

Chief Operating Officer - Video

Yogesh Sharma

Chief Operating Officer - Video

Ashish Goel

Chief Human Resources Officer

Sanjay Arya

Head Technology

Suresh Kumar

Company Secretary and
Compliance Officer

INVESTOR RELATIONS

Ashish Koul

Phone No: 0120 - 4032676

Email: investorrelations@siti.esselgroup.com

STATUTORY AUDITORS

Walker Chandiook & Co. LLP
Chartered Accountants
New Delhi

BANKERS

IDBI Bank Limited
Axis Bank Limited
HDFC Limited
Kotak Mahindra Bank Limited
Standard Chartered Bank
RBL Bank Limited
IndusInd Bank Limited
Aditya Birla Finance Limited
ICICI Bank Limited

REGISTERED ADDRESS

Unit No. 38, 1st Floor, A Wing, Madhu
Industrial Estate, Pandurang Budhkar
Marg, Worli, Mumbai - 400 013,
Phone No: +91- (022) 43605555
Email: csandlegal@siti.esselgroup.com

CORPORATE OFFICE

FC - 19 & 20, Upper Ground Floor,
Sector - 16A, Film City, Noida - 201 301,
Phone No: +91- (0120) 4526707
Email: csandlegal@siti.esselgroup.com

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NOTICE

Notice is hereby given that the 13th Annual General Meeting (AGM) of the Equity Shareholders of SITI Networks Limited will be held at 'Hall of Harmony', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400018 on Saturday the 28th day of September, 2019 at 3:00 p.m. to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company prepared as per Indian Accounting Standards (Ind-AS), on a standalone and consolidated basis, for the financial year ended March 31, 2019 including the Balance Sheet as at March 31, 2019, the Statement of Profit & Loss for the financial year ended on that date and the Reports of the Auditors and Directors thereon.

SPECIAL BUSINESS:

2. **To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of Companies Act, 2013 ('Act') and the rules made thereunder read with Schedule IV of the Act, Mr. Deepak Mittal (DIN 02067896) who, upon recommendations of the Nomination & Remuneration Committee, was appointed as an Additional Director of the Company by the Board of Directors with effect from April 1, 2019 and who holds office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature to the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, for the period of three years from April 1, 2019 until March 31, 2022."

3. **To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of Companies Act, 2013 ('Act') and the rules made thereunder read with Schedule IV of the Act, Mr. Bhanu Pratap Singh (DIN 00202817) who, upon recommendations of the Nomination & Remuneration Committee, was appointed as an Additional Director of the Company by the Board of Directors with effect from April 1, 2019 and who holds office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature to the office of Director, be

and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, for the period of three years from April 1, 2019 until March 31, 2022."

4. **To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, Mr. Suresh Arora (DIN 00299232), who, upon recommendations of the Nomination & Remuneration Committee, was appointed by the Board of Directors as an Additional Director of the Company, pursuant to Section 161 of the Companies Act, 2013, with effect from March 29, 2019 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. **To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 196, 197, 198, 203, read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder including Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to requisite regulatory approvals, if required, consent of the members of the Company be and is hereby accorded for appointment of Mr. Suresh Arora as a Whole Time Director of the Company, for a period of three years with effect from June 14, 2019, on the terms and conditions including remuneration and reimbursement of out of pocket expenses as set out in the Explanatory Statement annexed to the Notice.

RESOLVED FURTHER THAT for the purposes of giving effect to this resolution, the Board of Directors (hereinafter referred to as the "Board" which terms be deemed to include any Committee of the Board of Directors duly authorized in that behalf for the time being exercising powers conferred on the Board by this resolution) be and is hereby authorized to alter, vary or modify, from time to time, said terms and conditions within the limits specified in the Explanatory Statement annexed to the Notice or otherwise as may be permissible by law and to do all such

acts, deeds, matters and things as it may in its absolute discretion, deemed necessary, expedient, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard."

6. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and such other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Cost Audit Fee of ₹ 75,000/- (Seventy Five thousand Only), with addition of applicable taxes and reimbursement of out of expenses, payable to M/s A.K. Gupta & Co., Cost Accountants (Firm Registration No. 100770) towards Cost Audit for the financial year 2019-20, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby confirmed, ratified and approved."

By Order & on behalf of the Board

Suresh Kumar
Company Secretary

Noida, August 12, 2019

Registered Office:

Unit No. 38, 1st Floor,
A Wing, Madhu Industrial Estate,
Pandurang Budhkar Marg, Worli,
Mumbai-400013
CIN: L64200MH2006PLC160733
Email: csandlegal@siti.esselgroup.com

NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 2 to 6 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment at this Annual General Meeting ("AGM") are also annexed.
2. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company.**

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting

rights may appoint a single person as proxy and in such a case, the said person shall not act as proxy for any other person or shareholder.

The instrument appointing the proxy, in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the AGM. Proxies submitted on behalf of companies, societies, etc., must be supported by appropriate resolution/authority, as applicable.

3. Corporate members intending to send their authorised representative to attend the meeting are requested to send (in advance) at the Registered Office of the Company, a duly certified copy of the relevant Board Resolution/Letter of Authority/Power of Attorney, together with the respective specimen signatures of those representative(s), pursuant to Section 113 of the Companies Act, 2013, authorizing their representative(s) to attend and vote on their behalf at the Annual General Meeting.
4. The Attendance Slip and a Proxy Form with clear instructions for filing, stamping, signing and/or depositing the Proxy Form are enclosed. Members, Proxy and Authorized Representatives are requested to bring duly completed and duly signed the attendance slip to attend the AGM. The members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Route map and details of prominent land mark of the venue of the meeting is provided on the Attendance slip and forms part of the Notice calling the AGM.
6. The details as required under Regulation 36(3) of SEBI Listing Regulations, in respect of Directors seeking appointment at the AGM forms integral part of this Notice. The requisite declarations have been received from the Directors seeking appointment. In connection with the proposed appointment of Mr. Deepak Mittal, Mr. Bhanu Pratap Mittal as Independent Directors, the Board of Directors have reviewed the declarations submitted by these Independent Directors confirming that they continue to meet the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations and the Board is of the opinion that Mr. Deepak Mittal and Mr. Bhanu Pratap Mittal fulfil the conditions specified in the Act and rules made thereunder including SEBI Listing Regulations and are independent of the Management of the Company.
7. As per Regulation 40 of SEBI Listing Regulations, as amended, read with circulars issued by BSE and NSE in this regard, securities of listed companies can be transferred only in dematerialised form which effect from April 1, 2019, except in case of request received

- for transmission or transposition of securities. In view of this and to eliminate all risk associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holding to dematerialized form. However, the transfer deed(s) lodged prior to April 1, 2019 deadline and returned due to deficiency in the document, may be re-lodged for transfer even after the deadline with Company's Registrar & Share Transfer Agent at the address mentioned above. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Pvt. Ltd. for assistance in this regard.
8. Members who wish to obtain information on Financial Statements for the financial year ended March 31, 2019 and operations of the Company, if any, may send their queries at least seven days in advance of the AGM to the Company Secretary at the registered office of the Company or at e-mail id csandlegal@siti.esselgroup.com.
 9. Pursuant to Section 139 of the Companies Act, 2013 and the Rules made thereunder, the current Statutory Auditors of the Company, M/s Walker Chandiook & Co. LLP, Chartered Accountants, having Firm Registration No. 001076N/N500013, were appointed by the members at 9th Annual General Meeting of the Company to hold office until the conclusion of the 14th Annual General Meeting scheduled to be held in year 2020, subject to ratification of their appointment by members at every AGM. The requirement to place the matter relating to appointment of Auditors for ratification by members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM and note in respect of the same has been included in the Notice of AGM.
 10. Electronic Copy of the Annual Report for 2018-19 is being sent to all the members whose e-mail IDs are registered with the Company/ Depository Participant(s) for communication. For members who have not registered their e-mail address, physical copies of the Annual Report for 2018-19 is being sent. The Annual Report may also be accessed on the Company's website www.sitinetworks.com.
 11. The members are requested to notify immediately about any change in their address/e-mail address / bank details to their Depository Participant (DP) in respect of their shareholding in demat mode and in respect of their physical shareholding to the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited at C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083. Shareholders holding Equity Shares of the Company in physical form may register their e-mail address with the Registrar and Share Transfer agent of the Company to receive all communications by the Company including Annual Report and Notice of Meeting(s) by email, by sending appropriate communication on rnt.helpdesk@linkintime.co.in.
 12. Members who hold shares in dematerialised form are requested to write their DP ID and Client ID number(s) and those who hold share(s) in physical form are requested to write their Folio Number(s) in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.
 13. In all correspondences with the Company, members are requested to quote their account/folio numbers and in case their shares are held in the dematerialised form, they must quote their DP ID and Client ID No(s).
- ### E-Voting
14. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as may be amended from time to time, Regulation 44 of the SEBI Listing Regulations and Secretarial Standard -2 issued by ICSI, the Company is pleased to provide members facility to exercise their right to vote at the 13th Annual General Meeting (AGM) by electronic means. The facility of casting votes by a member using an electronic voting system (remote E-Voting) from a place other than venue of the AGM will be provided by Central Depository Services (India) Limited (CDSL) for all the business as detailed in this Notice.
 15. The remote E-Voting period for all items of business contained in this Notice shall commence from Wednesday, the 25th day of September 2019 at 9.00 a.m. and will end on Friday, the 27th day of September 2019 at 5.00 p.m. During this period Equity Shareholders of the Company holding shares either in physical form or in dematerialised form as on the cut-off date of Saturday, the 21st day of September 2019, may cast their vote electronically. The E-Voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by any member, he/she shall not be allowed to change it subsequently.
 16. The facility for voting by way of Ballot / Poll paper shall also be made available at the meeting venue and members as on cut-off date i.e. Saturday, the 21st day of September 2019 attending the meeting and who have not already cast their vote by remote E-voting, shall be able to exercise their right to vote at the meeting.
 17. The members who have cast their vote by remote E-Voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
 18. The voting rights of members for remote e-voting prior to the meeting or by way of Ballot / Poll Paper at the meeting shall be in proportion to their equity shareholding in the paid-up equity share capital of the Company as on the cut-off date of Saturday, the 21st day of September 2019.

19. At the AGM, the Chairman of the meeting shall after discussions on all the resolutions on which voting is to be held, allow voting by use of Ballot / Poll Paper by all those members who are present at the meeting but have not cast their votes by availing the remote E-Voting facility.
20. The Company has appointed Mr. Satish K. Shah (C. P No. 3142) as a Scrutiniser to scrutinise the E-Voting and Poll process in a fair and transparent manner and for conducting the scrutiny of the votes cast. The Scrutiniser shall, within a period not exceeding three (3) working days from the conclusion of the E-Voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutiniser's Report of the votes cast in favour or against, if any, and submit forthwith to the Chairman of AGM/ Executive Director of the Company. The Results declared along with the Scrutiniser's report shall be placed on the website of the Company www.sitinetworks.com and the website of the CDSL, besides communicating to the stock exchanges on which the shares of the Company are listed. The Resolutions, if approved, shall be deemed to be passed, on the date of AGM.
21. The instructions and process for E-Voting are as under:
 - i. The voting period begins on Wednesday, the 25th day of September 2019 at 9.00 a.m. and will end on Friday, the 27th day of September 2019 at 5.00 p.m. During this period, Shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date Saturday, the 21st day of September 2019 may cast their vote electronically. The E-Voting module shall be disabled by CDSL for voting thereafter.
 - ii. The Shareholders should log on to the E-Voting website www.evotingindia.com.
 - iii. Click on Shareholders/Members.
 - iv. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - v. Next enter the Image Verification as displayed and Click on Login.
 - vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - vii. If you are a first time user follow the steps given below:

For members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or Company please enter the member id /folio number in the Dividend Bank details field as mentioned in instruction (iv).

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for E-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For members holding shares in physical form, the details can be used only for E-Voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant SITI NETWORKS LIMITED on which you choose to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option 'YES' or 'NO' as desired. The option 'YES' implies that you assent to the Resolution and option 'NO' implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click

on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xix. **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- xx. In case you have any queries or issues regarding E-Voting, you may refer the Frequently Asked Questions ("FAQs") and E-Voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item Nos. 2 & 3

Based on the recommendation of Nomination and Remuneration Committee and after reviewing confirmation of independence received, the Board of Directors of the Company had appointed Mr. Deepak Mittal (DIN 02067896) and Mr. Bhanu Pratap Singh (DIN 00202817) as an Additional Directors of the Company, in the category of Independent Directors with effect from April 1, 2019. Pursuant to Section 161(1) of the Companies Act 2013, Mr. Deepak Mittal and Mr. Bhanu Pratap Singh shall hold office till the date of this Annual General Meeting.

The Board of Directors, based on the performance evaluation and after reviewing confirmation of independence received, recommends appointment of Mr. Deepak Mittal and Mr. Bhanu Pratap Singh as Independent Directors for a period of 3 years commencing April 1, 2019 until March 31, 2022. Appropriate notice has been received from Member(s) proposing appointment of Mr. Deepak Mittal and Mr. Bhanu Pratap Singh as an Independent Directors of the Company and requisite consents have been received from these Directors pursuant to provisions of Section 152 of the Companies Act, 2013.

In the opinion of the Board, Mr. Deepak Mittal and Mr. Bhanu Pratap Singh, who are proposed to be appointed as Independent Directors of the Company, fulfills the conditions specified under Section 149(6) and Schedule IV of the Companies Act 2013 and are Independent of the Management. Brief Profile and other details of Mr. Deepak Mittal and Mr. Bhanu Pratap Singh form part of the Corporate Governance Report.

Your Board recommends the ordinary resolutions as set out in Item Nos. 2 & 3 of this Notice for your approval.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mr. Deepak Mittal and Mr. Bhanu Pratap Singh (whose appointment are proposed in the resolution(s)) are in any way concerned or interested in the resolutions as set out in Item Nos. 2 & 3 of this Notice.

Item Nos. 4 & 5

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company had appointed Mr. Suresh Arora (DIN 00299232) as an Additional Director of the Company in the category of Non- Executive Non-Independent with effect from March 29, 2019. Pursuant to Section 161(1) of the Companies Act, 2013, Mr. Suresh Arora shall hold office as Additional Director till the date of this Annual General Meeting.

Further, subject to approval of the members and in accordance with the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company had approved the appointment of Mr. Suresh Arora as Whole Time Director of the Company on the following terms and conditions:-

- (i) **Period of appointment:** the appointment of Mr. Suresh Arora shall be for a period of 3 years commencing June 14, 2019;
- (ii) **Remuneration:**
 - (a) The Board of Directors of the Company is empowered to fix remuneration payable to Mr. Suresh Arora, from time to time, in the slab of ₹ 15,00,000/- (Rupees Fifteen Lakhs Only) to ₹ 30,00,000/- (Rupees Thirty Lakhs Only) per annum, subject to deduction of all applicable taxes.
 - (b) The Board of Directors is also empowered to finalise the breakup / components of remuneration including its modification(s) within the overall range of remuneration specified above, as it may deem fit, during the term of his appointment.
 - (c) Mr. Suresh Arora shall be entitled to (i) all other employee benefits with respect to Provident Fund, Superannuation Fund, Gratuity, Earned/ Privilege leave including encashment of leave; (ii) re-imbursment of all business related expenses incurred by him on actual basis; and (iii) coverage

under group medical and personal accident insurance, as per Company's policy, practice and procedure as shall be in effect from time to time.

- (iii) Performance of Mr. Suresh Arora shall also be reviewed by the Board annually and his remuneration shall also be revised commensurately within the overall range as mentioned above.
- (iv) **Minimum Remuneration:** Remuneration payable to Mr. Suresh Arora, shall be fixed by the Board of the Company within the limits approved by the Shareholders of the Company, which shall constitute minimum remuneration payable to him irrespective of the fact that the Company has inadequate profits or has losses.

Memorandum of interest and concern: The terms and conditions as specified herein-above shall also be treated as an abstract of the terms and conditions of his appointment and memorandum of disclosure of nature of interest or concern therein as required to be given under Section 190 of the Companies Act, 2013

Your Board recommends the ordinary resolutions as set out in Item Nos. 4 & 5 of this Notice for your approval.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mr. Suresh Arora (whose appointment is proposed in the resolution(s)) are in any way concerned or interested in the resolutions as set out in Item Nos. 4 & 5 of this Notice.

Annexure forming part of Explanatory Statement as required to be given pursuant to PART II of Schedule V of the Companies Act, 2013 for payment of remuneration to Whole Time Director in case of no profit or inadequate profits

I. General information:

- Nature of Industry:** The Company is a Multi System Operator (MSO) and is carrying on business of receipt of signals of Television channels of various Broadcasters from designated Satellites (including reception of terrestrial signals of various channels of Doordarshan) and distribution thereof through cable networks to the Cable Operators and/or subscribers in various cities, towns & villages in India.
- Date of commencement of commercial production:** The Company has commenced its business activities with effect from March 27, 2006.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable.
- Financial performance based on given indicators:**

(₹ in million)

Particular	Financial years		
	2018-19	2017-18	2016-17
Sales	8,212.75	8,378.08	7,736.79
Total Income	8,426.33	8,485.88	7,899.58
Gross Profit before Interest, Depreciation & Tax	1,846.97	1,094.64	910.35
Interest	1,537.33	1,273.46	1,210.12
Depreciation	2,093.03	1,830.15	1,345.24
Profit (loss) before Exceptional Items and Tax	(1,783.39)	(2,008.97)	(1,645.01)
Profit (loss) after Tax	(3,724.27)	(2,055.77)	(1,849.95)
Paid-up Capital	872.67	872.67	872.67

- Foreign investments or collaborations, if any:** The Company is listed on BSE Limited and National Stock Exchange of India Limited and as on August 5, 2019, the foreign holdings in the Company were 17.14%.

II. Information about the appointee:

- Background details:** Mr. Suresh Arora brings to the table extensive experience of about 34 years across diverse fields, A Commerce graduate from the University of Delhi, with a PG Diploma in Business Administration (specialization in Marketing Management) from Symbiosis, Pune, the 56-year-old has worked extensively in the areas of Sales & Marketing, Finance & Accounts and Export/Import procedures & documentation. During his previous assignment with Pan India Network Limited ("PINL") – an Esse! Group company, he held a senior position in the Sales and Marketing Department. He was instrumental in creating a strong network of channel partners, including distributors and retail outlets, to spread and strengthen PINL's Online/Paper Lottery business operations in Punjab & Haryana. In this position, he liaised closely with senior officials of the Punjab government to take the PINL business to new levels of success.

- Past remuneration:**

(₹ million)

Organisation	Designation	Financial year	Annual total cost to the Company
Pan India Network Limited	Head Sales (North)	2015-16	3.14
Pan India Network Limited	Head Sales (North)	2016-17	3.24
Pan India Network Limited	Vice President- Sales	2017-18	3.40

- Recognition and award:** Nil

- Job profile and his suitability:**

- To implement key strategic initiatives in the Company and provide strategic direction.
- To oversee operational matters.

5. **Remuneration proposed:** The remuneration proposed is mentioned herein-before.
6. **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):**

(₹ million)

Company	FY	Turnover*	Person and profile	Designation	Total remuneration
Den Networks Limited	2015-16	10,600.80	Sameer Manchanda, Chairman and Managing Director	Chairman and Managing Director	29.04
	2016-17	9,807.87			14.24
	2017-18	10,644.47			25.90
Hathway Cable and Datacom Limited	2015-16	11,788.20	Mr.Jagdishkumar G.Pillai, Managing Director & CEO	Managing Director & CEO	22.74
	2016-17	13,074.00			16.12 [±]
Datacom Limited	2016-17		Mr.Rajan Gupta, Managing Director	Managing Director	7.29 ^π
	2017-18	5,445.40			21.92
	2018-19	5,276.30			26.84

[±] Till November 25, 2016

^π With effect from November 25, 2016

- The remuneration details are as per Corporate Governance Report of Respective Companies for concerned financial years.

* Turnover is as per Annual Reports of the respective Companies for concerned financial years.

7. **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:** Mr.Suresh Arora has no pecuniary relationship with the Company, except to the extent of remuneration as proposed to be paid to him. Further, he has no relationship with any other managerial personnel of the Company.

2. Steps taken or proposed to be taken for improvement:

- The Company ended with subscription revenue of ₹ 9,537 million for FY 2018-19 which a 19% increase on year-on-year basis. We improved our collection efficiency from pre-New Tariff Order (NTO) era and were able to achieve near 100% prepaid by the end of 4th quarter of FY 2018-19.
- Shift to 100% prepaid collection model will enable the Company for a more efficient management of working capital and will do away with the evil of short collection prevailing in the industry.
- The Company is planning to launch multiple schemes for both partners and subscribers to boost the reactivation rate.
- To increase ARPU with focus in in Phase-3 and Phase-4 markets. This is expected to increase the operating margins.

III. Other information:

1. **Reasons of loss or inadequate profits during the year 2018-19:**

- Delay in implementation of New Tariff Order, which resulted in delay in implementing 100% prepaid implementation, increasing ARPU and revenue realization.
- Finance cost has increased to ₹ 1,707 million in FY 2018-19 from ₹ 1,395 million in FY 2017-18 due to the following reasons:
 - Increase in interest on term loans. LC/BG/TCBG limits could not be further rolled over (due to restrictions imposed by circular issued by Reserve Bank of India) and converted into term loan whereby interest rate has increased.
 - The depreciation and amortization cost also increased to ₹ 3,650 million in FY 2018-19 from ₹ 3,262 million in FY 2017-18.
 - Forex loss due to currency fluctuations and fall in Rupee value
 - Revision of interest rate during FY 2018-19
- There was a drop in active subscriber across the industry in the last quarter due to implementation of New Tariff Order and migration to 100% prepaid model in case of the Company.

3. Expected increase in productivity and profits in measurable terms:

- Operating profits and margins are expected to grow significantly in the FY 2019-20 on account of further revenue enhancement as the New Tariff Order settles down.
- All revenue streams are expected to show stronger growth

IV. Disclosures:

Disclosures pertaining to the remuneration package of all the Directors, fixed component and performance linked incentives, notice period, severance fee and stock options details as required under Schedule V of the Companies Act, 2013, have been mentioned in Corporate Governance Report attached to the Board of Directors' which form part of the Annual Report.

Item Nos. 6

The Board of Directors of the Company at its meeting held on August 12, 2019 had, after reviewing confirmation received and based on the recommendation of the Audit Committee, approved appointment of M/s A.K. Gupta & Co., Cost Accountants (Firm registration no. 100770), as Cost Auditor to audit the cost records of the Company for financial year 2019-20, at the remuneration of ₹ 75,000/- (Seventy Five thousand Only) with addition of applicable taxes and reimbursement of out of pocket expenses, subject however, to the approval of the shareholders.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, approval/ratification of Shareholders is being sought for payment of remuneration to the Cost Auditor for financial year 2019-20.

Your Board recommends passing of the ordinary resolution as set out in Item No. 6 of the Notice

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in resolution as set out in Item No.6 of this Notice.

By Order & on behalf of the Board

Noida, August 12, 2019

Suresh Kumar
Company Secretary

Registered Office:

Unit No. 38, 1st Floor,
A Wing, Madhu Industrial Estate,
Pandurang Budhkar Marg, Worli,
Mumbai-400013
CIN: L64200MH2006PLC160733
Email: csandlegal@siti.esselgroup.com

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 13th Annual Report of your Company, together with the Audited Financial Statements for the financial year ended March 31, 2019 prepared as per Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 (Act).

Financial Highlights

The financial performance of your Company for the year ended March 31, 2019 is summarised below:

(₹ in million)

Particular	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from operations	8,212.75	8,378.08	14,421.34	14,104.01
Other Income	213.58	107.80	322.38	159.73
Total Income	8,426.33	8,485.88	14,743.72	14,263.74
Total Expenses	6,579.36	7,391.24	11,185.24	11,018.54
EBIDTA	1,846.97	1,094.64	3,558.48	3,245.20
Less : Finance cost	1,537.33	1,273.46	1,707.16	1,395.49
Less : Depreciation	2,093.03	1,830.15	3,649.67	3,261.70
Profit/(Loss) before share of profit/(loss) of associates and joint ventures, exceptional item and tax	(1,783.39)	(2,008.97)	(1,798.35)	(1,411.99)
Share of profit/(loss) of associates and joint ventures	0.00	0.00	(1.42)	(5.80)
Profit/(Loss) before exceptional item and tax	(1,783.39)	(2,008.97)	(1,799.77)	(1,417.79)
Exceptional items	1,940.88	46.80	742.66	163.41
Profit/(Loss) before tax & exceptional items	(3,724.27)	(2,055.77)	(2,542.43)	(1,581.20)
Provision for taxation (net)	0.00	0.00	100.40	117.77
Profit/(Loss) after tax & exceptional items	(3,724.27)	(2,055.77)	(2,642.83)	(1,698.97)
Remeasurement of defined benefit liability	(1.51)	1.73	(2.18)	3.91
Total comprehensive profit/(loss) for the period	(3,725.78)	(2,054.04)	(2,645.01)	(1,695.06)



Consolidated Revenue from Operations

₹ 14,421.34 million
in 2018-19



Expenses as % of Revenue (excluding Finance and Depreciation cost) has reduced

from 88% to 79%
in 2018-19

There have been no material changes and commitments that have occurred after close of the financial year till the date of this report, which affect the financial position of the Company. Based on the internal financial control framework and compliance systems established in the Company, the work performed by Statutory, Internal, Secretarial Auditors and reviews performed by the Management and/or Audit Committee of the Board, your Board is of the opinion that the Company's internal financial controls were adequate and working effectively during financial year 2018-19.

Business Overview

Your Company (SITI) ended the year with subscription revenue of ₹ 9,537 million for FY 2018-19, which is a 19% increase YoY. Collection efficiency improved from pre-Tariff Order era and near 100% prepaid was achieved by the end of Q4 FY 19. This shift to prepaid collection model has enabled SITI to manage working capital more efficiently and will do away with the issues of short collection ailing the industry. This is especially important in the Phase 3 and Phase 4 markets, where SITI's significant base lies, where efficiency, realization & ARPU will increase significantly. In Broadband, SITI maintained focus on making home pass more effective and increase ARPU & penetration level in existing markets.

With the implementation of NTO, next few quarters will bring an industry wide change in a positive direction. Your Company has successfully upgraded its IT and subscriber management systems and this upgrade along with other system improvement has helped us implement NTO in the most efficient and effective manner.

Post implementation of NTO, we expect an improvement in ARPU and streamlining of processes, where there is a defined share for all the stakeholders. NTO also makes the content and channel pull as the driver for its demand in long term, thus the market demand will now decide the relevance and price of channels and DPOs will act as service provider for which they will get paid.

Simultaneously, your Company worked on strengthening the organization by working on many fronts with focus on the ideologies of "Right people on Right Job" & "More from less", thus emphasizing on efficiency in the organization. In line with the above strategy the organization structure was also revamped.

SITI conducted a thorough review of our infrastructure across geographies and accordingly have internally restructured the operations to make it more efficient and agile.

The expenses for the Company grew due to increased stress in financial sector and conversion of a few LOU in term loans. Depreciation and amortization expenses saw an increase due to a full year of depreciation incurred in the books.

In Broadband, your Company is working on a bottom up strategy to increase penetration level in the existing market and working on business models which can provide a profitable long term growth in the ever-changing market scenario prevailing in the market.

Content deals have been tied up with all content providers under new NTO regime and your company is working along with all the broadcasters to provide best in the market entertainment to all its customers.

Your Company is committed to improve EBITDA levels and increase ARPU in next financial year by providing rich & entertaining content at pricing which provide our customers the highest value. Your Company is committed to appreciate shareholder's wealth and bring steady growth to all stakeholders.

Directors' Responsibility Statement

Pursuant to Section 134 of the Companies Act, 2013, in relation to Annual Financial Statements for the financial year 2018-19, your Directors hereby confirm that:

- i. the Financial Statements of the Company comprising of the Balance Sheet as at March 31, 2019 and the Statement of Profit & Loss for the year ended on that date, have been prepared on a going concern basis;
- ii. in preparation of these Financial Statements, the applicable accounting standards have been followed and there are no material departures;
- iii. accounting policies selected were applied consistently and the judgments and estimates related to the financial statements have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit/loss of the Company for the year ended on that date;
- iv. proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act, to safeguard the assets of the Company and for preventing and detecting fraud and other irregularities;
- v. requisite internal financial controls, to be followed by the Company, were laid down and that such financial controls are adequate and operating effectively; and
- vi. proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Directors & Key Managerial Personnel

Your Board currently comprises of five (5) Directors including four (4) Independent Directors and one (1) Executive Director. Independent Directors provide declarations both at the time of appointment and annually confirming that they meet the criteria of Independence as prescribed under the Act and SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). During the financial year 2018-19, your Board met five (5) times, details of which are available in the Corporate Governance Report annexed to this report.

During the year under review, your Board had, based on recommendations of Nomination & Remuneration Committee, approved the appointment of Mr. Suresh Arora as an Additional Director in the category of Non-Executive Non-Independent Director with effect from March 29, 2019 and subsequently, as a Whole Time Director of the Company for a period of 3 years with effect from June 14, 2019. In terms of Section 161 of the Companies Act, 2013, Mr. Suresh Arora, shall hold office up to the date of the ensuing Annual General Meeting of the Company. The Company has received a notice under Section 160 from a member proposing appointment of Mr. Suresh Arora. Accordingly, necessary resolution is being placed for approval of the Members at the 13th Annual General Meeting of the Company.

Your Board had, based on recommendations of Nomination & Remuneration Committee, approved the appointment of Mr. Deepak Mittal and Mr. Bhanu Pratap Singh as Additional Directors in the category of Independent Directors with effect from April 1, 2019. In terms of Section 161 of the Companies Act, 2013, Mr. Deepak Mittal and Mr. Bhanu Pratap Singh shall hold office up to the date of the ensuing Annual General Meeting of the Company. The Company has received separate notices under Section 160 from members signifying their intention to propose appointment of Mr. Deepak Mittal and Mr. Bhanu Pratap Singh. Accordingly, necessary resolutions are being placed for approval of the Members at the 13th Annual General Meeting of the Company.

Further, during the year under review, in compliance with Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI Listing Regulations), as amended, Mr. Brijendra K. Syngal and Mr. Vinod Kumar Bakshi, Independent Directors, whose age exceeded 75 years, had voluntarily stepped down from the Board of the Company with effect from the close of business on March 31, 2019.

Mr. Sidharth Balakrishna, who was Whole Time Director of the Company, had resigned from the Board and Committees of the Company with effect from close of business hours of April 15, 2019, on account of other professional obligations and commitments.

In compliance with the requirements of Section 203 of the Companies Act, 2013, Mr. Suresh Arora, Whole-Time Director, Mr. Sanjay Berry, Chief Financial Officer and Mr. Suresh Kumar, Company Secretary of the Company are Key Managerial Personnel of the Company. Pursuant to the provisions under Section 134(3)(d) of the Companies Act, 2013, with respect to statement on declaration given by Independent Directors under Section 149(6) of the Act, the Board hereby confirms that all the Independent Directors of the Company have given a declaration and have confirmed that they meet the

criteria of independence as provided in Section 149(6) read with Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations 2015 (SEBI Listing Regulations).

Board Committees

In compliance with the requirements of Companies Act, 2013 and SEBI Listing Regulations, your Board had constituted various Board Committees including Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. Details of the constitution of these Committees, which are in accordance with regulatory requirements, have been uploaded on the website of the Company viz. www.sitinetworks.com.

Details of scope, constitution, terms of reference, number of meetings held during the year under review along with attendance of Committee Members therein form part of the Corporate Governance Report annexed to this report.

Board Evaluation

At a separate meeting of Independent Directors held without presence of other Directors and management, the Independent Directors had, based on various criteria, evaluated performance of the Executive Directors and performance of the Board as a whole and various Board Committees. A report on such evaluation done by Independent Directors was taken on record by the Board and further, the Board had in compliance with the requirements of Companies Act, 2013 evaluated performance of all Independent Directors based on various parameters including attendance, contribution etc. The details of the evaluation process are set out in the Corporate Governance Report which forms part of this Report.

Auditors

Statutory Auditors

Pursuant to Section 139 of the Companies Act, 2013 and the Rules made thereunder, the current Statutory Auditors of the Company, M/s Walker Chandio & Co. LLP, Chartered Accountants, having Firm Registration No. 001076N/N500013, were appointed by the Members at 9th Annual General Meeting of the Company to hold office until the conclusion of the 14th Annual General Meeting scheduled to be held in year 2020, subject to ratification of their appointment by Members at every Annual General Meeting (AGM). The requirement to place the matter relating to appointment of Auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the ensuing AGM and note in respect of the same has been included in the Notice of AGM.

The Company has received certificate of eligibility from M/s Walker Chandiok & LLP in accordance with the provisions of the Companies Act, 2013 read with rules thereunder and a confirmation that they continue to hold Peer Review Certificate as required under SEBI Listing Regulations.

During the year the Statutory Auditors had not reported any matter under Section 143(12) of the Act and as such no detail is required to be furnished under Section 134(3)(ca) of the Act.

Secretarial Auditors

M/s Amit Agrawal & Associates, Company Secretaries in Whole Time Practice, having Firm Registration No. I2001DE191600, were appointed as Secretarial Auditors of the Company for the financial year 2018-19 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by them in the prescribed form MR-3 is annexed to this report as Annexure – I and forms part thereof.

The reports of Statutory Auditors and Secretarial Auditor forming part of this Annual Report do not contain any qualification, reservation or adverse remark(s).

Additionally, in line with SEBI Circular No. CIR/CFD/CMD/1/27/2019 dated February 8, 2019, an Annual Secretarial Compliance Report confirming compliance of all applicable SEBI Regulations, Circulars and Guidelines by the Company was issued by the Secretarial Auditor and filed with Stock Exchanges.

Cost Auditors

In compliance with the requirement of Section 148 of the Companies Act, 2013, read with Companies (Cost Records and Audit) Rules, 2014, as amended, M/s A.K. Gupta & Co., Cost Accountant, having Firm Registration No. 100770, has been appointed to carry out Audit of the Cost Records of the Company during financial year 2019-20. Requisite proposal seeking ratification/approval of remuneration payable to the Cost Auditor for financial year 2019-20 by the Members as per Rule 14 of the Companies (Audit and Auditors) Rules, 2014, forms part of Notice of ensuing Annual General Meeting.

Subsidiaries & Joint Ventures

During the financial year under review:

- Siti Bhatia Network Entertainment Private Limited ("SBNEPL") ceased to be subsidiary company, as the Company had sold 10409 equity shares (being the entire stake of the Company constituting 51%) of SBNEPL on June 14, 2018;

In consequence of SBNEPL ceased to be subsidiary company of the Company, Siti Chhattisgarh Multimedia Private Limited, wherein SBNEPL was holding 41% equity shares, ceased to be associate company of the Company.

- Axom Communications & Cable Private Limited ("Axom"), which was subsidiary company of Indian Cable Net Company Limited ("ICNCL"), ceased to be subsidiary company of ICNCL as it ceased to effectively control the composition of the Board of Directors of Axom.

Accordingly, as on March 31, 2019, your Company had 23 no. of subsidiary companies as compared to 25 no. of subsidiary companies as on March 31, 2018.

- Variety Entertainment Private Limited ("VEPL"), which is wholly owned subsidiary company of the Company:
 - had acquired/purchased 49% Equity stake in Siti Godaari Digital Services Private Limited ("SGDSPL") on May 29, 2019. After such acquisition/purchase, SGDSPL (wherein the Company already holds 51% Equity stake) becomes wholly owned subsidiary company of the Company;
 - had acquired further 4.75% Equity stake in Voice Snap Services Private Limited ("VSSPL") on July 21, 2019. Accordingly, Equity stake of VEPL in VSSPL has increased to 40% and the same continues to be associate company of the Company.
- your Company had incorporated a wholly owned Limited Liability Partnership namely Siti Networks India LLP on May 7, 2018.

Apart from the above, there was no change in number of Subsidiary/Associate/Joint Venture of the Company either by way of acquisition or divestment or otherwise during the year under review.

In line with amendments of threshold for determining Material Subsidiary as stated in Regulation 16(1)(c) of SEBI Listing Regulations, effective April 1, 2019, Indian Cable Net Company Limited, one of the subsidiary company of the Company continues to be Material Subsidiary of your Company.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing the salient features of financial statements of the Company's subsidiaries and associate company(ies) in Form AOC-1 is annexed to this report as Annexure – II and forms part thereof.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company www.sitinetworks.com. These documents will also be available for inspection during business hours on all working days (except Saturday) at the Registered Office of the Company.

Deposits

During the year under review, your Company has not accepted or invited any deposits as defined under Section 2(31) read with Chapter V of the Companies Act, 2013 and Rule 2(1)(c) of the Companies (Acceptance of Deposits) Rules, 2014.

Dividend

With a view to conserve the resources for future business requirements and expansion plans and in view of losses during the year, your Board has not recommended dividend for the year under review.

Employee Stock Option Scheme

In pursuance of Employees Stock Option Scheme of the Company (SITI ESOP 2015), your Company had granted 4,663,500 options to eligible employees on September 3, 2015. During the year under review, neither any option was granted nor any grantee had exercised vested option(s).

The applicable disclosures as stipulated under Regulation 14 of the Securities and Exchange of India (Share Based Employee Benefits) Regulations, 2014 with regard to SITI ESOP 2015 are annexed to this report as Annexure - III. The said disclosures on SITI ESOP 2015 will also be available on Company's website www.sitinetworks.com. A Certificate of Statutory Auditors M/s Walker Chandiook & Co. LLP, Chartered Accountants confirming that the SITI ESOP 2015 has been implemented in accordance with SEBI Regulations and the resolution passed by the shareholders, will be placed at the 13th Annual General Meeting.

Share Capital

During the period under review, there is no change in Authorised Share Capital of the Company. As on March 31, 2019, the Authorised Capital of the Company is ₹ 1,300 million comprising of 1,290,000,000 Equity Shares of ₹ 1/- each and 10,000,000 Preference Shares of ₹ 1/- each and the Paid-up Share Capital of the Company is ₹ 872.69 million comprising 872,053,848 Equity Shares of ₹ 1/- each and 23,436 Preference Shares of ₹ 1/- each and 1,227,123 forfeited Equity Shares of ₹ 1/- each, paid up ₹ 0.50/- per Equity Shares.

Registered Office

During the year under review, the Registered office of the Company is continued to be situated at 'Unit No. 38, 1st Floor, A wing, Madhu Industrial Estate, P. B Marg, Worli, Mumbai - 400013'.

Corporate Governance & Policies

Your Company is in compliance with the Corporate Governance requirements mentioned under SEBI Listing Regulations and applicable provisions of the Companies Act, 2013. In terms of Schedule V of the Listing Regulations, a detailed report on Corporate Governance together with the

Compliance Certificate issued by Secretarial Auditor of the Company is attached to and forms an integral part of this report. Management Discussion and Analysis Report as per Listing Regulations are presented as separate section forming part of the Annual Report.

In compliance with the requirements of Companies Act, 2013 and SEBI Listing Regulations, your Board has approved various Policies including Code of Conduct for Directors & Senior Management, Material Subsidiary Policy, Insider Trading Code, Document Preservation Policy, Material Event Determination and Disclosure Policy, Fair Disclosure Policy, Corporate Social Responsibility Policy, Whistle Blower and Vigil Mechanism Policy, Related Party Transaction Policy, Dividend Policy and Remuneration Policy. All these policies and codes have been uploaded on Company's website www.sitinetworks.com. Additionally, Directors Familiarisation Programme and Terms and Conditions for appointment of Independent Directors can be viewed on Company's website www.sitinetworks.com.

In compliance with the requirements of Section 178 of the Companies Act, 2013, the Nomination & Remuneration Committee of your Board had fixed various criteria for nominating a person on the Board which *inter alia* include desired size and composition of the Board, age limits, qualification/experience, areas of expertise and independence of individual. The Committee had also approved in-principle that the initial term of an Independent Director shall not exceed three (3) years.

Corporate Social Responsibility

The provisions of Section 135(5) of the Companies Act, 2013, which provides for spending in every financial year at least two percent of the average net profits of the Company made during the three immediately preceding financial years, is not applicable to the Company as the Company had incurred losses during the three immediately preceding financial years.

Disclosures

- i. **Particulars of Loans, Guarantee or Investments:** Particulars of loans, guarantees and investments made by the Company required under Section 186(4) of the Companies Act, 2013 are contained in Note No. 46 of the Standalone Financial Statements and are not reproduced for the sake of brevity.
- ii. **Related Parties Transactions:** All contracts/arrangements/ transactions entered by the Company during the financial year with related parties were on arm's length basis, in the ordinary course of business and in compliance with the applicable provisions of the Companies Act, 2013 and Listing Regulations.

During the financial year 2017-18, there are no materially significant related party transactions by the Company with Promoters, Directors, Key Managerial Personnel

or other designated persons, if any, which may have a potential conflict with the interest of the Company at large. Details of related party transactions will be available on Company's website www.sitinetworks.com.

All related party transactions, specifying the nature, value and terms and conditions of the transactions including the arms-length justification, are placed before the Audit Committee for its approval and statement of all related party transactions carried out is placed before the Audit Committee for its review on a quarterly basis. During the year under review, there have been no materially significant related party transactions by the Company as defined under Section 188 of the Act and Regulation 23 of the Listing Regulations and accordingly, no transactions are required to be reported in Form AOC-2 as per Section 188 of the Companies Act, 2013.

iii. **Extract of Annual Return:** The extract of annual return in MGT-9 as required under Section 92(3) of the Companies Act 2013, read with Companies (Management & Administration) Rules, 2014 will be available on the website of the Company www.sitinetworks.com.

iv. **Internal Financial Control systems and their adequacy:** Your Company has approved internal financial controls and policies/ procedures for orderly and efficient conduct of the business including safeguarding of assets, prevention and detection of frauds and errors, ensuring accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The Audit Committee evaluates the internal financial control system periodically. Your Company has adopted accounting policies which are in line with the Indian Accounting Standards (Ind-AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules,

2015. These are in accordance with Generally Accepted Accounting Principles in India.

v. **Vigil Mechanisms/Whistle Blower Policy:** The Company has established a vigil mechanism/framed a whistle blower policy. The policy enables the employees and other stakeholders to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

vi. **Sexual Harassment:** The Company has zero tolerance for Sexual Harassment at work place and has adopted a Policy on prevention of Sexual Harassment in line with the provisions of Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

During the year under review, your Company has not received any complaint on sexual harassment.

vii. **Regulatory Orders:** No significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The Company is a Multi System Operator (MSO) and is carrying on business of, *inter alia*, reception of signals of channels of various Broadcasters and distribution of same through cable networks. Since this does not involve any manufacturing activity, most of the Information required to be provided under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, are nil / not applicable. The information, as applicable are given hereunder:

Conservation of Energy:

i. The steps taken or impact or conservation of energy	Your Company, being a service provider, has minimal energy consumption. Though, every endeavour is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible.
ii. The steps taken by the Company for utilizing alternate sources of energy	
iii. The capital investment on energy conservation equipments	

Technology Absorption:

i. The efforts made towards technology absorption	Your Company uses latest technology and equipment for distribution of Cable TV signals. However, since the Company is not engaged in any manufacturing, the information in connection with technology absorption is Nil.
ii. The benefits derived like product improvement, cost reduction, product development or import substitution	
iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
a. the details of technology imported	
b. the year of import;	
c. whether the technology been fully absorbed	
d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
iv. The expenditure incurred on Research and Development	

Foreign Exchange Earnings and Outgo: During the year under review, your Company had foreign exchange earnings of ₹ 29.81 million and outgo of ₹ 941.36 million.

Human Resources & Particulars of Employees

The differentiator in today's world between any two organization is the Human Capital, while technology and capital are accessible equally to business organization, challenge lies in attracting and hiring the talent.

SITI has always strived to attract and retain best of the talent, constantly grooming its work force.

Human Resource (HR) function and leadership team ensures that talent management and performance management run as a symbiotic & complimenting process across the organization and permeates at all levels. While the performance of the organization is propelled by the challenging business dynamics and superior performance and are equipped to handle the volumes and scales.

We have identified the High Potential performers in 2018-19 annual appraisals. These High Pots will be put on track which differentiates them for propelling the organization further by furthering the business and there by developing the second line of leadership.

The home-grown talent will be nurtured through a very well thought mentoring program which would ensure their retention and carve a growth path, giving them visibility cross functionally and vertical movement through the lattices.

For capacity development and out of the box thinking, synergies are created between the people with experience

from the industry and hand-picked talent from cross industry experience. This blend has brought a lot of value add to SITI and has led to path breaking synergies.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is attached as Annexure – IV which forms part of this report.

Acknowledgements

The Board of Directors wish to place on record their sincere appreciation for the contribution made by the employees at all levels, but for whose hard work and support your Company's achievements would not have been possible. The Board of Directors also wish to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, various Governmental Authorities including Ministry of Information and Broadcasting, Telecom and Regulatory Authority of India, Stock Exchanges, Depositories and other stakeholders including local cable operators, viewers, broadcasters, vendors.

For and on behalf of the Board

Suresh Arora

Whole Time Director
DIN 00299232

Kavita Kapahi

Independent Director
DIN 02330706

Noida, August 12, 2019

ANNEXURE - I
Form No. MR-3
SECRETARIAL AUDIT REPORT

for the Financial Year Ended March 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
SITI Networks Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SITI Networks Limited (hereinafter referred to as "the Company") having its registered office at Unit No.38, 1st Floor, A Wing, Madhu Industrial Estate, P.B. Marg, Worli, Mumbai - 400013 and corporate office at UG Floor, Plot No. 19 & 20, Sector -16A, Film City, Noida, Uttar Pradesh-201301. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by SITI Networks Limited for the financial year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client.
- (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

** No event took place under these regulations during the audit period.*

(vi) Other laws:

- 1. Labour Laws:**
(Central Act):
 - a. ESI Act;
 - b. EPF Act

2. Fiscal Laws:

- a. Income Tax Act and Rules and regulation made there under to the extent filing of the Return under the Act;
- b. Service Tax Act;
- c. Indian Stamp Act to the extent applicable to the issue of Securities under the Companies Act, 2013;
- d. Foreign Exchange management act, 1999 and the rules and regulations made there under to the extent of foreign direct investment and Overseas Direct Investment.

3. Industry Specific Laws:

- a. The Telecom Regulatory Authority of India Act, 1997 and Regulations made thereunder;
- b. The Cable Television Network (Regulation) Act, 1995 and rules framed thereunder.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with the National Stock Exchange Limited and BSE Limited in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive

Directors and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit by other designated professional.

We further report that during the audit period the Company has provide details of specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For **Amit Agrawal & Associates**
Company Secretaries

CS Amit Agrawal
Proprietor

Place: Delhi
Date: May 30, 2019

FCS No. 5311, CP No. 3647

ANNEXURE – II

Statement containing salient features of the financial statement of subsidiaries/ associates companies/ joint ventures
(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

PART "A": Subsidiaries

Name of the Subsidiary	Indian Cable Net Company Ltd.	Master Channel Community Network Pvt. Ltd. ¹	Siti Vision Digital Media Pvt. Ltd.	Siti Bhatia Network Entertainment Pvt. Ltd.	Siti Maurya Cable Net Pvt. Ltd. ²	Siti Jai Maa Durgee Communications Pvt. Ltd.	Siti Guntur Digital Network Pvt. Ltd.	Siti Krishna Digital Media Pvt. Ltd.	Siti Faction Digital Pvt. Ltd.
Reporting Period	April 1, 2018 March 31, 2019	April 1, 2018 March 31, 2019	April 1, 2018 March 31, 2019	April 1, 2018 March 31, 2019	April 1, 2018 March 31, 2019	April 1, 2018 March 31, 2019	April 1, 2018 March 31, 2019	April 1, 2018 March 31, 2019	April 1, 2018 March 31, 2019
Reporting Currency	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million
Share Capital	864.01	0.50	14.78	0.00	90.28	0.10	0.10	0.10	0.10
Reserve & Surplus	3,429.00	106.19	30.95	0.00	193.36	(73.36)	16.06	(2.81)	(25.55)
Total Asset	8,218.50	820.67	1,048.70	0.00	772.15	19.46	80.67	22.60	161.43
Total Liabilities	3,925.50	713.98	1,002.97	0.00	488.50	92.71	64.51	25.31	186.88
Investments	179.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Turnover	3,691.40	561.20	483.65	3.10	551.24	(0.13)	0.35	0.25	3.09
Profit before taxation	136.60	(8.34)	56.05	(1.30)	13.89	(0.83)	(0.69)	(5.44)	(9.29)
Provision for taxation	77.20	(1.27)	0.00	0.00	5.49	0.00	(0.07)	0.00	(0.65)
Profit after taxation	59.50	(7.07)	56.05	(1.30)	8.40	(0.83)	(0.62)	(5.44)	(8.63)
Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
% of shareholding	60.02	66.00	51.00	51.00*	50.10	51.00	74.00	51.00	51.00

* The Company has sold entire stake of the Company in its non-material subsidiary company, namely Siti Bhatia Network Entertainment Pvt. Limited w.e.f. June 14, 2018

¹ Subsidiary of Central Bombay Cable Network Limited

² Subsidiary of Indian Cable Net Company Limited

Name of the Subsidiary	Siti Global Pvt. Ltd.	Siti Siri Digital Network Pvt. Ltd.	Siti Karnal Digital Media Network Pvt. Ltd.	Siti Broadband Services Pvt. Ltd.	Siti Jind Digital Media Communications Pvt. Ltd.	Siti Jony Digital Cable Network Pvt. Ltd.	Central Bombay Cable Network Ltd.	Wire and Wireless Tisai Satellite Ltd.	Siticable Broadband South Ltd.
Reporting Period	April 1, 2018 March 31, 2019	April 1, 2018 March 31, 2019	April 1, 2018 March 31, 2019	April 1, 2018 March 31, 2019	April 1, 2018 March 31, 2019	April 1, 2018 March 31, 2019	April 1, 2018 March 31, 2019	April 1, 2018 March 31, 2019	April 1, 2018 March 31, 2019
Reporting Currency	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million
Share Capital	0.10	0.10	0.10	0.10	2.00	0.10	0.50	0.50	2.33
Reserve & Surplus	(10.71)	10.29	(39.87)	(324.71)	1.36	(3.76)	(18.37)	(99.88)	(20.31)
Total Asset	61.00	1,571.56	164.83	368.61	134.39	10.24	42.44	3.36	87.26
Total Liabilities	71.61	1,561.18	204.60	693.22	131.03	13.90	60.31	102.73	105.23
Investments	0.00	0.00	0.00	0.00	0.00	0.00	0.39	0.00	3.50
Turnover	24.24	739.74	0.00	194.23	63.95	0.44	0.00	0.00	0.00
Profit before taxation	(4.56)	(1.15)	(27.04)	(62.94)	(3.55)	(2.88)	(0.08)	(0.08)	(0.11)
Provision for taxation	(0.76)	(6.77)	0.00	(1.36)	1.58	0.51	0.00	0.00	0.00
Profit after taxation	(3.80)	5.61	(27.04)	(61.59)	(5.13)	(3.39)	(0.08)	(0.08)	(0.11)
Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
% of shareholding	51.00	51.00	51.00	100.00	57.50 ³	51.00	100.00	51.00	100.00

³ Include 6.50% held by Siticable Broadband South Limited.

Name of the Subsidiary	Indinet Service Private Limited ⁴	Siti Prime Uttaranchal Communication Private Limited	Siti Sagar Digital Cable Network Private Limited	Siti Saistar Digital Media Private Limited	Siti Godaari Digital Services Private Limited	Variety Entertainment Private Limited	Axom Communications & Cable Private Limited ⁵	Siti Networks India LLP
Reporting Period	April 1, 2018	April 1, 2018	April 1, 2018	April 1, 2018	April 1, 2018	April 1, 2018	April 1, 2018	April 1, 2018
	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019
Reporting Currency	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million
Share Capital	0.10	0.20	0.10	0.10	0.10	0.10	2.50	0.10
Reserve & Surplus	(17.12)	29.20	(4.38)	(188.54)	(4.54)	(23.99)	354.06	(0.09)
Total Asset	221.16	165.52	62.67	589.39	144.98	1,005.16	914.54	400.10
Total Liabilities	238.18	136.13	66.95	777.83	149.43	1,029.05	557.97	400.09
Investments	0.00	0.00	0.00	0.00	0.00	60.00	0.00	0.00
Turnover	717.80	70.85	1777	170.31	0.00	50.02	315.87	0.00
Profit before taxation	(14.77)	(0.67)	(2.90)	(140.76)	0.00	(14.76)	91.10	(0.09)
Provision for taxation	(3.88)	4.14	2.33	0.00	0.00	0.08	23.83	0.00
Profit after taxation	(10.90)	(4.81)	(5.24)	(140.76)	0.00	(14.84)	67.27	(0.09)
Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
% of shareholding	100.00	51.00	51.00	51.00	100.00 ⁶	100.00	50.00	

⁴ Wholly owned subsidiary of Indian Cable Net Company Limited

⁵ Subsidiary of Indian Cable Net Company Limited

⁶ Include 49% held by Variety Entertainment Private Limited

PART "B" ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/ Joint Ventures	Siti Chhattisgarh Multimedia Private Limited	Voice Snap Services Private Limited	C&S Medianet Private Limited
Latest Audited Balance Sheet date	*		
Share of Associate/ Joint Ventures held by the Company on the year end			
• No.	*123,000	**6,667	4,800
• Amount of Investment in Associates/ Joint Ventures (Rs.in million)	1.23	60.00	0.05
• Extend of Holding %	*41%	**40.00%	48%
Description of How there is significant influence		Control of more than 20% of the Total Share Capital through its subsidiary company Variety Entertainment Private Limited	Control of more than 20% of the total Share Capital.
Reason why the associate/ joint venture is not consolidated		-	-
Networth attributable to shareholding as per latest audited Balance Sheet	-	-	-
Profit/ Loss for the Year			
i. Considered in Consolidation (₹ in million)	0.00	0.00	0.00
ii. Not Considered in Consolidation			

* Ceased to be associates as 41% Equity Shares held by Siti Bhatia Network Entertainment Private Limited, which ceased to be subsidiary company of the Company w.e.f. June 14, 2018.

** Held through Variety Entertainment Private Limited

ANNEXURE – III

DISCLOSURES AS REQUIRED UNDER REGULATION 14 OF THE SEBI (SHARE BASED EMPLOYEES BENEFITS) REGULATIONS, 2014 READ WITH SEBI CIRCULAR DATED JULY 16, 2015

Sl. No.	Particulars	Details
1	Relevant disclosures in terms of the Guidance Note on Accounting for employees share-based payment issued by ICAI or any other relevant Accounting Standards as prescribed from time to time.	Refer Note no. 34 of standalone financial statements for the year ended March 31, 2019.
2	Diluted EPS on issue of shares pursuant to all the Schemes covered under the regulations shall be disclosed in accordance with Accounting Standard 20 - Earning Per Share issued by ICAI or any other relevant accounting standards as prescribed from time to time	Diluted EPS as per Indian Accounting Standards-33 is ₹ (2.6) (Refer Note 31 of standalone financial statements).
3.	Details relating to ESOS	
i.	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS including:	Presently the Company has only one ESOP Scheme namely – SITI ESOP 2015.
	a. Date of Shareholders approval	August 27, 2015
	b. Total No. of Options approved under ESOP	33,881,656 Stock Options
	c. Vesting Requirements	The Options granted shall vest, not earlier than one year and not later than five years from the date of grant of options, so long as the employee continues to be in the employment of the Company, as the case may.
		Vesting shall happen in one or more tranches, subject to such terms and conditions of vesting as may be decided by the Board / Nomination & Remuneration Committee including but not limited to certain performance metrics subject to which the options would vest.
		The specific vesting schedule and conditions, if any, subject to which vesting would take place would be outlined in the Letter of Grant given to the Grantee at the time of the Grant of Options.
	d. Exercise Price or pricing formula	The exercise price shall be equal to the latest available closing market price (on that stock exchange where there is highest trading volume) on the date prior to the date on which the options are granted to the employees.
	e. Maximum term of Options granted	Options granted under SITI ESOP 2015 scheme shall be capable of being exercised within a period of four years from the date of each Vesting of the respective Stock Options.
	f. Source of share (primary, secondary or combination)	Primary
	g. Variation in terms of Options	None
ii.	Method used to account for ESOS Intrinsic or fair value.	Fair Value Method

Sl. No.	Particulars	Details
iii.	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	Not applicable as the Company has accounted for the Stock Option at Fair Value using a variation of the binominal option pricing model as detailed in Note No. 34 of standalone financial statements for FY 2018-19.
iv.	Option movement during the year:	
	Number of options outstanding at the beginning of the FY 2018-19	2,852,275 Stock Options
	Number of options granted during FY 2018-19	Nil
	Number of options forfeited / lapsed during FY 2018-19	Nil
	Number of options vested during FY 2018-19	137,595 Stock Options
	Number of options exercised during FY 2018-19	Nil
	Number of shares arising as a result of exercise of options	Nil
	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	Nil
	Loan repaid by the trust during the year from exercise price received	Nil
	Number of options outstanding at the end of FY 2018-19	2,852,275 Stock Options
	Number of options exercisable (vested) at the end of FY 2018-19	2,852,275 Stock Options
v.	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	No options were exercised during the financial year 2018-19. The weighted average share price per share at the date of exercise in the financial year 2016-17 was ₹ 39.05 per share.
vi.	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to (a) Senior Managerial Personnel; (b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and (c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	No options were exercised during the financial year 2018-19. Therefore, details under this head are nil.
vii.	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information viz. (a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model; (b) the method used and the assumptions made to incorporate the effects of expected early exercise; (c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and (d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	Refer Note 34 to the Notes to standalone financial statements for FY 2018-19 for description of method and significant assumptions used to estimate fair value of Options granted during FY 2018-19.

ANNEXURE – IV

PARTICULARS OF REMUNERATION OF EMPLOYEES

{Pursuant to Section 197 read with Rule 5 of Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014}

DISCLOSURE OF MANAGERIAL REMUNERATION PURSUANT TO SECTION 197 READ WITH RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A. Remuneration of each Director and Key Managerial Personnel (KMP) along with particulars of increase during the financial year, ratio of remuneration of Directors to the Median remuneration of employees and comparison of remuneration of each KMP against Company's standalone performance:

S. No.	Name of the Director-KMP and Designation	% increase in remuneration in FY 2018-19	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Sidharth Balakrishna, Whole-Time Director*	9.5%	14:01
2.	Mr. B. K. Syngal, Independent Director [®]	Nil	-
3.	Mr. Vinod Kumar Bakshi, Independent Director [®]	Nil	-
4.	Ms. Kavita Kapahi, Independent Director	Nil	-
5.	Prof. Sunil Kumar Maheshwari, Independent Director	Nil	-
6.	Mr. Sanjay Berry, Chief Financial Officer [Ⓜ]	4%	NA
7.	Mr. Suresh Kumar, Company Secretary	7%	NA

Note :

* Mr. Sidharth Balakrishna resigned from the office of Director w.e.f April 15, 2019

[®] Mr. B. K. Syngal and Mr. Vinod Kumar Bakshi voluntarily stepped down from the Board of the Company with effect from the close of business on March 31, 2019

[Ⓜ] Mr. Sanjay Berry appointed as Chief Financial Officer of the Company w.e.f. September 1, 2017. Accordingly, proportionate increment was given to him.

S. No.	Requirements	Disclosure
1.	The percentage increase in the median remuneration of employees in the financial year 2018-19.	7%
2.	The number of permanent employees on the rolls of the Company	362
3.	Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Non-managerial - 7%, Managerial - 6.83% This is based on Remuneration Policy of the Company that rewards personnel differently based on their contribution to the success of the Company and also ensures that external market competitiveness and internal relatives are taken care of.
4.	Affirmation that the remuneration is as per the remuneration policy of the Company.	The Company affirms that the remuneration is as per the remuneration policy of the Company.

B. DISCLOSURES RELATING TO REMUNERATION DRAWN BY EMPLOYEES IN TERMS OF SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

1. Top ten employees in terms of remuneration drawn:

Sl. No.	Name and age	Designation	Remuneration Received	Qualification and experience	Date of joining	Last Employment
1.	Alok Govil (58)	Chief Operating Officer - Video	13,643,550	PGDMM (37)	01-Jul-17	Zee Entertainment Enterprises Ltd.
2.	Ashish Bhatia (56)	Chief Operating Officer – Broadband	12,051,771	MBA/PGDBM (21)	05-Jul-17	MTS (Sistema Shyam Teleservices)
3.	Ashish Goel (49)	Chief Human Resource Officer	2,524,800	MPM from Pune University (24)	01-Oct-18	Technicon Group-Technology & Solution Company Oil and Gas
4.	Ganpat Singh Bhati (44)	Head – Customer Services and Process & IT	6,297,730	MBA (20)	01-Jul-2017	Zee Entertainment Enterprises Ltd.
5.	Girish Buttan (51)	Head – Legal	3,855,789	LLB, CS, MBA (26)	01-Jan-2019	Essel Business Excellence Services Ltd.
6.	Rajesh Sethi (48)	Chief Business Transformation Officer	35,393,135	BE, PGDM, PDIB and Executive Education from Harvard, INSEAD and Kellogg Business School (27)	01-Jul-17	Zee Entertainment Enterprises Ltd.
7.	Sanjay Berry (50)	Chief Financial Officer	10,740,266	B.Com(H), CA, Executive Leadership (Cornell University) (27)	01-Sep-17	SITI Networks Ltd.
8.	Vikas Bajaj (45)	Chief Operating Officer - Video	9,477,322	B.Tech, MBA & Certified Financial Risk Manager from GARP, USA (27)	01-Sep-17	Zee Entertainment Enterprises Ltd.
9.	Vikram Jit Singh (44)	Chief Human Resource Officer	1,937,738	MBA, GINM from IP University (17)	02-Jan-2018	IPE Global as Director Head
10.	Yogesh Sharma (49)	Chief Operating Officer – Video	6,723,270	B.Tech (24)	15-Jan-2018	Mediant System Pvt. Ltd.

2. Employed throughout the year and in receipt of remuneration aggregating ₹ 1.02 Crores or more per annum

Sl. No.	Name and age	Designation	Remuneration Received	Qualification and experience	Date of joining	Last Employment
1.	Alok Govil (58)	Chief Operating Officer - Video	13,643,550	PGDMM (37)	01-Jul-17	Zee Entertainment Enterprises Ltd.
2.	Ashish Bhatia (56)	Chief Operating Officer – Broadband	12,051,771	MBA/PGDBM (21)	05-Jul-17	MTS (Sistema Shyam Teleservices)
3.	Rajesh Sethi (48)	Chief Business Transformation Officer	35,393,135	BE, PGDM, PDIB and Executive Education from Harvard, INSEAD and Kellogg Business School (27)	01-Jul-17	Zee Entertainment Enterprises Ltd
4.	Sanjay Berry (50)	Chief Financial Officer	10,740,266	B.Com(H), CA, Executive Leadership (Cornell University) (27)	01-Sep-17	SITI Networks Ltd.

3. Employed for part of the year and in receipt of remuneration aggregating ₹ 8.5 lakh or more per month - NIL

Note :

- i All appointments are contractual and terminable by notice on either side.
- ii None of the employee are related to any of the Directors
- iii Remuneration is as per sub-Section (1), (2) and (3) of Section 17 of the Income Tax Act, 1961.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Indian Economic Review

India's economy continues to be on the trajectory to be one of the fastest-growing major economies in the world. India retained its spot as the fastest-growing major economy in the world and surpassed China in terms of real Gross Domestic Product (GDP) growth in 2014 and remained higher since. Having overcome the transitory hurdles of Goods & Services Tax (GST), the economy is on its path to recovery with gradual revival in investments, sustained rise in consumption and credit growth recovery. Its macro-economic fundamentals continue to remain healthy. Foreign Direct Investment (FDI) inflows in India stood at USD 42 billion in 2018, reflecting the growing investor confidence in the Indian economy.

As per the World Bank's Ease of Doing Business 2019 Report, India's ranking improved by 23 positions to 77 rank in 2018. A jump of 23 notches from the previous year is significant and can be attributed to the implementation of bold and path-breaking reforms by the Government, FDI liberalisation norms, Real Estate (Regulatory and Development) Act (RERA), and bank recapitalisation programme, among others. These structural reforms have helped improve the business climate and boosted growth prospects. On the World Economic Forum's global competitiveness index for 2018, India has been ranked as the 58th most competitive economy, up five places from 2017, the largest gain among G20 economies.

India's per capita nominal GDP is estimated to have grown by 10.6% in 2018, a five-year high, to ₹ 140,000, as compared to a growth of 8.5% in 2017. According to IHS Markit, India is expected to become the fifth-largest economy in the world in 2019, reaching a total GDP size exceeding USD 3 trillion, overtaking the United Kingdom.

(Source: <https://economictimes.indiatimes.com/news/economy/indicators/india-to-become-5th-largest-economy-globally-this-year-2nd-in-apac-region-by-2025/articleshow/69638064.cms>)

Growth in GDP is expected to witness a revival post the strong electoral mandate at the Centre, making way for prudent macroeconomic policies on both fiscal and monetary fronts. The second advance estimates released by Central Statistics Offices (CSO) projected India's Gross Domestic Product (GDP) growth at 6.8% in FY 2018-19, slightly lower than 7.2% witnessed in FY 2017-18. However, measures like structural reforms, continued Government focus on various growth-oriented policies, fiscal discipline, low inflationary pressure, efficient delivery of services amidst rising interest rates and currency volatility continued to improve macro-economic stability and buoy the economy.

(Source: http://www.mospi.gov.in/sites/default/files/press_release/Press%20Note%20PE%202018-19-31.5.2019-Final.pdf)

India's GDP growth rate

	GDP growth in %
2013-14	6.6
2014-15	7.2
2015-16	7.6
2016-17	7.1
2017-18	7.2
2018-19	6.8

Source: CSO

Inflation has remained under check led by various Government initiatives. Whole Sale Price Index (WPI) Inflation around 3% levels since December 2018 led by cheaper fuel and manufactured items. For the entire FY 2018-19, the WPI inflation stood at 3.18% as compared to 2.74% during the previous year. With retail inflation level being within Reserve Bank of India (RBI's) target of 4%, two rate cuts of 25 basis points each were initiated in February and April 2019, taking the repo rate to 6%. This is likely to give a boost to the economic growth. Indian rupee weakened on the back of negative Foreign Institutional Investor (FII) flows and worsening current account, though the fall was stemmed as inflation stayed low.

Outlook

As per the World Economic Outlook Update (July 2019), the International Monetary Fund (IMF) has projected Indian economy to grow at 7% in 2019 and 7.2% in 2020. Economic growth is seen benefiting from lower oil prices and a slower pace of monetary tightening than previously expected, as inflation pressures ease. Though India continues to be the fastest-growing economy in the world, it is important to address growth issues like moderate rural income growth and manufacturing sector growth to ensure robust future growth prospects.

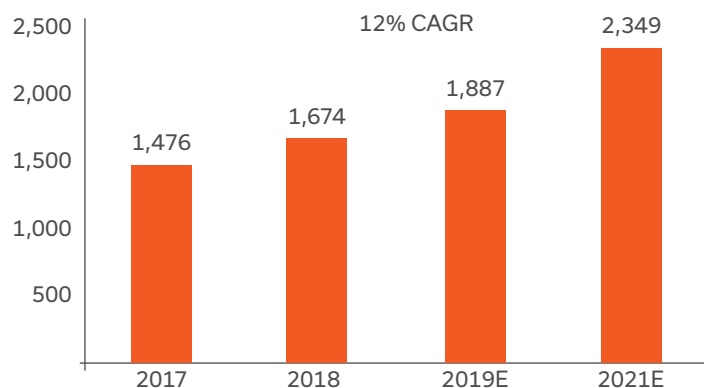
INDUSTRY REVIEW

Media & Entertainment Industry

The Indian Media and Entertainment (M&E) industry is a sunrise sector of the economy, making high growth strides. Proving its resilience to the world, the Indian M&E industry is on the cusp of a strong phase of growth, backed by rising consumer demand. The Indian M&E sector grew to ₹ 1.67 trillion (USD 23.9 billion) in 2018 from ₹ 1.48 trillion (USD 22.7 billion) in 2017, registering 13.4% growth. According to the EY-FICCI Report, A Billion Screens of Opportunity – March 2019, the M&E sector is expected to reach ₹ 2.35 trillion (USD 33.6 billion) by 2021, growing at 12% CAGR during

2018-21. The industry has largely been driven by increasing digitisation and higher internet usage over the last decade, but still the television industry forms the largest segment within the M&E industry and is growing at a healthy rate. The Government and the regulator have supported the sectoral growth through various initiatives. A new Tariff Order was introduced to bring in transparency and a power of choice in the hands of the consumers. This will help the industry to grow in an efficient and market-driven manner and will benefit all the stakeholders in the long term.

Indian M&E sector performance (in ₹ Billion)



Source: EY-FICCI Report, A billion screens of opportunity – March 2019

Television (TV) Industry

Television segment grew 12% in 2018

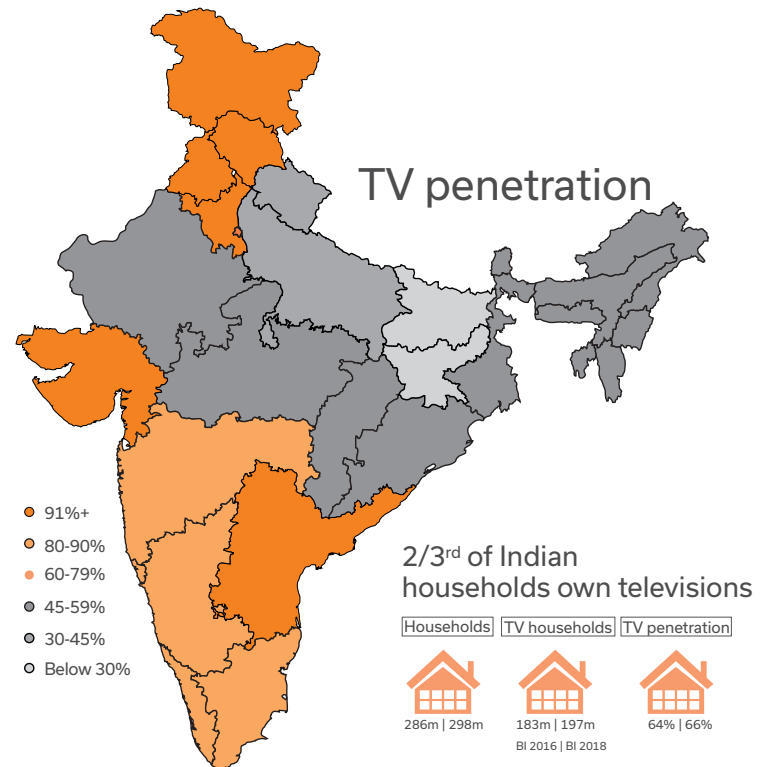
	2017	2018	2019E	2021E
Advertising	267	305	333	403
Distribution	393	435	481	551
Total	660	740	815	955

The TV industry grew by 12.1% to reach ₹ 740 billion in 2018 from ₹ 660 billion in 2017. It continued to be the largest segment in the M&E sector. The growth was led by a strong performance by regional brands, multiple sporting events and impact properties. Advertising comprised 41% of segment revenues in 2018 at ₹ 305 billion, while distribution continued to dominate the pie with a contribution of ₹ 435 billion.

According to TAM AdEX, TV advertisers stood at 10,962 with 16,857 brands, of which 5,382 advertisers were exclusively on TV and not on print or radio. Advertisement insertions and revenues increased 15% and 14%, respectively, in 2018. Regional advertising outpaced national advertising growth as national brands increased spending to grow in non-metro markets where GST had created a level-playing field between national and regional brands.

There is a trend of broadcasters bundling and selling advertisements across OTT and linear platforms for better monetisation of marquee properties, and boosting utilisation of digital inventory. Advertisers were, thus, able to provide separate messaging to segmented audiences and enable trial, sales and connect with the viewer.

Television Trendbook



All data has been provided by BARC and is based on their research. It has not been validated by EY, and presented in summary form for representation purposes only. BI refers to BARC's Broadcast India survey

Cable and Satellite

As per the latest Broadcast India survey, television owning households increased to 197 million, up 7.5% over 2017 compared to a 4.2% growth in total Indian households to 298 million. As a result, TV penetration increased to 66% in 2018 as compared to 64% in 2016. Led by the electrification for all push by the Government, Bihar and Jharkhand showed highest the growth in television households. There was a robust 50% increase in LED / LCD / plasma television sets and with 57% in HD viewership.

TV owning households increased to 197 million

Mode of signal	2017	2018
Cable	98.5	103
DTH*	52	56
HITS	1.5	2
Free TV	31	36
Total	183	197

Television households in millions | BARC, EY analysis

* Net of temporarily suspended subscribers

State group	Growth%
Bihar/Jharkhand	24%
Assam/North East/Sikkim	21%
Odisha	12%
AP/Telangana	11%
Karnataka	9%

Source: BARC

New Tariff Order

The Telecom Regulatory Authority of India (TRAI) issued the new tariff order in the financial year enabling the consumers to choose the TV channels of their preference and pay only for them at maximum retail prices set by broadcasters as opposed to the bouquets offered earlier. TRAI has mandated every distributor to offer all channels available on its network to all subscribers on a-la-carte basis and declare distributor retail price per month of each pay channel payable by a subscriber.

Broadband

As per Kantar IMRB's ICUBE 2018 report that tracks digital adoption and usage trends in India, the number of internet users in India is estimated at 566 million as of December 2018, up 18% over the previous year with a penetration of 40%. With around 4 billion internet users in the world, every one in eight internet users are Indian.

While subscribers of narrowband (speed of <512 kbps) reduced by 30% to 58 million, that of broadband increased 41% from 363 million in December 2017 to 512 million in November 2018. Urban internet users grew 19% from 314 million to 373 million during the same period, while rural internet users grew 49% to reach 197 million.

Broadband subscribers recorded a growth of 44.7% in 2018 over the previous year, recording the lowest growth since 2014, as per the latest data by the Telecom Regulatory Authority of India (TRAI). The overall broadband subscribers reached 525 million, growing at a CAGR of 43.7% in the last five years. In addition, the broadband wireless subscribers crossed the 500 million mark, whereas fixed broadband subscribers continued to drop.

As per an industry report, India adds 40 million internet users on an average annually, which is among the fastest in the world. An Indian subscriber consumes around 8GB mobile data per month on an which is comparable to the levels seen in developed markets.

(Source: EY-FICCI report "A billion screens of opportunity" - March 2019, <https://inc42.com/features/indias-internet-speed-has-increased-in-2019-but-its-overall-rank-is-worse/>)

Policy Initiatives

The Government, along with the regulator, has taken various steps for achieving inclusive growth in the industry. This is being done with a vision to provide more choice to the consumer and to bring in the transparency and efficiency in

the industry. The regulator and the Government are together working to establish price parity in rates between DTH and cable platforms. Declaring maximum retail price of channels has also been made mandatory for broadcasters to bring in increased transparency in the broadcasting industry and make it more user-friendly.

New Tariff Regime for Broadcast and Distribution

In 2017, TRAI released the Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) Regulations (Interconnection Regulations) and the Telecommunications (Broadcasting and Cable) Services (Eighth) (Addressable Systems) Tariff Order (Tariff Order), collectively called as the New Regulatory Framework. These regulations control broadcasters' and distributors' tariffs as well as govern the arrangements between various services providers engaged in broadcasting services.

Consumer Choices in the New Regulatory Framework

Keeping in mind public interest and consumer choice, TRAI made it mandatory for the Distribution Platform Operators (DPOs) to:

- offer subscription of a-la-carte channels and bouquets along with displaying the MRP of each channel on the Electronic Programming Guide (EPG)
- run a 'Consumer Information Channel' on Channel No. 999
- give consumers the right of choosing 100 Standard Definition channels including a-la-carte Free to Air (FTA) channels, pay channels/bouquet of pay channels or any combination thereof within the network capacity fee of ₹ 130

The new regulatory framework mandates the following:

- Requires the broadcasters to declare a monthly maximum retail price for a-la-carte channels
- Requires a levy of a network capacity fee, as well as a ceiling on the amounts chargeable by distributors as network capacity fees
- Lay rules by which broadcasters and distributors may charge for bouquets of channels and apply discounts and carriage fees

The Telecom Regulatory Authority of India (TRAI) is a statutory body set up by the Government of India under Section 3 of the Telecom Regulatory Authority of India Act, 1997. It is the regulator for the Telecommunications & Media sector in India. One of the key objectives is to provide a fair and transparent environment that promotes a level-playing field and facilitates fair competition in the market.

TRAI regularly issues orders and directions on various subjects such as tariffs, interconnections, quality of service, Direct To Home (DTH), Cable Television services and mobile number portability. For instance, the pricing laid down in the Interconnection Regulations and Tariff Order attempts to balance the rights of broadcasters and the interests of consumers.

TRAI had allocated time up to January 31, 2019 to subscribers and February 1, 2019 to distributors to get compliant with the new regulatory framework. However, Tata Sky, Airtel, Sun Direct and Discovery Channel filed a writ petition before the Delhi High Court, challenging validity of the Interconnection Regulations on merits and implementation hurdles of the Interconnection Regulations. Some of the issues challenged include the inability of freedom to contract between Broadcasters and Distribution Platform Owners (DPO), the caps on discounts between broadcasters and DPOs, the price caps imposed on DPOs, the mandatory caps on carriage fees and queuing systems put in place for carriage of channels resulting in a system of 'must carry', against consumer interest. These petitions are currently being heard by the Division Bench of the Delhi High Court.

Since the implementation of the new regulatory framework, the broadcasters and distribution platforms have faced several challenges. To address these, TRAI came up with 'Best Fit Plan' solution, which would be a blended combination of various genres based on consumers' usage pattern and language preference. The deadline for consumers to switch to this plan was extended by TRAI till March 31, 2019.

Additionally, TRAI amended the Telecommunications (Broadcasting and Cable) Services Standards of Quality of Service and Consumer Protection (Addressable Systems) Regulations, 2017 (Quality Regulations). This would make available a common framework for service quality standards across various platforms by prescribing requirements in connection with mandatory offering of a-la-carte channels and bouquets, maintenance of distributor websites and connection / suspension rights for subscribers.

The draft National Digital Communications Policy (NDCP) – 2018

NDCP attempts to outline a set of goals, initiatives, strategies and intended policy outcomes to digitally empower and further propagate digital communications to all citizens across India.

By 2022, the NDCP aims to accomplish the following objectives:

- Establish a comprehensive data protection regime for digital communications that safeguards the privacy, autonomy and choice of individuals and facilitates India's effective participation in the global digital economy
- Ensure that net neutrality principles are upheld and aligned with service requirements, bandwidth availability and network capabilities including next-generation access technologies
- Develop and deploy robust digital communication network security frameworks
- Build capacity for security testing and establish appropriate security standards
- Address security issues relating to encryption and security clearances
- Enforce accountability through appropriate institutional mechanisms to assure citizens of safe and secure digital communications infrastructure and services

NDCP aims to provide universal broadband connectivity at 50 Mbps to every citizen, 1 Gbps connectivity to all gram panchayats by 2020 (10 Gbps by 2022) and to ensure connectivity to all uncovered areas. The target is to attract investments worth USD 100 billion in the digital communications sector and train one million manpower for building new-age skills. NDCP is also making efforts to expand the Internet of Things (IoT) ecosystem to five billion connected devices and facilitate India's effective participation in the global digital economy through a review of the SATCOM policy and telecommunications legal and regulatory regime.

Industry Outlook

The M&E sector continues to grow faster than the GDP, reflecting the increasing disposable incomes and economic growth. India has the second-highest number of internet users after China with 566 million internet subscribers, growing at double-digit annually. The M&E sector reflects significant growth opportunity, India's young demographics.

According to the EY-FICCI Report, A Billion Screens of Opportunity – March 2019, the M&E sector is expected to reach ₹ 2.35 trillion (USD 33.6 billion) by 2021, growing at 12% CAGR during 2018-21. The industry is on an impressive growth path and is expected to grow at a much faster rate than the global average rate.

The growth of digital infrastructure is further enabling Indians to fulfil the need for personal content consumption across different languages and genres. There is a large shift in consumer behaviour from mass produced to customised content.

Online population is expected to grow exponentially from 446 million in 2017 to 840 million in 2022, out of which 135 million are expected to be fixed internet users. Networked devices are expected to grow from 1.7 billion in 2017 to 2.2 billion in 2022. 68% of networked devices are expected to be mobile-connected by 2022 with 4G to become the dominant technology. With this, consumer internet video traffic is expected to grow from 1.2 Exabyte (EB) per month in 2017 to 12 EB per month in 2022. 88B minutes (167,931 years) of video content will cross the internet each month by 2022. In a step to facilitate provision of fixed broadband access to 50% of households by 2022, Government will lay the foundation for 250,000 kms of fibre.

Rise of digitalisation is also likely to drive technical and product innovation and creation of captivating content that will not only boost viewership but firmly establish India's position as a global content hub. While films and television channels are accessible across 130 countries, the advent of globally distributed OTT platforms is expected to be a game changer for India.

The M&E segment is expected to benefit from the consumption push given by the Government through the Interim Budget 2019 in the form of direct transfers to farmers, raised standard deduction and tax rebates. With this, the industry is likely to witness higher subscription and advertising spends.

With a series of regulatory changes along with disruptions caused by digital technology, massive opportunities are being unleashed in the segment. SITI is well equipped to leverage its strong position in the industry to make the most of these opportunities. The Company has adopted the spirit of the National Digital Communications Policy and is aligned to its vision and mission. The implementation of the Tariff Order is expected to benefit SITI.

Company Overview

SITI Networks Limited (the Company), formerly known as "SITI Cable Network Limited", is part of one of the leading business houses in the country – Essel Group. The Group has a diverse portfolio of assets in media, packaging, entertainment, technology-enabled services, infrastructure development and education sectors. The Company is one of the India's largest Multi System Operator (MSO) with 10 digital head ends and a network of over 33,000 kms of optical fibre and coaxial cable. The Company provides cable services to around 580 locations and adjoining areas in the country. Its reach spreads across over 41 million active digital consumers.

The Company deploys state-of-the-art technology for delivering multiple TV signals to enhance consumer-viewing experience. Its product range includes Digital Cable Television, Broadband and Local Television Channels and Electronic programming. Under the SITI brand name, the Company, armed with its technical capability, provides services in digital mode along with Electronic Programming Guide (EPG) and Gaming Features through a Set Top Box (STB). During the year under review, the Company launched a subscriber self-care portal and "MySiti" android app to provide subscribers the freedom of choice, online payment and other direct functionalities.

Operational Review

During FY 2018-19, the Company's EBITDA (excluding activation) doubled to ₹ 3,001 million as compared to ₹ 1,508 million in FY 2017-18. Operating EBITDA margin increased to 21.2% from 12.0% in FY 2017-18. The video subscription revenues increased to ₹ 9,537 million in FY 2018-19, as compared to ₹ 7,997 million in FY 2017-18, registering 19% growth. During the financial year, the Company's active subscriber base stood at 8.2 million. Tariff order migration and prepaid implementation led to transient churn in the subscriber base. The Company expects that the subscriber base will revert to steady levels in the medium term.

Operational Performance

The Company has robust operations with superior technological prowess. During the year, the Company undertook several upgradations in the way it connects with the subscribers and line keeping with the recently implemented New Tariff Order. It managed to successfully implement the migration to New Tariff Order with the help of its business associates on a pan-India Basis. A migration process was developed which entailed preparing and disseminating tailored "best fit" plans, offering broadcaster bouquets and a-la-carte options to the end subscribers. This ensured effective systems and processes were put in place and working of operating teams was well synchronised. Further, the subscriber management system was significantly enhanced to allow seamless transition. Extensive use of digital mediums and on-ground business associates helped to create high level of subscriber awareness. The Company launched a subscriber self-care portal and "MySiti" android app to enable them freedom of choice, online payment and other direct functionalities. Also, the call centre capacity was significantly upgraded to ensure a prompt response for all subscribers and business associates. Currently, a substantial number of subscribers have constructed their own bespoke plans, while the rest are on the Company's "best fit" plans .

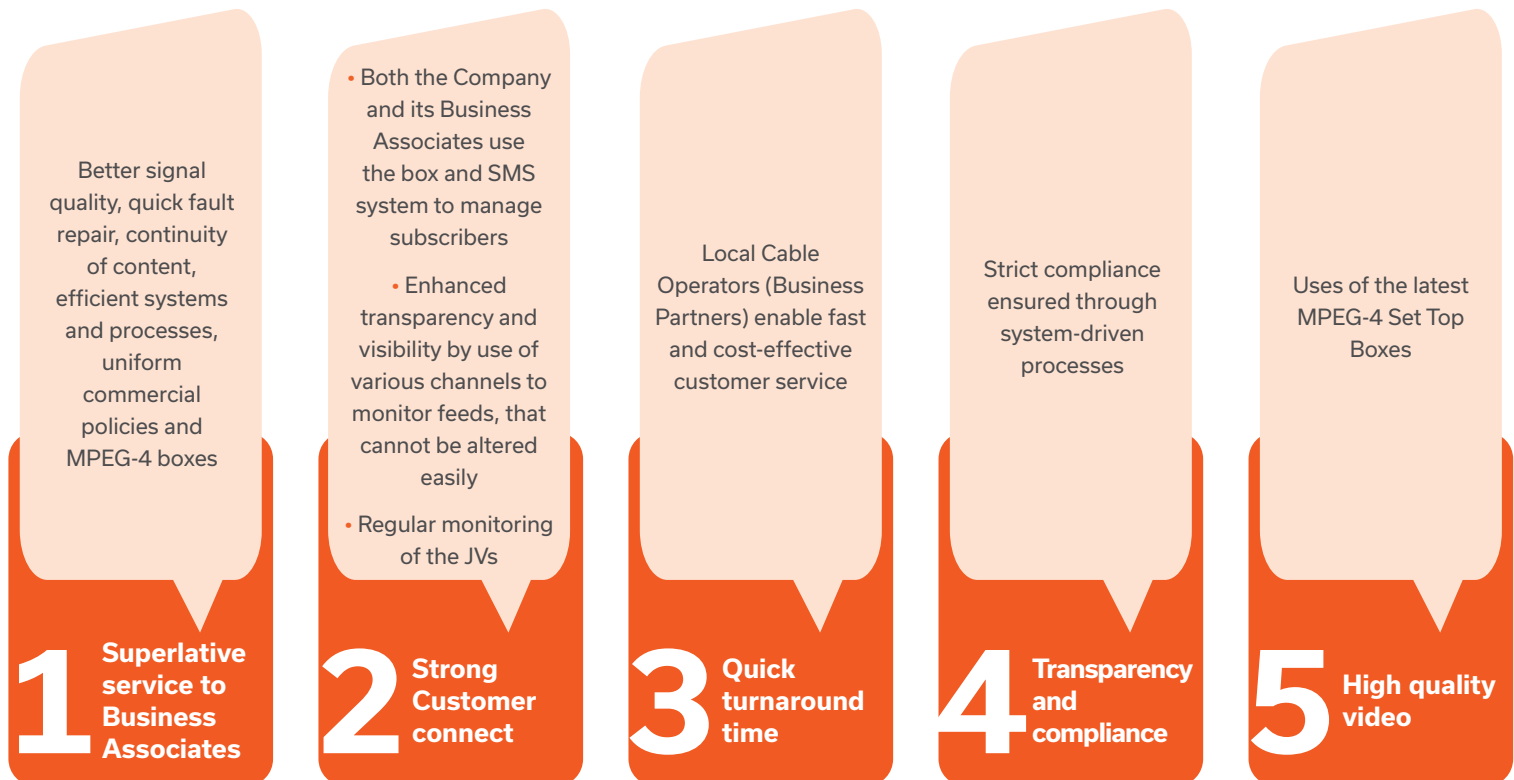
In accordance with the TRAI recommendation, the Company has launched SITI Info channel 999, wherein the consumer can check out the current plans and subscription options available. Consumers can also checkout selfcare options and customer care numbers.

The Company undertook a major engagement exercise with multi-lingual subscriber service teams to enhance subscriber experience. Requests on social media (Twitter, Facebook), Website, MY SITI app, e-mails, consumer helpline were dealt with on priority in line with the Company ethos of "Subscriber First"- where the organisation strives to be agile and responsive.

The success of the various initiatives undertaken by the Company has been well reflected in its performance. The Company posted a marked improvement in its collection efficiency – from 89% in FY 2017-18 to 95% in FY 2018-19. Moving ahead, this is expected to improve further as the Company migrates to the prepaid model.

Customer Focus

Customer-centricity is at the heart of the Company's business operations with the Company undertaking relentless efforts towards delighting the customer. Measures undertaken by the Company to enhance value for customers include:



ARPU & Monetisation

The Company registered a strong growth of 19% in subscription revenues to ₹ 9,537 million in FY 2018-19 driven by improving monetisation and upselling better value offerings to esteemed subscribers. Due to implementation of the new tariff order, the Company's blended ARPU witnessed 31.4% increase to ₹ 82.27 as compared to ₹ 62.58 in FY 2017-18. With the new tariff regulatory regime and development of a range of curated offerings, the Company is well-positioned to benefit and grow its ARPUs further.

Content Cost

Under the new tariff order, content cost will be collected from the subscribers and passed through to the broadcaster. This works in favour of the Company as margins will be positively impacted with no content risk which was earlier borne by the Company. The annual cost escalation and its impact on DPOs profitability has been eliminated with the new tariff order implementation.

DPOs will earn commission on content provided by broadcaster for distribution. For the customer also, the new tariff order stands beneficial as consumer only pays for content as per his requirement, giving ultimate choice to the customer who will have more control over content cost.

Established Promoter Group

The Company falls under the umbrella of the esteemed Essel Group, a well-known and leading business house in the country having a dominant vertically integrated presence in M&E industry. The Essel group boasts of being a leading producer, aggregator and distributor of Indian programming across the world. With more than 250,000 hours of original content, 75 channels, a reach

of over 1.3 billion viewers spread across 171 countries, the Group provides strong support to the Company. This rich parental backing enables the Company to establish strong business connect and capitalise on various business opportunities. It also enables the Company to ensure high compliance standards and easy migration to new applicable statutes.

Experienced Management Team

The efficient and able leadership and management teams have resulted in doubling of operating EBITDA during the current fiscal. The results manifest the unparalleled focus of the management towards business sustainability, disciplined execution, operating efficiencies and cost optimisation. The Company hires professionals with the desired skill sets to ensure best business practices and high work ethos.

Compliance, Integrity, and Work Ethics

Best-in-class industry standards of professionalism, and compliance are at the core of business operations. With formalisation of the economy, the Company stands to be a big beneficiary as it has always ensured high requisite compliance. Ethics is a basic principle practised in day-to-day operations. High level of transparency is practised across processes benefiting all stakeholders alike. The Company is one of the first MSOs to implement NTO-related compliance.

Marketing & Packaging

The Company has created an efficient tiered packaging which focusses on the entire family and eases the choice-making decision of the subscribers. Multiple MY SITI Value packs have been created to serve a wide gamut of subscriber needs and choices spanning across price points.

Website and Contact Centre were upgraded to better cater to substantial increase in subscriber base post implementation of the new tariff order. Call Centre capacities are being upgraded to meet increased call volume. In addition, the Company launched New Android Subscriber App "MY SITI". The success of these efforts is reflected in the exponential growth in page-views and users on SITI's website by ~400% and ~80% respectively since January 2019 compared to the previous duration. MY SITI app and website have been getting ~5,000 fresh users every day since the launch. The Company has made available subscriber education and support in multiple languages at Toll Free Support Number

and on the Subscriber Information Channel through videos and tutorials.

The Company ran a host of campaigns for subscriber education and support like 'Aapka Manoranjan Aapki Marzi, Enjoy the power of choice'. The Company offered cashbacks and movie vouchers to subscribers as incentives to share their choice on the MY SITI app and website. To ease transition, partner support communication channels were rolled out on WhatsApp and emails, and escalation mail ID and matrix have been implemented to manage subscriber queries through social media.

SITI core value system



Financial Review

The Company has successfully incorporated the Ind AS form of book keeping for recording accounts in accordance with guidelines issued by the Ministry of Corporate Affairs.

The main highlight of FY 2018-19 has been the doubling of operating EBITDA driven by leveraging existing operating resources and focussing on cost effectiveness. The subscription revenue stood at ₹ 9,537 million in FY 2018-19 as compared to ₹ 7,997 million in FY 2017-18, registering 19% growth.

Total Expenditure

Total expenditure excluding depreciation, expenditure and finance costs stood at ₹ 11,185 million in FY 2018-19 almost similar to ₹ 11,018 million in FY 2017-18, up 1.5%. This included Content Cost, Distribution Expenses, Cost of Goods Sold, Personnel Expenses, Administrative & Other Expenses, Bandwidth Cost, Marketing Cost, and Provision for Doubtful Debts.

EBITDA

Total EBITDA of the Company stood at ₹ 3,558 million in FY 2018-19 as compared to ₹ 3,245 million in FY 2017-18, up 9.6%.

Finance Cost

Finance cost stood at ₹ 1,707 million in FY 2018-19 as compared to ₹ 1,395 million in FY 2017-18, up 22% led by increase in interest on term loans. Due to restrictions imposed by RBI, LC/BG/TCBG limits could not be further rolled over, compelling the Company to convert into term loan leading to higher interest rate. Further, forex loss was incurred due to currency fluctuations and fall in rupee. Revision of interest rate during FY 19 also added to the finance costs.

Balance Sheet Metrics

Fixed Assets

Non-current assets stood at ₹ 19,271.50 million in FY 2018-19 as compared to ₹ 22,837.15 million in FY 2017-18. This was

led by decrease in Capital Work-in-Progress and Property, Plant and Equipment.

Current Assets

Current assets stood at ₹ 8,872.48 million in FY 2018-19 as compared to ₹ 8,065.70 million in FY 2017-18.

Current Liabilities

Current liabilities stood at ₹ 16,344.07 million in FY 2018-19 as compared to ₹ 16,958.85 million in FY 2017-18, as other net current liabilities decreased by ₹ 351.83 million and other financial liabilities decreased by ₹ 1,645.78 million.

Outlook

The new tariff order benefits MSOs with provisions that prescribe non-discrimination, transparent terms and conditions, transparent distribution fee and standard discount structure based on quantifiable parameters. It provides certainty of provisioning of TV channels within a prescribed timeframe, thereby ensuring viability of MSOs. Broadcasters will be compelled to offer a fair deal to MSOs for seeking television channels. Content cost will be linked to subscription income and subscriber choice and will be a pass-through leading to moderation in content cost growth for distribution platforms. Through proper packaging and pricing, and by giving consumers the channels of their choice, the Company will be able to move faster on the path to profitability.

The new order creating a level-playing field for formalised players complements the Company's vision, while furthering transparency and system-oriented processes. Planned and systematic execution by the Company, with the active support of local business associates, ensured smooth migration of the entire subscriber base to the new tariff order regime. With improvement in sector outlook led by this migration, the Company expects strong and sustainable cash flows in the medium-to-long term as the business model matures further.

The Company is targeting to deepen its presence in existing markets to strengthen revenue stream. Efficient execution, strategic alliances, and superior technology underlined with a subscriber-centric approach will further this cause. The Company is working to shift focus to product innovation with the aim of offering subscribers an eclectic mix of entertainment options.

Risk Management and Mitigation

The Company has established systems and reporting structures in place as a part of an all-inclusive risk management framework. This framework is aimed at timely identification, evaluation and pre-emption of potential risks. Appropriate risk mitigation measures are established to overcome adverse situations which may arise on account of foreseeable risks.

Preference risk: Consumer preferences are ever-changing and evolving more specifically in the M&E industry which keeps abreast with latest developments. The business needs to evolve with changing preferences to avoid redundancy.

Mitigation: Keeping in pace with consumer preferences, the Company innovates, upgrades and renews its offerings. It aims to offer consumers infotainment content assortment. The Company's strong focus on HD and OTT is aimed at providing a rich subscriber experience. Additionally, in the broadband area, the Company is constantly striving to offer superlative speed and striking data plans to the consumers.

Awareness risk: There is a constant need for the Company to conduct training of the Business Partners who are the main growth drivers of the business.

Mitigation: Subscriber management software has been provided to the Business Partners by the Company to help them efficiently manage their subscribers. In addition, the Company regularly collaborates with Business Partners to provide real-time training and branding know-how. The Company ensures high Business Partner motivation levels by giving them a share in the carriage fees. To ensure high brand recall, the Company undertakes an outreach programme for its broadband services and spreads awareness among subscribers about its offerings.

Content risk: It is imperative for the Company to offer subscribers content from popular broadcasters to maintain competitiveness and brand equity.

Mitigation: The Company enjoys the advantage of being a part of the Essel Group, which is a well-known and leading business house in the country. Thus, it enjoys access to the parent company's diverse portfolio of assets in media, packaging, entertainment, technology-enabled services, infrastructure development and education segments. Essel Group's unparalleled brand equity in the M&E industry provides the Company an edge over competitors. The Company has entered into top agreements with all major broadcasters, which in turn will enable it to offer consumers a wide range of offerings.

Talent & technology risk: In an ever-evolving environment, it is imperative for the Company to hire skilled professional, and stay abreast with latest technologies.

Mitigation: The Company's cable and broadband businesses employ highly skilled professionals at the top rung from multiple consumer-facing industries. Similarly, the sales team also has rich experience. To encourage its employees to be decisive and responsible, the Company has in place a performance-linked culture. Keeping pace with changing trends, the Company has completely shifted to MPEG-4 STBs in cable and provision of providing broadband through DOCSIS 2&3/GPON hybrid network. The Company has upgraded its technology by 1.3x for all feed and access links. Similarly, signal quality has been upgraded coupled with change in Telecom Service Provider from RailTel to TTSL.

Product risk: There is a substantial risk arising from migration of subscribers from traditional cable to content which is available in a non-linear fashion.

Mitigation: The Company's focus on OTT and broadband services gives it an edge to fulfil the evolving subscriber needs. Further, its strong subscriber relationships and committed substantial investments on broadband services puts the Company in a strong place to mitigate product related risks. The Company has a substantial base in Distributed Antenna System (DAS) 3 & 4 markets and is keen to implement its learning from DAS 1 & 2 markets into these areas.

Human Resource Development

Human capital is the biggest asset for the Company as it plays a crucial role in shaping business growth. Culture of any organisation is the mirror image of its values. Values of the Company are the basic fabric of the culture that it lives and breathes in. Values have been very carefully penned as they are the genesis of the organisation and have been the foundation of the Company. Human resources have played a crucial role in sharpening the vision and aligning the talent pool to the challenging business environment.

The Company works towards creating a safe and conducive environment which fosters growth of both individuals and the organisation. This mission is well-supported by the processes and policies. Valuing human resources and acknowledging its importance, the Company aims to hire people who can understand and imbibe its vision and makes all possible efforts to ensure minimum attrition. The Company involves employees in business planning process, assessing opportunities and coming up with improvement ideas for business strategy.

Thereby, the Company places strong importance in recruitment, wherein it prioritises to select the right people to match the attitudes and skill sets of the employees with the working culture and philosophy of the organisation. The Company's induction programme gives perfect handholding to the new joiners, gives them a pre-soak of the business which enables them to get a better understanding of organisational values and way of working. The Company also has a mentorship programme, pairing experienced employees with newly hired ones to engage the newcomers.

In the Company, occasions like Yoga Day employees' birthdays/anniversaries, work anniversaries, Women's Day and other festivals are all celebrated with passion and energy at the Company. Cultural and sports events are organised regularly to help employees imbibe organisation's true spirit and ethos on all fronts.

Talent management includes the performance management at the granule level ensuring that it's closely monitored and calibrated on an ongoing basis. Under the annual Performance Management System (PMS) exercise of FY 2018-19, the Company identified the high potential performers who will be put on track to differentiate them for propelling the organisation further by furthering the business and thereby developing the second line of leadership. The home-grown talent will be nurtured through a very well-thought mentoring programme which would ensure their retention and carve a growth path, giving them visibility cross functionally and

vertical movement through the lattices. The mentoring programme will have a two-pronged approach of nurturing and developing, thereby ensuring upward movement and horizontal growth with role enrichment and enhancement.

Employee engagement is designed and operated at three levels touching different facets:

- **Emotional Engagement:** Wherein the employees engage with the brand at emotional level and bond with the organisation through, fun at work events and festivals organised across all locations
- **Intellectual Engagement:** Wherein opportunities are spotted and employees are groomed to ensure the right fit goes to the right job. Talent is harnessed, and employees are exposed to different business challenges ensuring mutual development
- **Rewards and Recognition:** Wherein talent is suitably recognised and rewarded for its contribution to the business and achievements

1. Values that make us extraordinary together

The Company has adopted seven core values which aim to make the organisation extraordinary together. All the new joiners, both on-roll and off-roll roll employees absorbed into organisation are thoroughly trained and introduced to the organisational value system across India. Several initiatives including Pocket Cards, Communication Mailers, Value Month etc. were carried out through the year to sensitise the employees. To enable smooth and efficient value assessment for the employee annual appraisal, the Company uses the Performance Management System.

2. SAMWAD: Building efficiency through engagement

The Company follows an open-door policy-SAMWAD philosophy, to ensure healthy engagement with the employees. It entails engagement through various means including conversation, interlocution, news, information, message and dialogue. The policy ensures communication flow is both ways to and from the employees and organisation to ensure they suit both. The shared vision helps in smooth management. The Company ensures both lateral and vertical communication flow at least twice a year. During the fiscal, the Chief Patron actively communicated with the employees in person resulting in an effective and meaningful SAMWAD. The process creates a happy workplace which has high motivation levels and enhanced in work ethics.

3. Life at SITI

"Zindagi ka Network" is a policy which the Company follows to ensure employee satisfaction. The Company ensures equal importance to both work efficiency and celebrating life. It enthusiastically celebrates employee birthdays, festivals and values. During the fiscal, a variety of activities, games and recognitions were conducted for an entire month to celebrate and recognise employees on values.

4. Employee Development Initiatives

A Blue Ocean and Design Thinking Workshop was conducted for the Senior Leadership team. This was aimed at motivating them to create new innovations and think beyond established paradigms. Stress management and positivity sessions were conducted for all employees to ensure prevalence of peaceful mindset.

While the global business environment is aligning with the cutting-edge new technologies, the Company is gearing up to meet the upcoming challenges through the implementation of SAP Success Factors- a multi-faceted interface for optimising efficiencies. The Company strives to optimise efficiencies and create a symbiotic environment with internal and external stakeholders.

Information Technology

The Company's IT infrastructure has scalabilities built into it by working with partners like Accenture and Conax to create an intuitive and adaptive subscriber choice and offer engine for seamless experience on CRM, Web and Mobile. While computing capabilities of the offer engine were enhanced 5x and scalability 10x, while internet bandwidth was also enhanced 10x. Keeping an eye on business continuity in the face of critical subscriber facing needs, 100% capacity built-in Disaster Recovery setup was created in Chennai.

To reduce the activation cycle time further, action processing has been streamlined. DPO Package change process is planned to be eased out by sending selective/unique commands of uncommon child packs. With the introduction of single command for multiple package selection, the user/subscriber experience is expected to further improve. Under the new prepaid regime, automated module was implemented to ensure smooth functioning for both the Company and Business Partners.

Internal Control Systems

The Company has robust internal control systems to safeguard its assets and ensure efficient productivity commensurate with the size and industry in which it operates. The internal control mechanism ensures strict adherence to requisite laws and regulations and robust financial reporting and transaction reporting. Operational, financial and other areas covered by the Internal Audit are periodically monitored and reviewed by the Audit Committee of the Board. Any deviations from standards are corrected promptly and measures are taken to strengthen the internal control framework further.

Cautionary Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

REPORT ON CORPORATE GOVERNANCE

Company's Governance Philosophy

Corporate Governance is about maximizing shareholder value legally, ethically and on a sustainable basis. At SITI Networks Limited ("SITI"), the goal of corporate governance is to ensure fairness for every stakeholder – our customers, investors, vendor partners, the community and the government. We believe that sound corporate governance is critical in enhancing and retaining investor trust. It is a reflection of our culture, our policies, our relationship with stakeholders and our commitment to values. Accordingly, we always seek to ensure that our performance is driven by integrity.

Corporate Governance provides a structure that works for the benefit of everyone concerned, by ensuring that the enterprise adheres to ethical standards, laws and accepted best practices. It imbibes the basic business ethics and values that need to be adhered to in letter and spirit. A transparent, ethical and responsible corporate governance framework essentially emanates from the intrinsic will and passion for good governance ingrained in the culture of the organisation.

A report on compliance with the principles of Corporate Governance as prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) is given below:

Board of Directors

Composition & Category of Directors

SITI has a balanced Board with combination of Executive and Non-Executive Directors. After resignation of Mr. Sidharath Balakrishna from the Board of the Company with effect from close of business hours of April 15, 2019, the Board currently comprises of 5 (five) Directors including 1 (one) Executive Director and 4 (four) Independent Directors including 1 (one) Women Independent Director. The current composition of the

Board is in conformity with Regulation 17(1) of SEBI Listing Regulations as well as the Companies Act, 2013.

Independent Directors of the Company provide appropriate annual certifications to the Board confirming satisfaction of the conditions of their being independent as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Regulations. In opinion of the Board, the Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and are independent of the management. In compliance with the requirements of Companies Act, 2013, the Company has issued formal appointment letters to all the Independent Directors. Details of standard term of appointment of Independent Director has been uploaded on the website of the Company www.sitinetworks.com.

Number of Board Meetings

During the financial year under review, 5 (five) meetings of the Board were held on May 17, 2018, August 8, 2018, October 31, 2018, February 13, 2019 and March 20, 2019. Your Board meets at least once a quarter to review the quarterly performance and financial results of the Company and the intervening period between any two Board Meetings were well within the maximum time gap of one hundred and twenty days under Regulation 17 of the SEBI Listing Regulations and Secretarial Standards. The annual calendar of meetings for consideration of financial results and Business Plan is broadly determined at the beginning of each financial year.

Attendance Record and their other Directorships/ Committee Memberships

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings held during the Financial Year 2018-19 and also their other Directorships / Chairmanship held in Indian Public Companies and Membership/ Chairmanship of various Board Committees of other Indian Public Companies as at March 31, 2019 are as under:

Name of the Director	Attendance at		No. of Directorship of other Public Companies	No. of Membership/ Chairmanship of Board Committees	
	Board Meeting (Total Board Meeting held 5)	12th AGM held on 25.09.2018		Membership	Chairmanship
Non – Executive Independent Director					
Mr. B.K.Syngal*	5	No	2	2	2
Mr. Vinod Kumar Bakshi*	5	No	1	3	-
Ms. Kavita Anand Kapahi	5	Yes	2	3	-
Prof. Sunil Kumar Maheshwari	3	No	-	-	-
Executive Director					
Mr. Suresh Arora**	-	-	-	-	-
Mr. Sidharth Balakrishna****	4	Yes	1	2	Nil

* Mr. B K. Syngal and Mr. Vinod Kumar Bakshi, Independent Directors, whose age exceeded 75 years, had voluntarily stepped down from the Board of the Company with effect from the close of business on March 31, 2019.

** Mr. Suresh Arora was appointed as an Additional Director in the category of Non-Executive Non-Independent Director with effect from March 29, 2019 and subsequently, as a Whole Time Director of the Company for a period of 3 years with effect from June 14, 2019.

*** Mr. Sidharth Balakrishna, who was Whole Time Director, had resigned from the Board and Committees of the Company with effect from close of business hours of April 15, 2019.

- Directorships in Other Companies does not include Alternate Directorships.
- In accordance with Regulation 26 of the SEBI Listing Regulations, Chairmanships/Memberships of only Audit Committees and Stakeholders Relationship Committee in all Public Limited Companies (Listed and Unlisted) except Foreign Companies have been considered.
- None of the Directors held directorship in more than 8 listed companies. Further, none of the Independent Directors of the Company served as Independent Director in more than 7 listed Companies.
- None of the Directors held directorship in more than 20 Indian Companies, with not more than 10 public limited companies
- None of the Directors is a member of more than 10 Committees or Chairperson of more than 5 Committees across all the Public Limited Companies in which he/she is Director. As per SEBI Listing Regulations, only membership of Audit Committee and Stakeholders Relationship Committee have been taken into consideration for the purpose of ascertaining the limit.
- None of the Directors of your Company are inter-se related to each other.
- None of the Non-Executive Directors of the Company holds any shares and convertible instruments of the Company, except Ms. Kavita Kapahi, Independent Director who holds 50 Equity Shares (in joint holding) of Re. 1/- each of the Company.

Board Procedure

The Board Meetings of the Company are governed by a structured agenda. The Company Secretary in consultation with Executive Director prepares agenda of the Board Meetings. All major agenda items, backed up by relevant and comprehensive background information, are sent well in advance of the date of the Board Meeting(s) to enable the Board Members to take informed decision. Any Board Member may, in consultation with the Chairman of the Meeting and with the consent of all Independent Directors present at the meeting, bring up any matter at the meeting for consideration by the Board. Senior management personnel are invited, from time to time, to the Board Meetings to make

presentations on relevant issues or provide necessary insights into the operations / working of the Company and corporate strategies.

All relevant information required to be placed before the Board as per SEBI Listing Regulations are considered and taken on record/approved by the Board. The Board reviews and guides the Company in strategic matters, risk policy and oversees the process of disclosure and communications to maintain highest standards of ethical conduct and integrity. Additionally, the Board periodically reviews Compliance Reports in respect of various laws and regulations applicable to the Company.

Independent Directors Meeting & Board Evaluation Process

In compliance with the requirements of Regulation 25 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Companies Act, 2013, the Independent Directors of the Company met on February 13, 2019 to evaluate performance of the Board and review flow of information between the management and the Board. The evaluation process was carried out based on an assessment sheet structured in line with ICSI guidance note and the guidance note issued by SEBI in this regard was also circulated to Independent Directors, well in advance.

The parameters for evaluation of performance of the Board & Board Committees includes the structure & composition, contents of agenda for the meeting, quality and timelines of information provided, the decision-making process & review thereof, attention to the Company's long-term strategic issues, evaluation of strategic risks, overseeing and guiding major plans of action, corporate restructuring, acquisitions, divestment, etc. The outcome of the evaluation exercise was discussed at subsequent board meeting. The Board of Directors also expressed satisfaction towards the evaluation process. The performance of the Independent Directors was also evaluated taking into account *inter alia* (i) Director comes well prepared and informed for the Board / Committee Meeting(s); (ii) Director demonstrates a willingness to devote time and effort to understand the Company and its business; (iii) Director has ability to remain focused at a governance level in Board/ Committee Meetings; (iv) Director's contributions at Board / Committee meetings are of high quality and innovative; (v) Director's proactively contributes in to development of strategy and to risk management of the Company; (vi) Director understands governance, regulatory, financial, fiduciary and ethical requirements of the Board / Committee; (vii) Director exercises objective independent judgment in the best interest of Company; (viii) Director has effectively assisted the Company in implementing best corporate governance practice and then monitors the same; (ix) Director helps in bringing independent judgment during Board deliberations on strategy, performance, risk management etc. and (x) Director keeps himself/ herself well informed about the Company and external environment in which it operates.

Familiarisation Program for Independent Directors

Independent Directors are familiarised with their roles, rights and responsibilities in the Company as well as with the nature of industry and business of the Company through induction programs at the time of their appointment as Directors and at regular intervals through deep-dive on various business segments of the Company. While review and approval of quarterly and Annual Financial Statements of the Company are taken up, detailed presentation covering *inter alia* economy and industry overview, key regulatory developments, strategy and performance of the Company is made to the Board.

Details of directors' familiarisation program is available on Company's website www.sitinetworks.com.

Code of Conduct

The Company has adopted a Code of Conduct for the Members of the Board of Directors and Senior Management and all the Directors and senior functionaries as defined in the said Code provide their annual confirmation of compliance with the Code. The Code is available on the website of the Company www.sitinetworks.com. Besides the Code, the Company has also put in place a Policy on Ethics at Work Place which is applicable to all employees. The role and responsibilities of Independent Directors (including Code of Conduct) as prescribed in Schedule IV of the Companies Act, 2013 and/or prescribed in SEBI Listing Regulations forms part of the appointment letters issued to Independent Directors.

A declaration affirming compliance with the Code of Conduct by the Members of the Board and Senior Management Personnel is given below:

DECLARATION

I confirm that the Company has obtained from all Directors and Senior Management Personnel of the Company their affirmation of compliance with the Code of Conduct for Members of the Board and Senior Management of the Company for the financial year ended March 31, 2019.

Sidharth Balakrishna
Whole Time Director

Noida, April 10, 2019

Dividend Distribution Policy

In line with the requirements of SEBI Listing Regulations, the Board has approved and adopted Dividend Distribution Policy. The Dividend Distribution Policy is uploaded on the website of the Company and can be accessed on www.sitinetworks.com.

Brief Profile of the Directors Proposed to be Appointed / Re-Appointed at the Annual General Meeting

Mr. Deepak Mittal, aged about 41 years, is an engineering graduate from IIT Delhi and currently the CEO & Co-Founder of IntelliGrape Software (TO THE NEW). Mr. Mittal brings 20 years of industry experience and 10 years of entrepreneurship experience with him. He is an industry veteran, book author and a known speaker in digital technology landscape including Data Engineering, AI/ML, Block chain, Cloud and Analytics. Before founding IntelliGrape, he played technology leadership roles at various software companies.

Mr. Mittal founded IntelliGrape Software (TO THE NEW) in 2008. TO THE NEW has grown more than 30 times in the last

7 years from 25 people to 750 people strong and presence in 5 different countries. Mr. Mittal has acquired & integrated many companies in India and South East Asia (SEA). Under the leadership of Mr. Mittal, TO THE NEW has become a leading digital transformation services player with clients in India, US, Europe, UAE & ANZ regions and has figured in "Great Place to Work" in top 50 mid-size companies in 2015, 2017 and 2018.

Apart from the Company, he is also Director of IntelliGrape Software Private Limited, Blogmint Digital Private Limited, Thoughtbuzz India Private Limited, Ignitee Digital Services Private Limited, Daffodil Software Private Limited and IntelliGrape Holding Pte. Ltd.

Mr. Mittal does not hold any securities in the Company.

Mr. Bhanu Pratap Singh, aged about 43 years, graduated from Duke University with a BA in Economics. Thereafter, he joined JP Morgan Chase as an investment banking analyst in the New York office covering the power sector. Mr. Singh did his MBA from the Tuck School of Business, Dartmouth College, USA. Mr. Singh worked as an MBA summer intern at Nomura Securities in the New York office in the Debt Private Placement Group.

After graduation from his MBA program, he worked in the Leveraged Finance Group of Citigroup in New York. In his time there he worked on structuring and financing leveraged loans and high yield bonds for large US corporates and Private Equity firms. Beginning his entrepreneurial journey, Mr. Singh moved back to India to found the Bhavani Group focusing on small hydropower projects in Himachal Pradesh. Shree Bhavani Power Projects Pvt. Ltd. commissioned Manglad 5MW small hydro project in 2010 and it is generating power since then.

In 2013 his group company Bhavani Renewable Energy commissioned Binwa 4MW small hydro project. His group company Cosmos Hydro Power is building a 22MW plant in Chamba, HP and it is under construction to be commissioned in 2020. Mr. Singh is simultaneously developing future hydroprojects and also working with new technologies in the Renewable Energy space.

Apart from the Company, he is also Director of Bhavani Renewable Energy Private Limited, Shree Bhavani Power Projects Private Limited, Cosmos Hydro Power Private Limited, Monte Cristo Hydro Private Limited and Monte Cristo Infrastructure Private Limited.

Mr. Singh does not hold any securities in the Company.

Mr. Suresh Arora, brings to the table extensive experience of about 34 years across diverse fields, A Commerce

graduate from the University of Delhi, with a PG Diploma in Business Administration (specialization in Marketing Management) from Symbiosis, Pune, the 56-year-old has worked extensively in the areas of Sales & Marketing, Finance & Accounts and Export/Import procedures & documentation. During his previous assignment with Pan India Network Limited ("PINL") – an Essel Group company, he held a senior position in the Sales and Marketing Department. He was instrumental in creating a strong network of channel partners, including distributors and retail outlets, to spread and strengthen PINL's Online/Paper Lottery business operations in Punjab & Haryana. In this position, he liaised closely with senior officials of the Punjab government to take the PINL business to new levels of success.

Apart from the Company, he is not on the Board of any other Company.

Mr. Arora does not hold any securities in the Company.

Board Committees

Your Board has constituted Committees for smooth and efficient operation of day-to-day business of the Company. These Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/ activities which concern the Company and need a closer review. Each Committee of the Board is guided by and operates under the terms of reference, which has been framed in compliance with applicable laws defining the scope, powers and composition of the Committee. The minutes of the meetings of all the Committees are placed before the Board.

I. Audit Committee

The Board has constituted a well-qualified Audit Committee. The Company has framed the mandate and working procedures of the Audit Committee as required under Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations defining therein the term of reference, membership, powers, meeting procedures etc. of Audit Committee.

The Audit Committee also reviews internal financial controls and adequacy of disclosures and compliance with all relevant laws. In addition to the foregoing, in compliance with requirements of Regulation 24 of the SEBI Listing Regulations, the Audit Committee reviews operations of subsidiary companies viz., its financial statement, significant related party transactions, statement of investments and minutes of meeting of the Board and Committees.

Term of reference

The Terms of reference and role of the Audit Committee are as per Regulation 18 and Schedule II Part C of the SEBI Listing Regulations and Section 177 of Companies Act, 2013. The Committee meets periodically and *inter alia*:

- ▶ Reviews Accounting and financial reporting process of the Company;
- ▶ Reviews Audited and Un-audited financial results;
- ▶ Reviews Internal Audit reports, risk management policies and reports on internal control system;
- ▶ Discusses the larger issues that are of vital concern to the Company including adequacy of internal controls, reliability of financial statements/other management information, adequacy of provisions for liabilities and whether the audit tests are appropriate and scientifically carried out in accordance with Company's current business and size of operations.;
- ▶ Reviews and approves transactions proposed to be entered into by the Company with related parties including any subsequent modifications thereto;
- ▶ Reviews functioning of Whistle Blower & Vigil Mechanism Policy; and
- ▶ Recommends proposals for appointment and remuneration payable to the Statutory Auditor and Internal Auditor and approves the appointment of Chief Financial Officer.

The Audit Committee also reviews adequacy of disclosures and compliance with all relevant laws. Additionally, in compliance with requirements of Regulation 24 of the SEBI Listing Regulations, the Audit Committee reviews operations of Subsidiary Companies viz. its financial statements, significant related party transactions, statement of investments, etc.

Composition and Meetings of the Audit Committee

As at March 31, 2019, the Audit Committee of the Board comprised of three (3) Directors namely Mr. B. K. Syngal, Independent Director as the Chairman and Mr. Vinod Kumar Bakshi, Independent Director and Mr. Sidharth Balakrishna, Whole-Time Director as the members of the Audit Committee. Two third of the members of the Committee are Independent Directors including Chairman. All the members have accounting and financial management knowledge. Mr. B. K. Syngal, the Chairman of the Audit Committee has accounting and financial management expertise. The Company Secretary of the Company acts as the secretary to the Committee.

Presently, the Audit Committee of the Board comprised of three (3) Directors namely Prof. Sunil Kumar Maheshwari, Independent Director as the Chairman and Ms. Kavita Kapahi and Mr. Bhanu Pratap Singh, Independent Directors as the members.

During the year under review, the Audit Committee met four (4) times on May 17, 2018, August 8, 2018, October 31, 2018 and February 13, 2019 and the necessary quorum was present at the meetings. Mr. B.K. Syngal, Chairman of Audit Committee had informed before Annual General Meeting that he had undergone surgery for prostate treatment and his position did not allow him to travel for attending 12th Annual General Meeting (AGM). Therefore he sought leave of absence from attending the AGM as Chairman of Audit Committee. The Whole Time Director Mr. Sidharth Balakrishna answered the queries raised by the shareholders.

The Chief Financial Officer, the Partner/Representative of the Statutory Auditors and the Internal Auditors are some of the invitees to the Audit Committee. Internal Auditors attend Audit Committee Meetings wherein the Internal Audit Reports were considered by the Committee.

The Company Secretary acts as the Secretary of the Audit Committee. All recommendations made by the Audit Committee during the year under review were accepted by the Board.

The details of attendance of Audit Committee meetings during the financial year ended March 31, 2019 are as under:

Name of the Director	Category	No. of meeting attended
Mr. B. K. Syngal (Independent Director)	Chairman	4
Mr. Vinod Kumar Bakshi (Independent Director)	Member	4
Mr. Sidharth Balakrishna (Executive Director)	Member	3

- Mr. B. K. Syngal and Mr. Vinod Kumar Bakshi, Independent Directors, whose age exceeded 75 years, had voluntarily stepped down from the Board of the Company with effect from the close of business on March 31, 2019.
- Mr. Sidharth Balakrishna, who was Whole Time Director of the Company, had resigned from the Board and Committees of the Company with effect from close of business hours of April 15, 2019.
- At present, the Audit Committee of the Board comprised of three (3) Directors namely Prof Sunil Kumar Maheshwari, Independent Director as the Chairman, Ms. Kavita Kapahi and Mr. Bhanu Pratap Singh, Independent Directors as the members of the Audit Committee.

II. Nomination & Remuneration Committee

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations read with Section 178 of the Companies Act, 2013.

Term of reference

The terms of reference of the Nomination and Remuneration Committee include:

1. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
2. Formulate the criteria for determining qualification, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
3. Ensure the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
4. Ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
5. Formulate policy with regard to remuneration to Directors, Key Managerial Personnel and Senior Management involving a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Composition and Meetings of the Nomination and Remuneration Committee

During the year under review, the Nomination and Remuneration Committee of the Company comprised of Mr. B.K. Syngal, Mr. Vinod Kumar Bakshi and Ms. Kavita Kapahi all being Independent Directors, as the members of the Committee. Presently, the Nomination and Remuneration Committee of the Board comprised of three (3) Directors namely Prof. Sunil Kumar Maheshwari, Independent Director as the Chairman and Ms. Kavita Kapahi and Mr. Deepak Mittal, Independent Directors as the members.

During the year under review, the Nomination and Remuneration Committee met two (2) times on May 17, 2018 and March 20, 2019 and the necessary quorum was present at the meetings.

The details of attendance of Nomination and Remuneration Committee meetings during the financial year ended March 31, 2019 are as under:

Name of the Director	Category	No. of meeting attended
Mr. B. K. Syngal (Independent Director)	Member	2
Mr. Vinod Kumar Bakshi (Independent Director)	Member	2
Ms. Kavita Kapahi (Independent Director)	Member	2

- Mr. B K. Syngal and Mr. Vinod Kumar Bakshi, Independent Directors, whose age exceeded 75 years, had voluntarily stepped down from the Board of the Company with effect from the close of business on March 31, 2019.
- Presently, the Nomination and Remuneration Committee of the Board comprised of three (3) Directors namely Prof. Sunil Kumar Maheshwari, Independent Director as the Chairman and Ms. Kavita Kapahi and Mr. Deepak Mittal, Independent Directors as the members.

Performance Evaluation Criteria for Independent Directors

Performance of each of the Independent Directors are evaluated every year by the entire Board with respect to various factors like personal traits which include business understanding, communicate skills, ability to exercise objective judgment in the best interests of the Company and on specific criteria which include commitment, guidance to Management, deployment of knowledge and expertise, management of relationship with various stakeholders, independence of behaviour and judgment, maintenance of confidentiality and contribute to corporate governance practice within the Company.

Remuneration Policy

The guiding principle of the remuneration policy of the Company is that the remuneration and other terms of engagement / employment shall be competitive enough to ensure that the Company is in a position to attract, retain and motivate right kind of human resource(s) for achieving the desired growth set by the Company's Management year on year thereby creating long-term value for all stakeholders of the Company. Focus on productivity and pay-for-performance have been the cornerstones of the Company's reward philosophy with differentiated compensation growth to high-performance employees. With a view to bring performance-based growth approach, the remuneration of employees of the Company have been moderated and structured as a mix of fixed and variable pay depending on the grade and level of employee. The increments and variable pay of Senior Management (including Key Managerial Personnel and Functional Heads) and Middle Management is deliberated

and approved by the Nomination & Remuneration Committee of the Board. The Remuneration Policy of the Company has been uploaded and can be accessed on Company's website www.sitinetworks.com

Remuneration of Executive Directors

During the year under review, your Board comprises of one Whole-Time Director viz. Mr. Sidharth Balakrishna. He was appointed by the shareholders of the Company in 11th Annual General Meeting of the Company held on September 26, 2017, for a period of three (3) years with effect from July 14, 2017.

The detail of remuneration paid to the Mr. Sidharth Balakrishna, Whole Time Director of the Company during the year ended March 31, 2019 is as under:

Particulars	(₹ in million)
Salary & Allowances	5.77
Perquisites	0.00
Variable Pay	0.00
Provident Fund Contribution	0.34
Total Amount	6.11
Employee Stock Options Granted (unvested)	Nil

- The above details of salary of Mr. Sidharth Balakrishna is as per provisions of Section 17(1), 17(2) and 17(3) of the Income Tax Act, 1961.
- Mr. Sidharth Balakrishna, who was Whole Time Director of the Company, had resigned from the Board and Committees of the Company with effect from close of business hours of April 15, 2019.

Remuneration of Non -Executive Directors

The Non- Executive Directors shall be entitled to sitting fees of ₹ 20,000/- per meeting for attending the meeting(s) of the Board and Committees thereof. The Company also reimburses the out of pocket expenses incurred by the Directors for attending meetings.

Details of the Sitting fees paid to the Non-Executive Directors of the Company for the period April 1, 2018 to March 31, 2019:-

Name of the Director	Amount Paid as Sitting Fees
Mr. B. K. Syngal	0.26
Mr. Vinod Kumar Bakshi	0.34
Ms. Kavita Anand Kapahi	0.16
Prof Sunil Kumar Maheshwari	0.08

Mr. B K. Syngal and Mr. Vinod Kumar Bakshi, Independent Directors, whose age exceeded 75 years, had voluntarily stepped down from the Board of the Company with effect from the close of business on March 31, 2019.

The Non-Executive Independent Directors of the Company do not have any other material pecuniary relationship or transactions with the Company, its Promoters, its Directors, its Senior Management, its Subsidiary and/or its Associate, other than in the normal course of business, which may affect the independence. The Non-Executive Independent Directors of the Company shall not be entitled to participate in Stock Option Scheme of the Company.

III. Stakeholders Relationship Committee

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with Section 178 of the Companies Act, 2013.

Terms of reference

In line with amendment to the SEBI Listing Regulations, the terms of reference of Stakeholders Relationship Committee was revised effective April 1, 2019 to include satisfactory redressal of investors grievances / complaints; review measures taken for effective exercise of voting rights; review adherence of service standards by Company and RTA and recommends measures for overall improvement in the quality of investor services. The Committee has delegated the power of approving requests for transfer, transmission, rematerialisation and dematerialization etc. of shares of the Company to the Company Secretary of the Company.

Composition and Meeting of the Stakeholders' Relationship Committee

During the year under review, the Stakeholders Relationship Committee of the Company comprised of Mr. B. K. Syngal, Independent Director, Mr. Vinod Kumar Bakshi, Independent Director and Mr. Sidharth Balakrishna, Whole-Time Director as the members of the Committee. Mr. Suresh Kumar, Company Secretary of the Company is Compliance Officer of the Company, who oversees the redressal of the investors grievances. Presently, the Stakeholders Relationship Committee of the Board comprised of three (3) Directors namely Ms. Kavita Kapahi, Independent Director as the Chairman and Mr. Bhanu Pratap Singh, Independent Director and Mr. Suresh Arora, Whole Time Director as the members.

During the year under review, the Stakeholders Relationship Committee met once i.e. March 20, 2019 and the necessary quorum was present at the meeting.

The details of attendance of Stakeholders' Relationship Committee meetings during the financial year ended March 31, 2019 are as under:-

Name of the Director	Category	No. of meeting attended
Mr. B. K. Syngal (Independent Director)	Member	1
Mr. Vinod Kumar Bakshi (Independent Director)	Member	1
Mr. Sidharth Balakrishna (Executive Director)	Member	1

- *Mr. B K. Syngal and Mr. Vinod Kumar Bakshi, Independent Directors, whose age exceeded 75 years, had voluntarily stepped down from the Board of the Company with effect from the close of business on March 31, 2019.*
- *Mr. Sidharth Balakrishna, who was Whole Time Director of the Company, had resigned from the Board and Committees of the Company with effect from close of business hours of April 15, 2019.*
- *Presently, the Stakeholders Relationship Committee of the Board comprised of three (3) Directors namely Ms. Kavita Kapahi, Independent Director as the Chairman and Mr. Bhanu Pratap Singh, Independent Director and Mr. Suresh Arora, Whole Time Director as the members.*

Mr. Sidharth Balakrishna, who chaired the Annual General Meeting held on September 25, 2018 and answered the queries raised by the shareholders.

Details of number of requests/complaints received from investors and resolved during the year ended March 31, 2019 are as under:

Nature of Correspondence	Received	Resolved/ Replied	Pending
Non-receipt of Dividend	0	0	0
Non-receipt of Shares	1	1	0
Non-receipt of Annual Report	0	0	0
Complaint Received from SEBI/NSE/BSE	0	0	0
Complaint Received from ROC/ Others	1	1	0
Total	2	2	0

IV. Other Board Committees

The Board has provided for detailed guidelines on constitution, quorum, scope and procedures to be followed by these Committees in discharging their respective functions. Minutes of the proceedings of Committee meetings are circulated to the Board members and are placed for record by the Board at its subsequent Meeting.

In addition to the above, the Board has constituted following Committees to exercise powers delegated by the Board as per the scope mentioned herein:

Corporate Social Responsibility Committee

In compliance with the requirements of Section 135 read with Schedule VII of the Companies Act 2013, during the year under review, Corporate Social Responsibility Committee was comprising of Mr. Vinod Kumar Bakshi, Mr. Kavita Kapahi and Mr. Sidharth Balakrishna as the Members. Presently, Ms. Kavita Kapah, Mr. Bhanu Pratap Singh, the Independent Directors and Mr. Suresh Arora, Whole Time Director are the members of the Corporate Social Responsibility Committee.

The broad term of reference includes:-

- To formulate and recommend to the Board, a CSR policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To recommend the amount to be spent on the CSR activities;
- To periodically monitor the Company's CSR policy;
- To institute a transparent monitoring mechanisms for the implementation of CSR Projects.

During the year, no meeting was held of Corporate Social Responsibility Committee.

Corporate Management Committee

The Board has also constituted a Corporate Management Committee comprising of Senior Executives of the Company to review, approve and/or grant authorities for managing day-to-day affairs of the Company within the powers delegated by the Board. The Corporate Management Committee meet as and when required to deliberate and decide on various matters within their respective scope or powers delegated by the Board. As at March 31, 2019, the Corporate Management Committee comprises of Mr. Suresh Kumar, Company Secretary and Mr. Mukesh Ghuriani, Chief Technology Officer as Members.

Finance Committee

With a view to facilitate monitoring and expediting any debt fund raising process, approve financing facilities offered and/or sanctioned to the Company by various Banks and/or Indian Financial Institution from time to time, in the form of Term Loans, Working Capital facilities, Guarantee Facilities, etc., including the acceptance of terms and conditions of such facilities being offered and exercising such other authorities as may be delegated by the Board from time to time, the Board has constituted a

Finance Committee. During the year under review, the Finance Committee comprised of Mr. Sidharth Balakrishna, Whole-Time Director, Mr. Vinod Kumar Bakshi and Ms. Kavita Kapahi, Independent Director as its members.

Its present members are comprising of three members namely Mr. Bhanu Pratap Singh, Independent Director, Ms. Kavita Kapahi, Independent Director and Mr. Suresh Arora, Whole Time Director of the Company.

General Meetings

The 13th Annual General Meeting of the Company for the Financial Year 2018-19 will be held on Saturday, September 28, 2019 at 3:00 p.m. at 'Hall of Harmony', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018.

The location, date and time of the Annual General Meetings held during last 3 years along with Special Resolution(s) passed at these meetings are:

Meeting	Day, Date and Time of the Meeting	Venue	Special Resolution passed
2017-18	Tuesday, September 25, 2018 at 3:00 p.m.	The Orchid, 70-C, Nehru Road, Near Mumbai Domestic Airport, Vile Parle (E), Mumbai, Maharashtra - 400099	a. Re-appointment of Ms. Kavita Kapahi as an Independent Director of the Company for the second term.
2016-17	Tuesday, September 26, 2017 at 3:00 p.m.	The Orchid, 70-C, Nehru Road, Near Mumbai Domestic Airport, Vile Parle (E), Mumbai, Maharashtra - 400099	a. Appointment of Mr. Sidharth Balakrishna as a Whole Time Director of the Company for the period of three year. b. Maintenance of register of members at the office of Registrar & Share Transfer Agent instead of Registered office of the Company.
2015-16	Tuesday, September 27, 2016 at 3:30 p.m.	'Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018	a. Re-appointment of Mr. B. K. Syngal as an Independent Director for second term. b. Re-appointment of Mr. Vinod Kumar Bakshi as an Independent Director for second term. c. Re-appointment of Mr. Sureshkumar Agarwal as an Independent Director for second term. d. Alter and adopt new set of Articles of Association to align it with the Companies Act, 2013. e. Maintenance of register of members at the office of Registrar & Share Transfer Agent instead of Registered office of the Company. f. Raising of funds by issue of Equity Shares or securities convertible into Equity Shares, in one or more tranches, so that the total amount raised through such issue(s) of Securities shall not exceed Rupee equivalent of USD 100 Million.

All the above special resolutions were passed with requisite majority.

No Special Resolution was passed through Postal Ballot during the financial year 2018-19.

No Extra Ordinary General Meeting of the members was held during FY 2018-19.

None of the resolutions proposed at the ensuing Annual General Meeting need to be passed by Postal Ballot.

Means of Communication

The Company has promptly reported all material information including declaration of quarterly financial results, press releases, etc. to all Stock Exchanges, where the securities of the Company are listed by uploading on the online portal of the stock exchanges i.e. NEAPS (NSE) & Corporate Filing (BSE). Such information is also simultaneously displayed immediately on the Company's website www.sitinetworks.com. The financial results quarterly, half yearly and annual results and other statutory information were generally communicated to the shareholders by way of an advertisement in a English newspaper viz. 'Business Standard' and in a vernacular language newspaper viz. 'Punya Nagri (Marathi)' as per requirements of the SEBI Listing Regulations.

In Compliance with Regulation 46 of the SEBI Listing Regulations, a separate dedicated section under 'Investors' on the Company's website gives information on various announcements made by the Company. Annual Report, quarterly/half-yearly/annual financial statements, shareholding patterns, Stock Exchanges filings along with applicable policies of the Company. Official press releases and presentations made to institutional investors or to analysts, if any, are displayed on Company's website www.sitinetworks.com.

Management Discussion and Analysis Report forming part of this Annual Report is annexed separately.

General Shareholders Information

1. Annual General Meeting

- ▶ Day & Date : Saturday, September 28, 2019
- ▶ Time : 3:00 p.m.
- ▶ Venue : 'Hall of Harmony', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018

2. Financial year : April 1, 2018 to March 31, 2019

3. Registered Office : Unit No. 38, 1st Floor, A Wing, Madhu Industrial Estate, Pandurang Budhkar Marg, Worli, Mumbai 400013.
Phone No : +91- (022) 43605555
Email : csandlegal@siti.esselgroup.com

4. Corporate Office : UG Floor, FC-19 & 20, Sector-16A, Film City, Noida - 201301.
Ph No.: +91-(0120) 4526707
Email : csandlegal@siti.esselgroup.com

5. Listing on Stock Exchange

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001

The National Stock Exchange of India Limited (NSE)

Exchange Plaza, Bandra Kurla Complex,
Bandra East, Mumbai 400 051

Company has paid requisite Listing Fees to the Stock Exchanges for FY 2018-19. None of the Company's Securities have been suspended from trading.

6. Stock Code BSE - 532795

NSE - SITINET-EQ

7. Corporate Identification Number (CIN) L64200MH2006PLC160733

8. ISIN No. INE965H01011 (Equity Shares of ₹ 1 each, fully paid up)

9. Registrar & Share Transfer Agent Link Intime India Pvt Ltd
C 101, 247 Park, L.B.S.Marg, Vikhroli (West),
Mumbai - 400083, India
Tel: +91 22 49186000
Fax: +91 22 49186060
Email : rnt.helpdesk@linkintime.co.in

10. Share Transfer System

99.96% of the Equity Shares of the Company are in electronic form. Transfers of these shares are done through the depositories with no involvement of the Company.

Requests for physical transfer and/or for dematerialization of Equity Shares received by the Company and/or its Registrar are generally registered and returned within a period of 15 days from the date of receipt of completed and validly executed documents.

Effective April 1, 2019, SEBI has amended Regulation 40 of the Listing regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

However, the transfer deed(s) lodged prior to the April 1, 2019 deadline and returned due to deficiency in the document, may be re-lodged for transfer even after the deadline of April 1, 2019 with the Registrar and Share transfer Agents of the Company.

A half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations is obtained from the Company Secretary in Practice and a copy of the certificate is filed with the Stock Exchanges simultaneously.

11. Dematerialisation of Shares & Liquidity

The Company's Equity Shares are compulsorily traded in electronic (dematerialized) form on NSE and BSE. As at March 31, 2019, 99.96% of the Equity Share Capital of the Company are held in electronic form. Under the Depository system, the ISIN allotted to Company's Equity Shares is INE965H01011. Entire Equity shareholding of the entities forming part of promoter/promoter group in the Company is held in dematerialized form.

12. Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity

There are no outstanding Securities issued by the Company and convertible into Equity Shares of the Company as at March 31, 2019.

The Company has not issued any GDRs/ADRs in the past and hence as March 31, 2019, the Company does not have any outstanding GDRs/ADRs.

13. Commodity Price Risk or Foreign Exchange Risk And Hedging Activities

The Company is engaged in distribution of signals of channels of various broadcasters through cable networks, there are no risk associated with Commodity Price. Further the Company has not carried out any activity for hedging of foreign exchange risk.

14. Shareholders' Correspondence

The Company has attended to all the investors' grievances/queries/Information requests except for the cases where the Company is restrained due to some pending legal proceedings or court/statutory orders. It is the endeavor of the Company to reply all letters/communications received from the shareholders within a period of 5 working days.

All correspondence may be addressed to the Registrar & Share Transfer Agent at the address given in this Shareholders Information section. In case any shareholder is not satisfied with the response or do not get any response within reasonable period, they may approach the Company Secretary of the Company.

SCORES' (SEBI Complaints Redress System): The Investors' complaints are also being resolved by your Company through the Centralized Web Base Complaint Redressal System 'SCORES' (SEBI Complaints Redress System) initiated by Securities and Exchange Board of India (SEBI). The salient features of SCORES are availability of centralized data base of the complaints, uploading online Action Taken Reports (ATRs) by the Company. Through SCORES the investors can view online, the actions taken and current status of the complaints.

15. Credit Rating

During the year under review, Brickwork Ratings India Private Ltd (Brickwork Ratings) had re-affirmed the rating assigned to the Company as the issuer of Long term debt instrument at 'BWR A' (Pronounced as BWR A) which denotes that the instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligation. Such instruments carry low credit risk.

On March, 2019, BWR has downgraded the Company's rating to BWR BBB+ (Pronounced as BWR Triple B PLUS) Credit Watch with Developing Implications and simultaneously withdrawn, on account of intense competition against other MSO and other alternate technology platform such as DTH and IPTV, the Company may have to resort to refinancing for repayment of debt obligations which may be challenging and substantial decline in the market capitalisation of the listed entities of the group and its resultant impact on the group's financial flexibility.

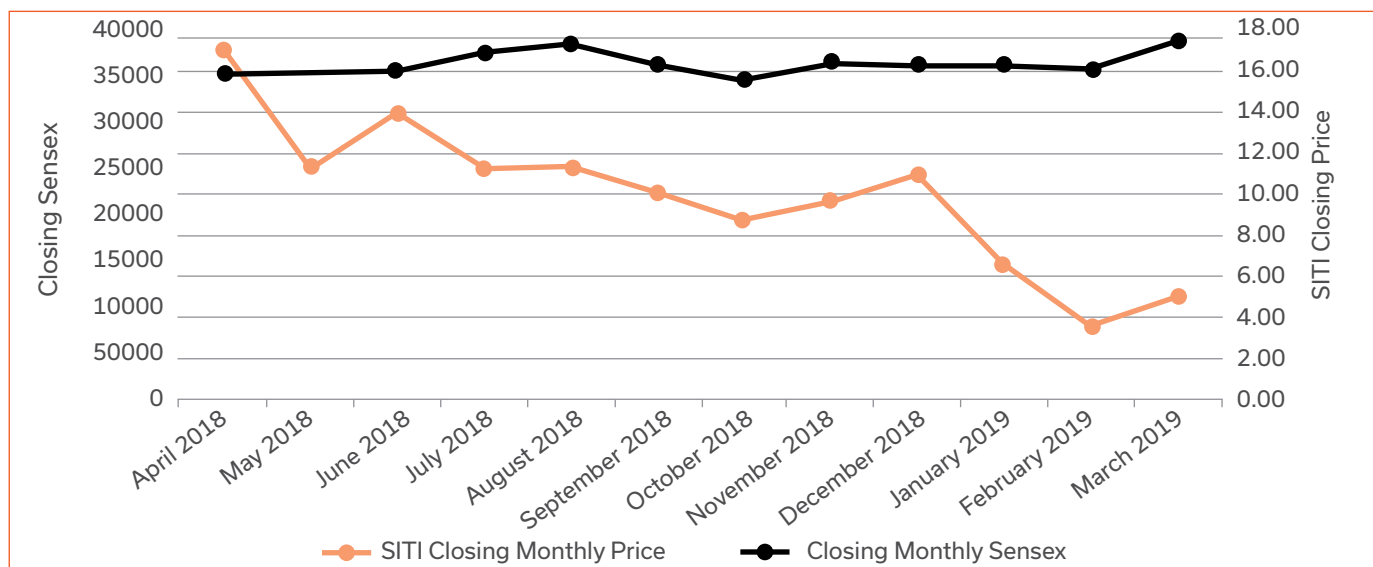
16. Market Price Data

Monthly high and Low quotation and volume of Equity Shares traded on BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) for the Financial year 2018-19 are given as under:

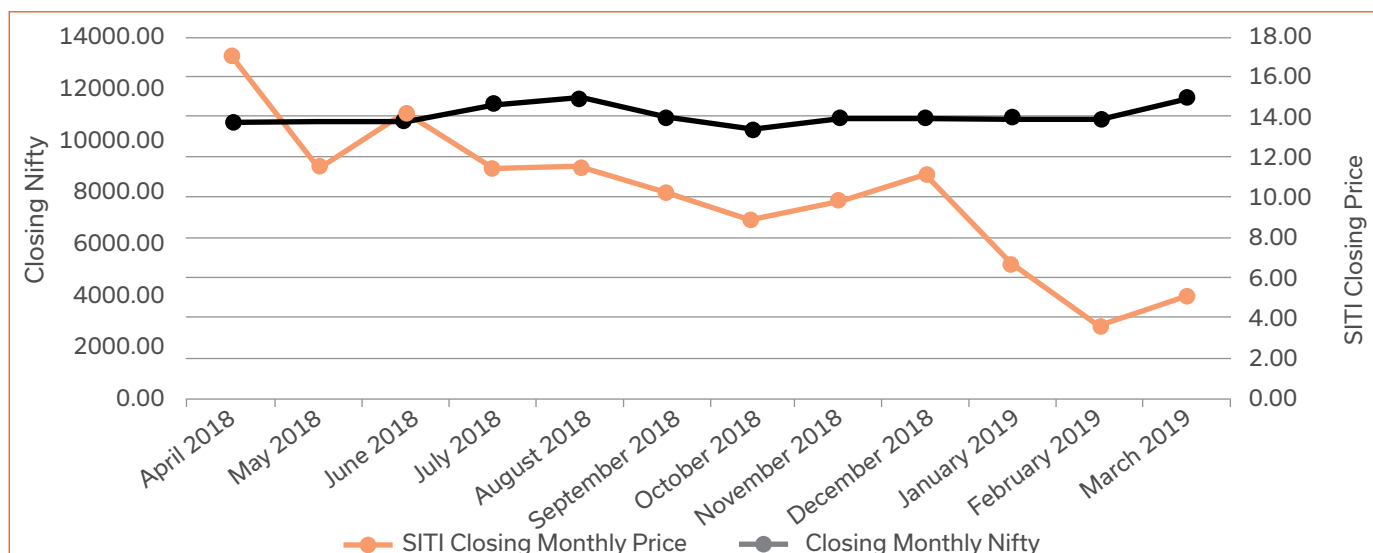
Month	BSE			NSE		
	High (in ₹)	Low (in ₹)	Traded Quantity	High (in ₹)	Low (in ₹)	Traded Quantity
April 2018	17.40	15.00	245,317	17.75	15.00	1,808,499
May 2018	17.20	11.25	556,459	17.40	11.05	4,813,566
June 2018	15.80	10.42	4,158,698	15.80	10.10	10,709,198
July 2018	14.25	10.00	2,169,850	14.50	9.85	985,754
August 2018	13.50	11.00	216,440	13.65	10.95	1,403,720
September 2018	12.63	9.56	387,142	12.75	9.70	1,322,634
October 2018	10.50	8.17	6,758,252	10.70	8.25	10,045,316
November 2018	11.00	8.69	4,669,315	10.90	8.25	8,792,508
December 2018	12.48	9.43	192,969	12.65	9.40	4,945,346
January 2019	11.15	6.21	382,827	11.25	6.20	2,726,892
February 2019	7.00	3.02	39,642,347	7.05	3.10	65,680,899
March 2019	5.65	3.80	13,758,777	5.60	3.80	20,519,933

17. Relative Performance of Shares of SITI Networks Limited vs. BSE Sensex & Nifty Index

SITI Monthly Closing Price (Month End) Vs Monthly Closing Sensex (Month End)



SITI Monthly Closing Price (Month End) Vs Monthly Closing Nifty (Month End)



18. Distribution of Shareholding as on March 31, 2019

Description	Shareholders		No. of Shares	
	Number	% of shareholders	Number	% of Shares
Less than 5000	89,577	98.56	24,369,631	2.79
5001-10000	594	0.65	4,500,889	0.52
10001-20000	290	0.32	4,341,051	0.50
20001-30000	105	0.11	2,686,267	0.31
30001-40000	45	0.05	1,590,875	0.18
40001-50000	56	0.06	2,621,948	0.30
50001-100000	90	0.10	6,992,189	0.80
100001 and above	141	0.15	824,950,998	94.60
Total		100.00	872,053,848	100.00

19. Categories of Equity Shareholder as on March 31, 2019

Particulars	No. of Share held	% of shareholding
Promoters	572,725,985	65.68
Individuals/HUF	88,143,601	10.11
Financial Institutions, Mutual Funds & Banks	34,283,872	3.93
Indian Companies	61,719,375	7.08
FII(s), NRI(s), Foreign Bodies & OCBs	112,694,935	12.92
Others (Clearing Members, Trust, NBFCs)	2,486,080	0.28
Total	872,053,848	100.00

20. Promoter's Shareholding as on March 31, 2019
Equity Shares

S. No.	Name of the Shareholder	No. of Share held	% of total shareholding
1.	Digital Satellite Holdings Private Limited	151,045,816	17.32
2.	Direct Media Solutions LLP	121,000,000	13.88
3.	Bioscope Cinemas Private Limited	112,008,946	12.84
4.	Direct Media And Cable Private Limited	85,714,285	9.83
5.	Arrow Media & Broadband Private Limited	0	0.00
6.	Digital Satellite Media And Broadband Private Limited	40,790,273	4.68
7.	Manaaska Fashions LLP	19,000,000	2.18
8.	Essel Media Ventures Limited	43,166,665	4.95
	Total	572,725,985	65.68

Preference Shares

S. No.	Name of the Shareholder	No. of Share held	% of total shareholding
1.	Churu Trading LLP	23,436	100.00

21. Top 10 Public Shareholders as on March 31, 2019

S. No.	Name of the Shareholder	No. of Share held	% of total shareholding
1.	Morgan Stanley Asia (Singapore) Pte.	33,469,111	3.84
2.	HDFC Trustee Company Limited- HDFC Capital Builder Value Fund	30,000,316	3.44
3.	Pricomm Media Distribution Ventures Pvt Ltd	25,894,000	2.97
4.	Morgan Stanley (France) S.A.	17,150,453	1.97
5.	Moon Capital Trading Pte. Ltd.	12,558,282	1.44
6.	Citigroup Global Markets Mauritius Private Limited	12,406,953	1.42
7.	Polus Global Fund	11,925,000	1.37
8.	JSGG Infra Developers LLP	10,638,298	1.22
9.	Copthall Mauritius Investment Limited	6,446,624	0.74
10.	Morgan Stanley Mauritius Company Limited	5,773,746	0.66

22. Equity Shares in the Suspense Account

In accordance with requirement of Regulation 34(3) and Schedule V Part F of SEBI Listing Regulations, the Company reports the following details in respect of the Equity Shares, which were issued by the Company from time to time and lying in the suspense account is as under:

Description	No. of Shareholders	No. of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2018	82	45,917
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	0	0
Number of shareholders to whom shares were transferred from the suspense account during the year	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2019	82	45,917

The voting rights on the shares outstanding in suspense account as on March 31, 2019 shall remain frozen till the rightful owner of such shares claims the shares.

23. Share Capital Build-up

(a) Equity Shares

Particulars	No. of Equity Shares Allotted	Date of Issue
Subscribers to the Memorandum of Association of the Company	50,000	March 25, 2006
Subdivision of equity shares of ₹ 10/- each into equity shares of ₹ 1/- each	500,000	July 25, 2006
Allotted to the shareholders of Zee Entertainment Enterprises Limited pursuant to Scheme of Arrangement	216,717,753	December 29, 2006
Right Issue	236,222,285	October 29, 2009
Allotted upon conversion of warrants as per terms of issue of Preferential Issue	68,500,000	March 25, 2014
Allotted upon conversion of warrants as per terms of issue of Preferential Issue	93,500,000	April 2, 2014
ESOP Allotment	77,840	February 4, 2015
QIP Allotment	63,174,540	March 9, 2015
ESOP Allotment	167,840	March 26, 2015
Allotted upon conversion of warrants as per terms of issue of Preferential Issue	85,714,285	February 19, 2016
Allotted upon conversion of OFCDs as per terms of issue of Preferential Issue	30,800,000	March 28, 2017
ESOP Allotment	135,000	February 14, 2017
Allotted upon conversion of warrants as per terms of issue of Preferential Issue	57,142,857	February 27, 2017
Allotted upon conversion of OFCDs as per terms of issue of Preferential Issue	20,628,571	February 27, 2017
Less: Forfeiture of shares	1,227,123	October 19, 2011
Paid up equity share capital of the Company as on March 31, 2019	872,053,848	

(b) Preference Shares

Particulars	No. of Equity Shares Allotted	Date of Issue
Issued pursuant to Scheme of Arrangement	23,436	December 29, 2006
Paid up preference share capital of the Company as on March 31, 2019	23,436	

Other Disclosures

- i. All transactions entered into by the Company with related parties during the financial year 2018-19 were in ordinary course of business and on arm's length basis. The related party transactions undertaken by the Company during the year under review were in compliance with the applicable provisions of Companies Act, 2013 and SEBI Listing Regulations. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of the Annual Report. All ongoing related party transactions along with the estimated transaction value and terms thereof are approved by the Audit Committee before the commencement of financial year and thereafter reviewed on quarterly basis by the Audit Committee.

In compliance with the requirements of Regulation 23 of SEBI Listing Regulations, the Board of Directors of the Company has approved a Related Party Transaction Policy, to facilitate management to report and seek approval for any Related Party Transaction proposed to be entered into by the Company. The said Related Party Transaction Policy can be viewed on www.sitinetworks.com

There are no materially significant related party transactions between the Company and its promoters, directors or key management personnel or their relatives, having any potential conflict with interests of the Company at large.

- ii. There has not been any non-compliance by the Company and no penalties or strictures imposed by SEBI or Stock Exchanges or any other statutory authority on any matter relating to capital markets, during the last three years.
- iii. As per Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, a comprehensive Whistle Blower and Vigil Mechanism Policy has been approved and implemented within the organization. The policy enables the employees and directors to report instances of any unethical act or suspected incidents of fraud or violation of Companies Code of Conduct or ethics policy. This Policy, a copy of which is uploaded on the website of the Company, safeguards whistle blowers from reprisals or victimization. Your Board affirms that no personnel has been denied access for making disclosure or report under the Policy to the Vigilance Officer and/or Audit Committee.
- iv. In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and approved (i) an Insider Trading Code to regulate dealing in the securities of the Company by designated persons in compliance with the regulations; and (ii) a Policy for Fair Disclosure of Unpublished Price Sensitive Information. Mr. Suresh Kumar, Company Secretary of

the Company is Compliance Officer for the purposes of Insider Trading Code, while the Chief Financial Officer of the Company has been assigned responsibility under Fair Disclosure policy as Investor Relations Officer. In line with the amendment to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Insider Trading Code and Policy for Fair Disclosure of Unpublished Price Sensitive Information was revised with effect from April 1, 2019. The revised Code and Policy can be viewed on Company's website www.sitinetworks.com.

- v. The Company has one material non-listed Subsidiary namely Indian Cable Net Company Limited, in terms of Regulation 16 of Listing Regulations. Detailed secretarial activity reports along with the minutes of the Meetings of Subsidiaries are placed before the Board at the meeting on periodical basis. The Audit Committee reviews the Financial Statements including investments by the unlisted subsidiaries. The policy on determining material subsidiaries has been uploaded and can be accessed on the website of the Company www.sitinetworks.com.

Additionally, the Board has in accordance with the requirements of Companies Act, 2013 and Listing Regulations approved and adopted various other policies including Material Events Determination and Disclosure Policy, Document Preservation Policy, etc. These Policies can be viewed on Company's website www.sitinetworks.com.

- vi. The Company is engaged in distribution of signals of channels of various broadcasters through cable networks, there are no risk associated with Commodity Price. Further the Company has not carried out any activity for hedging of foreign exchange risk.
- vii. Your Board hereby confirms that the Company has obtained a certificate from the Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.
- viii. During the financial year, the Board of Directors of the Company has accepted all the recommendation of any Committee of the Board where prior approval of the relevant Committee is required for undertaking any transaction under these Regulations.
- ix. During the year under review, the Statutory Auditors of the Company Walker Chandiok & Co. LLP., Chartered Accountants, were paid an aggregate remuneration of ₹ 8.75 million. Apart from the Company, the Statutory Auditors and its network firms across the globe did not provided Audit or any other services to any subsidiary company of the Company.

Particulars of payments made to the Statutory Auditors and its Network firms / entity on *consolidated basis (excluding taxes) are given below.

Particulars	Amount (₹ in million)
Audit /Limited Reviews fee / fee for retesting the internal controls and issuing opinion on the adequacy and operating effectiveness of internal controls over financial reporting	6.50
Certifications and Tax representation	1.71
Other Services	0.54
Total	8.75

**Statutory Auditors and its network firm/entity have not provided its/their services to any subsidiary company of the Company. Therefore, no fee was paid to Statutory Auditors by any subsidiary company.*

x. The Company is committed to provide safe and conducive working environment to all its employees and has zero tolerance for sexual harassment at workplace. In line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder, the Company has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace and has constituted Internal Complaints Committee functioning at various locations to redress complaints received regarding sexual harassment.

During the year the Company, the Company has not received any complaint under sexual harassment.

xi. The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and applicable requirements of Regulation 46 of SEBI Listing Regulations, as amended.

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
SITI Networks Limited.

We have examined the compliance of conditions of Corporate Governance by SITI Networks Limited (hereinafter referred to as 'the Company'), for the year ended March 31, 2019, as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paras C, D and E of Schedule V of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Amit Agrawal & Associates**
Company Secretaries

CS Amit Agrawal
Proprietor
FCS No. 5311, C.P.No. 3647

Delhi, May 30, 2019

COMPLIANCE CERTIFICATE

[Regulation 17(8)]

I, Sanjay Berry, Chief Finance Officer of SITI Networks Limited (hereinafter referred to as 'the Company') certify that:

- a) I have reviewed the financial statements and cash flow statement for the year ended March 31, 2019 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of my knowledge and belief, there are no transactions entered into by the Company during the year ended March 31, 2019 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d) During the year:
 - i. there have not been any significant change in internal control over financial reporting;
 - ii. there have not been any significant changes in accounting policies; and
 - iii. there have been no instances of significant fraud of which I am aware that involve management or other employees having significant role in the Company's internal control system over financial reporting.

Sanjay Berry
Chief Finance Officer

Gurugram, May 30, 2019

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Attendance Slip

Proxy Form

Route Map

INDEPENDENT AUDITOR'S REPORT

To the Members of SITI Networks Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

1. We have audited the accompanying standalone financial statements of SITI Networks Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement 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, 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.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 3(a) to the accompanying standalone financial statements, which indicate that the Company has incurred a net loss (including other comprehensive income) of ₹ 3,725.78 million during the year ended 31 March 2019, and as of that date, the Company's

accumulated losses amount to ₹ 16,712.36 million and the Company's current liabilities have exceeded its current assets by ₹ 7,458.18 million which have resulted in negative working capital. These conditions along with other matters as set forth in Note 3(a), indicate the existence of material uncertainty, that may cast significant doubt about the Company's ability to continue as a going concern. However, based on the expected impact of Tariff Order 2017 and other factors mentioned in aforesaid note to the accompanying standalone financial statements, management is of the view that going concern basis of accounting is appropriate. Our opinion is not modified in respect of this matter.

The above assessment of the Company's ability to continue as going concern is by its nature considered as key audit matter in accordance with SA 701. In relation to the above key audit matter, our audit work included, but was not limited to, the following procedures:

- We obtained an understanding of the management's process for identification of events or conditions that may cast significant doubt over the Company's ability to continue as a going concern and the process to assess the corresponding mitigating factors existing against each such event or condition.
- Evaluated the design and tested the operating effectiveness of key controls around aforesaid identification of events or conditions and mitigating factors, and controls around cash flow projections prepared by the management.
- We obtained from the management, its projected cash flows for the next twelve months basis their future business plans and considering the impact of implementation of Tariff Order, 2017.
- We held discussions with the management personnel to understand the assumptions used and estimates made by them for determining the future cash flow projections.
- The key assumptions such as revenue growth rate, reduction in administrative expenses, and capital expenditure outflows, were assessed for reasonableness by reference to historical data, future market trends, existing market conditions, business plans and our understanding of the business and the industry in which the Company operates.
- We tested mathematical accuracy of the projections and applied independent sensitivity analysis to the key assumptions mentioned above to determine inputs leading to high estimation uncertainty of the cash flow projections.

- We obtained copy of the referred to the letter of financial support given by the Stakeholder.
- In terms with the provisions of Ind AS 1 Presentation of Financial Statements and Standards on Auditing (SA) 570 (Revised), we referred to the disclosures made by the Company with respect to the above mentioned events and conditions.

KEY AUDIT MATTERS

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of

our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. In addition to the matters described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Adoption of Ind AS 115 'Revenue from Contracts with Customers'</p> <p>We refer to summary of significant accounting policies and note 3(c) of the financial statements of the Company for the year ended 31 March 2019 disclosures related to first time application of Ind AS 115 and impact of transition from previous standards to the new one.</p> <p>The Company has adopted the new Ind AS 115 'Revenue from contracts with Customers' applicable from 1 April 2018 replacing the existing Ind AS 18 'Revenue'.</p> <p>Under Ind AS 18, activation and set top boxes pairing charges were recognised as revenue to the extent the upfront obligation is discharged and if the part of the revenues collected at the time of activation related to future services, it was deferred and recognised over the expected customer life.</p> <p>Pursuant to notification of Ind AS 115 and its adoption by the Company, the activation and set-top box pairing service is recognised as revenue over the initial contract period.</p> <p>The determination of accounting treatment under Ind AS 115 required analysis of the historical revenues from activation and subscription, and also required estimation of customer relationship period, forecast of number of activations and subscribers and revenue expected from such activation and subscription.</p> <p>Further, the Telecom Regulatory Authority of India ("TRAI") has implemented a new regulatory framework for the television broadcasting industry in India herein referred as Tariff Order, 2017. Among other things, Tariff Order, 2017 mandated that the customers pay only for the channels they choose to view and it sets out the inter-play between the broadcasters and distribution platform providers. This tariff order has changed the pack price of channels as per the MRP fixed and extensive management's efforts were involved in analysing the impact of the same in the IT system for the mapping of pack price.</p>	<p>Our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of management's processes and internal controls around adoption of Ind AS 115. We sought explanations from the management for areas involving complex judgements or interpretations to assess their appropriateness. • We tested the operating effectiveness of internal controls established by management to ensure completeness, accuracy and timing of revenue (point in time or over time, as applicable) recognised during the year as well as for adjustments made on transition. • We reviewed the underlying contractual arrangements entered into by the Company with its customers, held discussions with the management and assessed its impact on the recognition of revenue from operations. • We evaluated the management's judgement for recognition of activation revenue over the period of initial contract. For this, among other things, we considered customer relationship period, subscriptions from customers, market conditions, business plans and our understanding of the business and the industry in which the Company operates. • We evaluated the completeness and mathematical accuracy of the cumulative adjustments on transition to Ind AS 115 by assessing whether the schedule of adjustments is complete and reflects appropriate consideration for the changes in the revenue accounting under Ind AS 115; • We held detailed discussion with the management to assess the impact of the new tariff order on the operations of the Company, revenue recognition policy of the Company,

Key audit matter

Introduction of Ind AS 115, coupled with the regulatory update on tariff order required detailed analysis under the standards, which is complex and involves a certain degree of judgement and estimates, due to which, this matter has been considered as a key audit matter.

Impairment assessment of non-current investments

As described in Note 6 to the standalone financial statements, the Company has investments of INR 3,520.73 million in its subsidiaries, associates and joint venture entities, as at 31 March 2019 (hereinafter together referred to as 'Component entities').

Certain Component entities have been incurring losses and have negative cash flows from operations during the current as well as previous years, thus resulting in possible impairment indicators.

In view of the above, management, during the year ended 31 March 2019, has carried out impairment test for such investments, whereby the carrying amount of the investments was compared with the fair value of the business of respective component entity. To determine the fair value, management of the Company has prepared detailed cash flow projections, based on business plans of the respective component entity, expected growth rates of the business and other market related factors including the discount rates, etc.

Based on the result of the aforesaid impairment tests, no impairment has been noted.

Considering the materiality of the amount involved and significant degree of judgement and subjectivity involved in the estimates and key assumptions used in determining the cash flows used in the impairment evaluation, we have determined impairment of such investments as a key audit matter.

How our audit addressed the key audit matter

- In view of the new tariff order, which is in the process of being fully implemented, we have considered the prevailing arrangements with the broadcasters and analysed the contracts entered into between the Company and the customers to ensure that revenue has been appropriately recorded in the books of accounts.
- We have assessed the appropriateness of revenue recognition policy of the Company, its measurement and adequacy of disclosures made in the financial statements in terms with Ind AS 115.

Our audit procedures included, but were not limited to the following:

- We obtained understanding of the management process for identification of possible impairment indicators and process performed by the management for impairment testing.
- We have performed detailed discussions with the management throughout the year to understand the impairment assessment process, assumptions used and estimates made by management to assess the reasonableness of the recoverable amount and tested the operating effectiveness of controls implemented by management.
- We obtained from the management of the Company, the approved future business plans of the subsidiary and held detailed discussions with the management to understand the assumptions used and estimates made by them for determining the cash flow projections.
- We referred to the economic conditions prevalent in the jurisdiction in which the subsidiary company operates and understood from the management about the future business plans.
- We assessed the reasonableness of the assumptions used and appropriateness of the valuation methodology applied.
- Working with our valuation specialists, we have assessed the reasonableness of assumptions around discount rate, beta, etc, used and valuation methodology applied for valuation of certain investment in optionally convertible debentures of the Component entities, etc.

Key audit matter
Provision for expected credit losses (ECL)

Refer note 3(i) for significant accounting policy and note 36 for credit risk disclosures.

As described in note 10, trade receivables comprise a significant portion of the current financial assets of the Company. As at 31 March 2019 trade receivables aggregate to INR 2,843.25 million (net of allowance for expected credit losses of INR 4,443.12 million).

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Company has analysed the trend of trade receivables under different ageing bracket for last three years and calculated credit loss rate basis such ageing. The complexity in calculation of ECL is mainly related to calculations performed for different type of revenue streams in which the Company operates and the different recovery period for different categories of customers. Additional provision is recognised for the receivables which are specifically identified as doubtful or non-recoverable.

Further, the management regularly assess each class of trade receivables for recoverability. Provision for ECL is adjusted considering the recovery trends noted for the respective class, adjusted for forward looking estimates. Additional provision is created for the receivables specifically identified as doubtful or non-recoverable. The onset of the Tariff Order, 2017 resulted into changes in pricing mechanism and the terms of certain customer arrangements, and basis management's assessment certain trade receivables and advances aggregating to ₹ 1,840.00 million have been identified as doubtful and provided for as exceptional items.

Estimation of provisions and assessment of recoverability of amounts involves significant degree of judgement and evaluation basis the ongoing communications with the respective parties and is therefore considered as a key audit matter.

How our audit addressed the key audit matter

Our audit procedures included, but were not limited to the following:

- We obtained an understanding of the management process for segregating receivables into appropriate groups, compute average historical loss rate by age-band and adjustments made to historical loss rates (if any).
- We assessed and tested the design and operating effectiveness of controls around management's assessment of the recoverability of trade receivables and corresponding provisioning for ECL. Also, evaluated the controls over the modelling process, validation of data and related approvals.
- We obtained from the management of the Company, detailed assessment, including computation, of the ECL.
- We audited the underlying data and assessed reasonableness of the assumptions used for each age-band of trade receivables.
- We analyzed the methodology used by the management and considered the credit and payment history of specific parties to determine the trend used for arriving at the expected credit loss provision.
- We obtained the details of receivables specifically identified by the management for provisioning, over and above the ECL, and corroborated them from the ageing schedule and held discussions with management on their recoverability.
- We assessed the appropriateness of disclosures made by the management for the ECL recognized in accordance with applicable accounting standards.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. 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.
9. 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

10. 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.
11. 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 expressing 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.
12. 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.
13. 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.
14. 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**
15. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
17. Further to our comments in Annexure I, 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 purpose 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 standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 30 May 2019 as per Annexure 2 expressed unmodified opinion;
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 40 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2019;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;

- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019;
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to

these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sumit Mahajan

Partner

Membership No.: 504822

Place: Gurugram

Date: May 30, 2019

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

OF EVEN DATE TO THE MEMBERS OF SITI NETWORKS LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

ANNEXURE 1

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, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, except for some of the network equipment acquired in a scheme of arrangement in an earlier year where the records are maintained for a group of similar assets and not for each individual asset. However, the written down value of these assets is ₹ Nil.
- (b) The Company has a regular program of physical verification of its fixed assets (other than set top boxes and broadband consumer premises equipment (CPE), 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), under which fixed assets, except for some of the network equipment acquired in a scheme of arrangement in an earlier year, are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, the existence of set top boxes and CPE installed at customer premises is considered on the basis of the 'active user' status of the set top box and CPE. No material discrepancies were noticed on the verification of these assets except in case of some of the network equipment acquired in a scheme of arrangement in an earlier year which have not been physically verified by the management during the year and we are therefore unable to comment on the discrepancies, if any, which could have arisen on verification thereof.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Sections 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. 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 became payable.

- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of disputed dues

Name of the statute	Nature of dues	Amount (₹ in million)	Amount paid under protest (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	119.21	19.81	July 2003 to June 2008, Financial year 2005-2006 to Financial year 2008- 2009 and Financial year 2011-2012	The Customs Excise and Service Tax Appellate Tribunal
Karnataka Value Added Tax Act, 2003	Value added tax	2.83	0.85	Financial year 2007-2008	Joint Commissioner of Commercial Taxes
Andhra Pradesh Value Added Tax Act, 2005	Value added tax	22.38	0.71	Financial year 2010- 2011 to Financial year 2012- 2013 and September 2015 to August 2016	Appellate Deputy Commissioner, Commercial Taxes (Appeals)
Delhi Value Added Tax Act, 2004	Value added tax	0.71	-	Financial year 2013-2014	Additional Commissioner (Appeals)
The Maharashtra Value Added Tax Act, 2002	Value added tax	10.34	1.69	Financial Year 2007-2008 and Financial Year 2011- 2012	Joint Commissioner of Commercial Taxes (Appeals)
The Uttar Pradesh Value Added Tax Act, 2008	Value added tax	7.38	-	Financial Year 2012-2013 and Financial Year 2013- 2014	Appellate Deputy Commissioner, Commercial Taxes (Appeals)
The Madhya Pradesh Value Added Tax Act, 2002	Value added tax	1.93	-	Financial Year 2014-2015	Additional Commissioner (Appeals)
Custom Act, 1962	Custom Duty	1,011.22	20.00	Financial Year 2014-2015 till 2018-2019	Additional Director General (Adjudication), Directorate of Revenue Intelligence, Delhi

- (viii) There are no loans or borrowings payable to government and no dues payable to debenture-holders. The Company has not defaulted in repayment of loans or borrowings to any financial institution during the year. The Company has defaulted in repayment of loans/borrowings to the following banks:

The Company has delayed in repayment of following dues to the banks which were paid on or before the Balance Sheet date:

Name of the bank	Amount of default during the year ended March 31, 2019 (₹ in million)		Period of default (in days)		Remarks
	Principal	Interest	Principal	Interest	
Standard Chartered Bank	203.89	-	1-15	-	
	120.35	-	16-30	-	
Axis Bank	108.13	-	1-15	-	

The Company has delayed in repayment of following dues to the banks during the year, which were unpaid as at March 31, 2019:

Name of the bank	Amount of default as on March 31, 2019 (₹ in million)		Period of default upto the date of balance sheet (in days)		Remarks
	Principal	Interest	Principal	Interest	
HDFC Bank	330.00	63.90	1	1	

- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sumit Mahajan

Partner

Place: Gurugram

Date: May 30, 2019

Membership No.: 504822

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

OF EVEN DATE TO THE MEMBERS OF SITI NETWORKS LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

ANNEXURE 2

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ('THE ACT')

1. In conjunction with our audit of the standalone financial statements of SITI Networks Limited ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The Company's Board of Directors 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 ('the Guidance Note') 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 the Company's business, including adherence to the 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 Act.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note 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 IFCoFR were 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

6. A company's IFCoFR 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 IFCoFR include 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 IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR 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, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 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 issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Place: Gurugram
Date: May 30, 2019

Sumit Mahajan
Partner
Membership No.: 504822

STANDALONE BALANCE SHEET

as at March 31, 2019

	Note	As at March 31, 2019	As at March 31, 2018
₹ in million			
ASSETS			
Non-current assets			
a) Property, plant and equipment	4	7,091.09	8,552.40
b) Capital work-in-progress	4	396.91	818.25
c) Other intangible assets	5	1,413.02	1,376.03
d) Intangible assets under development	4	46.47	73.37
e) Financial assets			
i) Investments	6	3,520.73	3,520.73
ii) Others	7	396.17	720.90
f) Other non-current assets	8	214.25	84.25
		13,078.64	15,145.93
Current assets			
a) Inventories	9	7.13	14.84
b) Financial assets			
i) Trade receivables	10	2,843.25	5,181.60
ii) Cash and cash equivalents	11	114.17	311.16
iii) Bank balances other than (ii) above	12	40.00	-
iv) Others	13	1,731.72	821.56
c) Other current assets	14	1,175.71	1,496.65
		5,911.98	7,825.81
		18,990.62	22,971.74
Total Assets			
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	15 (a)	872.67	872.67
b) Other equity	15 (b)	(650.52)	2,321.48
		222.15	3,194.15
Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	16	5,315.32	5,012.04
ii) Other financial liabilities	17	31.31	1,247.70
b) Provisions	18	51.68	44.74
c) Other non-current liabilities	19	-	443.73
		5,398.31	6,748.21
Current liabilities			
a) Financial liabilities			
i) Borrowings	20	1,534.82	1,492.49
ii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	21	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	21	4,531.25	3,566.17
iii) Other financial liabilities	22	6,397.58	7,039.40
b) Other current liabilities	24	902.72	929.51
c) Provisions	23	3.79	1.81
		13,370.16	13,029.38
		18,990.62	22,971.74
Total Equity and Liabilities			

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

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

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sumit Mahajan
Partner
Membership No.: 504822

Place : Gurugram
Date : May 30, 2019

For and on behalf of the Board of Directors of
SITI Networks Limited

Suresh Arora
Non Executive Director
DIN: 00299232

Sanjay Berry
Chief Financial Officer

Kavita Kapahi
Independent Director
DIN: 02330706

Suresh Kumar
Company Secretary
Membership No.: ACS 14390

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

₹ in million

	Note	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from operations	25	8,212.75	8,378.08
Other income	26	213.58	107.80
Total income		8,426.33	8,485.88
Expenses			
Cost of materials consumed		2.72	1.05
Purchase of stock-in-trade		189.74	390.49
Carriage sharing, pay channel and related costs		3,658.69	3,990.81
Employee benefits expense	27	538.83	644.62
Finance costs	28	1,537.33	1,273.46
Depreciation and amortisation expense	29	2,093.03	1,830.15
Other expenses	30	2,189.38	2,364.27
Total expenses		10,209.72	10,494.85
Loss before exceptional items and tax		(1,783.39)	(2,008.97)
Exceptional items	48	1,940.88	46.80
Loss before tax		(3,724.27)	(2,055.77)
Tax expense			
Current tax		-	-
Deferred tax	42	-	-
Loss for the year		(3,724.27)	(2,055.77)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability	33	(1.51)	1.73
Total comprehensive income		(3,725.78)	(2,054.04)
Earnings/(Loss) per share			
Basic and diluted loss per share	31	(4.27)	(2.36)

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

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sumit Mahajan
Partner
Membership No.: 504822

Place : Gurugram
Date : May 30, 2019

For and on behalf of the Board of Directors of
SITI Networks Limited

Suresh Arora
Non Executive Director
DIN: 00299232

Sanjay Berry
Chief Financial Officer

Kavita Kapahi
Independent Director
DIN: 02330706

Suresh Kumar
Company Secretary
Membership No.: ACS 14390

STANDALONE CASH FLOW STATEMENT

for the year ended March 31, 2019

	₹ in million	
	March 31, 2019	March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(3,724.27)	(2,055.77)
Adjustment for:		
Depreciation and amortisation expenses	2,093.03	1,830.15
Interest income on bank deposits	(34.27)	(50.49)
Excess provisions written back	(44.65)	(12.69)
(Profit)/Loss on sale of property, plant and equipment, and other intangible assets (net)	(48.32)	23.98
Interest expense for borrowings at amortised cost	1,359.76	1,006.37
Bad Debts written off	7.69	3.45
Unrealised foreign exchange loss	(13.66)	21.57
Provision for doubtful debts	310.07	664.00
Employee stock compensation expense	(0.15)	(16.47)
Measurement of investment (current, financial assets) at fair value through profit and loss	-	(0.02)
Effect of recognising other expense on security deposits as per effective interest method	1.26	2.36
Measurement of financial assets and financial liabilities at amortised cost	(1.52)	(8.62)
Measurement of optionally convertible debentures at fair value through profit and loss	-	(2.29)
Exceptional item	1,940.88	46.80
Operating profit before working capital changes	1,845.85	1,452.33
Adjustments for changes in:		
Decrease/(increase) in trade receivables	78.61	(641.82)
Decrease in other financial assets	108.51	308.49
Decrease in other current and non-current assets	343.05	133.47
Decrease in inventories	7.71	64.55
Increase/(decrease) in other financial liabilities	403.65	(464.17)
Increase/(decrease) in employee benefit obligations	7.41	(5.49)
Increase in other current and non-current liabilities	140.06	47.03
Increase in trade payables	1,009.73	833.46
Cash generated from operations	3,944.58	1,727.85
Income taxes refund	8.77	48.32
Net cash flow generated from operating activities	3,953.35	1,776.17
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangibles assets	(1,200.18)	(2,656.98)
Proceeds from sale of property, plant and equipment	1.97	4.76
Redemption of optionally convertible debentures (non-current, financial asset)	-	372.69
Sale of investment (current and non-current, financial asset)	1.10	4.42
Interest received	35.47	105.29
Margin money deposits and bank deposits matured (net)	292.86	201.21
Net cash flow used in investing activities	(868.78)	(1,968.61)

₹ in million

	March 31, 2019	March 31, 2018
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings (current, financial liabilities) (net)	42.33	1,448.63
Proceeds from borrowings (non-current, financial liabilities)	1560.40	2,420.97
Repayment of borrowings (non-current, financial liabilities)	(3619.64)	(3,393.42)
Interest and ancillary borrowing costs paid	(1264.66)	(975.05)
Net cash flow generated from / (used in) financing activities	(3281.57)	(498.87)
Net decrease in cash and cash equivalents	(197.00)	(691.31)
Cash and cash equivalents at the beginning of the year	311.16	1,002.47
Cash and cash equivalents at the end of the year	114.17	311.16

Notes:

₹ in million

	March 31, 2019	March 31, 2018
a. Cash and cash equivalents include (refer note 11):		
Cash on hand	9.68	25.45
Balances with banks on current accounts	85.97	269.94
Cheques and drafts on hand	18.52	15.77
	114.17	311.16

- b. Amendment to Ind AS 7:
The non-cash changes in liabilities arising from financing activities pertains to impact of fair value changes and foreign exchange fluctuations which are considered to be insignificant.
- c. The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (Ind AS-7) on "Statement of Cash Flows".
- d. Figures in brackets indicate Cash Outflow.
- e. Purchase of property, plant and equipment and intangible assets include movements of capital work-in-progress, intangible assets under development, capital advances and payable for property, plant and equipment during the year.

This is the Standalone cash flow statement referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sumit Mahajan
Partner
Membership No.: 504822

Place : Gurugram
Date : May 30, 2019

For and on behalf of the Board of Directors of
SITI Networks Limited

Suresh Arora
Non Executive Director
DIN: 00299232

Sanjay Berry
Chief Financial Officer

Kavita Kapahi
Independent Director
DIN: 02330706

Suresh Kumar
Company Secretary
Membership No.: ACS 14390

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

A EQUITY SHARE CAPITAL (INCLUDING FORFEITED EQUITY SHARES)

	₹ in million
	Amount
Balance as at April 01, 2017	872.67
Issued during the year	-
Balance as at March 31, 2018	872.67
Issued during the year	-
Balance as at March 31, 2019	872.67

B OTHER EQUITY

	Reserves and surplus			Other components of equity			₹ in million
	Securities premium (refer note 15(b))	Retained earnings (refer note 15(b))	General reserve (refer note 15(b))	Other comprehensive income (refer note 15(b))	Foreign currency monetary item translation difference account (FCMITDA) (refer note 15(b))	Employee share based payments reserve (refer note 15(b))	Total other equity
Balance as at April 01, 2017	16,017.37	(11,699.91)	3.23	(1.01)	6.47	58.65	4,384.80
Loss for the year	-	(2,055.77)	-	-	-	-	(2,055.77)
Remeasurement of defined benefit liability	-	-	-	1.73	-	-	1.73
Total comprehensive income for the year	-	(2,055.77)	-	1.73	-	-	(2,054.04)
FCMITDA created during the year	-	-	-	-	89.16	-	89.16
FCMITDA expensed during the year	-	-	-	-	(81.97)	-	(81.97)
Employee share based payments reserve reversed	-	-	-	-	-	(16.47)	(16.47)
Balance as at March 31, 2018	16,017.37	(13,755.68)	3.23	0.72	13.66	42.18	2,321.48
Balance as at April 01, 2018	16,017.37	(13,755.68)	3.23	0.72	13.66	42.18	2,321.48
Adjustment on adoption of Ind AS 115 (Refer Note 3(c))	-	767.59	-	-	-	-	767.59
Loss for the year	-	(3,724.27)	-	-	-	-	(3,724.27)
Remeasurement of defined benefit liability	-	-	-	(1.51)	-	-	(1.51)
Total comprehensive income for the year	-	(3,724.27)	-	(1.51)	-	-	(3,725.78)
FCMITDA created during the year	-	-	-	-	(47.54)	-	(47.54)
FCMITDA expensed during the year	-	-	-	-	33.88	-	33.88
Employee share based payments reserve reversed	-	-	-	-	-	(0.15)	(0.15)
Balance as at March 31, 2019	16,017.37	(16,712.36)	3.23	(0.79)	-	42.03	(650.52)

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

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

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sumit Mahajan
Partner
Membership No.: 504822

Place : Gurugram
Date : May 30, 2019

For and on behalf of the Board of Directors of
SITI Networks Limited

Suresh Arora
Non Executive Director
DIN: 00299232

Sanjay Berry
Chief Financial Officer

Kavita Kapahi
Independent Director
DIN: 02330706

Suresh Kumar
Company Secretary
Membership No.: ACS 14390

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2019

1 NATURE OF OPERATIONS

SITI Networks Limited (hereinafter referred to as the 'Company' or 'SNL') was incorporated in the state of Maharashtra, 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.

2. GENERAL INFORMATION

SNL, is a public company incorporated and domiciled in India. Its registered office is at Unit no. 38, 1st Floor, A wing Madhu Industrial Estate, Pandurang Budhkar Marg, Worli, Mumbai 400013, India. The Company's shares are listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

a) Overall consideration and basis of preparation

The standalone financial statements have been prepared in accordance with the accounting principals generally accepted in India, including the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act'). These standalone financial statements have been prepared and presented under the historical cost convention except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period as stated in the accounting policies below.

These standalone financial statements have been prepared using the significant accounting policies and measurement basis summarised below. These accounting policies have been used consistently throughout all periods presented in these standalone financial statements except as mentioned in note (c) below.

The standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on May 30, 2019.

The Company continued to incur losses during the year ended March 31, 2019 and had negative working capital as at March 31, 2019, but in view of the management, the present positive net worth and other likely mitigating factors, such as expected substantial revenue growth and improvement in operating margins under the Tariff Order 2017, together with continued financial support from a stakeholder of the Company, these standalone financial statements for the year ended March 31, 2019 continue to be prepared on a going concern basis. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

b) Foreign currency translation Functional and presentation currency

These standalone financial statements are presented in currency Indian Rupee (₹), which is also the functional currency of the Company.

Foreign currency transactions and balances

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.

c) Revenue

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

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 as per 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 agreements 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.

Till previous year ended March 31, 2018, activation and set top boxes pairing charges were recognised as revenue to the extent it related to pairing and issue of the related boxes and when no significant uncertainty existed regarding the amount of consideration that will be derived and the upfront obligation was discharged. Where part of the revenues collected at the time of activation related to future services to be provided by the Company, a part of activation revenue was deferred and recognised over the expected customer life.

Application of New Accounting Pronouncement:

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

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

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

Revenue from sale set top box (STBs) & viewing cards (VCs)

Revenue from sale of goods is recognised when the significant risks and rewards in respect of ownership

of the goods are transferred to the buyer, usually on delivery of the goods and when no uncertainty exists regarding the amount of consideration that will be derived. The Company collects goods and services tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Interest

Interest income is reported on an accrual basis using the effective interest method.

d) Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the related service or as incurred.

e) Borrowing costs

Borrowing costs include interest, amortisation 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 capitalised 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. Capitalisation of borrowing cost 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 profit or loss as incurred.

f) Property, plant and equipment Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price (net of CENVAT/GST credit availed), borrowing cost if capitalisation 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.

Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

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 the end of the month of activation thereof post which the same are capitalised.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives.

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

Leasehold improvements are amortised over their lease term or estimated useful lives, whichever is less.

Plant and equipment taken over under scheme of arrangement in the earlier years are depreciated over the management's estimate of remaining useful life, a period of 5 years.

The residual values, useful lives and method of depreciation 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 derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition (calculated as the difference between the net disposal proceeds and its carrying amount) is included in the profit or loss when the respective asset is derecognised.

g) Intangible assets Recognition and initial measurement

Intangible assets acquired separately are stated at their cost of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Subsequent measurement

Goodwill is not amortised but is tested for impairment at least annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Software are amortised over a period of six years on straight-line-basis.

Cost of news, current affairs, chat shows and events including sports events etc. are fully expensed on first telecast.

Program, film and cable rights are amortised on a straight-line basis over the license period or 5 years from the date of purchase, whichever is shorter.

Subsequent expenditures on the maintenance of intangible assets are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the respective intangible asset, and is recognised in profit or loss.

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 recognised 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.

Goodwill is tested for impairment annually when circumstances indicate that the carrying value may be impaired.

i) Financial instruments Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments and are measured initially at:

- a) fair value, in case of financial instruments subsequently carried at fair value through profit or loss (FVTPL);
- b) fair value adjusted for transaction costs, in case of all other financial instruments.

Subsequent measurement

Financial instruments at amortised cost – the financial instrument is measured at the amortised cost if both the following conditions are met:

- i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

All other debt instruments are measured at fair value through other comprehensive income or FVTPL based on Company's business model.

Equity investments – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification is made on initial recognition and is irrevocable.

Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at FVTPL.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

Subsequent measurement

Subsequent to initial recognition, these liabilities are measured at amortised cost using the EIR method.

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 statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported 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 realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

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

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

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

Trade receivables

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

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

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 further payment obligation 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.

Defined benefit plans

Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at the reporting date by an independent actuary using the projected unit credit method.

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 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.

Short term employee benefits

Short-term employee benefits, are current liabilities, measured at the undiscounted amount that the Company expects to pay as a result of the unused entitlement.

k) Share based employee remuneration

The Company operates equity-settled share-based remuneration plans for its employees, where the fair value of employee's services is determined indirectly by reference to the fair value of the equity instruments granted.

This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions). All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to ESOP reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as securities premium.

l) Provisions, contingent assets and contingent liabilities

Provisions are recognised 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 realisation of income is virtually certain.

m) Earnings 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. The weighted average number of equity shares outstanding during the year is adjusted for the effects of mandatorily convertible instrument in compliance with Ind AS 33.

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

Where the Company is a lessee

Finance leases

Management applies judgement in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include (i) the length of the lease term in relation to the economic life of the asset (ii) the present value of the minimum lease payments in relation to the asset's fair value and (iii) whether the Company obtains ownership of the asset at the end of the lease term.

For leases of land and buildings, the minimum lease payments are first allocated to each component based on the relative fair values of the respective lease interest. If the minimum lease payments cannot be allocated reliably between the two components, entire lease is classified as a finance lease, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease. Each component is then evaluated separately for possible treatment as a finance lease, taking into consideration the fact that land normally has an indefinite economic life.

The interest element of lease payments is charged to profit or loss, as finance costs over the period of the lease.

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.

Where the Company is a lessor

Operating leases

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

o) Income taxes

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 year. 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.

p) Inventories

Stores and spares are valued at cost on weighted average basis or at net realisable value whichever is lower.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

q) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is a multi-system operator providing cable television network services and allied services which is

considered as the only reportable segment. The Company's operations are based in India.

r) Significant management judgement in applying accounting policies and estimation uncertainty

These standalone financial statements have been prepared in accordance with generally accepted accounting principles 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 and 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 these standalone 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 recognised 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.

Recognition of deferred tax assets - The extent to which deferred tax assets can be recognised is based on the assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised.

Evaluation of indicators for impairment of non-financial 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 values of property, plant and equipment and believes that the assigned useful lives and residual values 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:

Recoverability of advances/receivables- The management from time to time reviews the recoverability of advances and receivables. The review is done at least once in a financial year and such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.

Defined benefit obligation- Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the defined benefit obligation amount and the annual defined benefit expenses.

Contingencies- Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies, claim, litigations etc against the Company as it is not possible to predict the outcome of pending matters with accuracy.

Fair value measurement

The Company measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Company uses following measurement techniques:

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

would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Refer Note 36 B for Fair Value Hierarchy.

s) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition. Cash and cash equivalent are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

t) Equity and reserves

Share capital represents the nominal (par) value of shares that have been issued.

Securities premium includes any premium received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from securities premium, net of any related income tax benefits

Other components of equity include the following:

Re-measurement of net defined benefit liability-comprises the actuarial losses from changes in demographic and financial assumptions and the return on plan assets.

Retained earnings includes all current and prior period retained profits and share-based employee remuneration (refer note 15) All transactions with owners of the parent are recorded separately within equity.

u) Recent accounting pronouncements (standards issued but not yet effective)

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying new standards and amendments to certain issued standards. These amendments are applicable to the Company from April 01, 2019. The Company will be adopting the below stated new standards and applicable amendments from their respective effective date.

a) Ind AS 116, Leases:

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 April 01, 2019. The Company is evaluating the requirements of the standard and its effect on the financial statements.

b) 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.

In view of the management, the impact of the Appendix on the Financial Statements, as assessed by the Company, is expected to be not material.

c) 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.

The Company will apply these amendments for annual reporting periods beginning on or after April 01, 2019. In view of the management, the impact on the Financial Statements, as assessed by the Company, is expected to be not material.

4. PROPERTY, PLANT AND EQUIPMENT

	₹ in million											
	Buildings	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Air conditioners	Studio equipment	Vehicles	Leasehold improvements	Set top boxes	IRD boxes	Total
Gross carrying amount												
Balance as at April 01, 2017	25.31	4,283.02	102.81	33.90	21.59	15.14	33.47	20.07	53.62	8,469.01	1.26	13,059.20
Additions	-	191.25	13.17	0.11	0.18	-	-	-	-	2,190.02	-	2,394.73
Disposals	-	6.07	-	-	-	-	-	-	-	117.35	-	123.42
Balance as at March 31, 2018	25.31	4,468.20	115.98	34.01	21.77	15.14	33.47	20.07	53.62	10,541.68	1.26	15,330.51
Additions	-	198.30	5.26	0.47	1.30	-	-	-	-	839.87	-	1,045.20
Disposals	-	8.18	-	-	-	-	13.52	-	-	1,739.83	-	1,761.53
Balance as at March 31, 2019	25.31	4,658.32	121.24	34.48	23.07	15.14	19.95	20.07	53.62	9,641.72	1.26	14,614.18
Accumulated depreciation												
Balance as at April 01, 2017	8.42	2,268.81	89.14	28.17	15.92	11.98	26.23	12.14	47.63	2,840.87	0.66	5,349.97
Charge for the year	0.39	325.29	6.51	2.44	1.16	-	0.59	1.50	1.37	1,183.58	-	1,522.83
Disposals	-	4.10	-	-	-	-	-	-	-	90.59	-	94.69
Balance as at March 31, 2018	8.81	2,590.00	95.65	30.61	17.08	11.98	26.82	13.64	49.00	3,933.86	0.66	6,778.11
Charge for the year	0.39	355.80	6.34	1.90	1.19	-	0.59	1.48	0.73	1,335.88	-	1,704.30
Disposals	-	7.79	-	-	-	-	12.84	-	-	938.69	-	959.32
Balance as at March 31, 2019	9.20	2,938.01	101.99	32.51	18.27	11.98	14.57	15.12	49.73	4,331.05	0.66	7,523.09
Net carrying amount as at March 31, 2018	16.50	1,878.20	20.33	3.40	4.69	3.16	6.65	6.43	4.62	6,607.82	0.60	8,552.40
Net carrying amount as at March 31, 2019	16.11	1,720.31	19.25	1.97	4.80	3.16	5.38	4.95	3.89	5,310.67	0.60	7,091.09

- a) Capital work-in-progress and intangible assets under development include set top boxes, viewing cards (softwares) and plant and equipment amounting to ₹ 218.44 million, ₹ 46.47 million and ₹ 178.47 million respectively (previous year : ₹ 523.02 million, ₹ 73.37 million and ₹ 295.23 million respectively) which are yet to be installed.
- b) For details related to assets pledged as security, refer note 45.
- c) Refer note 35 for vehicle finance lease.
- d) The Company has capitalised foreign exchange differences on long term monetary liabilities related to set top boxes amounting to ₹ 272.98 million in current year (previous year: ₹ 6.51 million). Also refer note 3(b)

5. OTHER INTANGIBLE ASSETS

₹ in million

	Goodwill	Program, film and cable rights	Software	Total
Gross carrying amount				
Balance as at April 01, 2017	11.31	50.35	1,639.83	1,701.49
Additions	-	-	596.25	596.25
Balance as at March 31, 2018	11.31	50.35	2,236.08	2,297.74
Additions	-	-	449.42	449.42
Disposals	-	-	136.44	136.44
Balance as at March 31, 2019	11.31	50.35	2,549.06	2,610.72
Accumulated amortisation				
Balance as at April 01, 2017	10.74	49.49	554.16	614.39
Charge for the year	-	-	307.32	307.32
Balance as at March 31, 2018	10.74	49.49	861.48	921.71
Charge for the year	-	-	388.73	388.73
Disposals	-	-	112.74	112.74
Balance as at March 31, 2019	10.74	49.49	1,137.47	1,197.70
Net carrying amount as at March 31, 2018	0.57	0.86	1,374.60	1,376.03
Net carrying amount as at March 31, 2019	0.57	0.86	1,411.59	1,413.02

6. INVESTMENTS

₹ in million

	As at March 31, 2019	As at March 31, 2018
Investment in equity shares (trade, unquoted)		
Subsidiary companies		
51,831,000 (previous year : 51,831,000) equity shares of ₹ 10 each fully paid up of Indian Cable Net Company Limited	2,361.14	2,361.14
50,000 (previous year : 50,000) equity shares of ₹ 10 each fully paid up of Central Bombay Cable Network Limited	13.53	13.53
753,587 (previous year : 753,587) equity shares of ₹ 10 each fully paid up of Siti Vision Digital Media Private Limited	82.39	82.39
10,000 (previous year : 10,000) equity shares of ₹ 10 each fully paid up of Siticable Broadband South Limited	0.10	0.10
Nil (previous year : 10,409) equity shares of ₹ 10 each fully paid up of Siti Bhatia Network Entertainment Private Limited	-	0.10
5,100 (previous year : 5,100) equity shares of ₹ 10 each fully paid up of Siti Jai Maa Durgee Communications Private Limited	16.83	16.83
102,000 (previous year : 102,000) equity shares of ₹ 10 each fully paid up of Siti Jind Digital Media Communications Private Limited	18.98	18.98
5,100 (previous year : 5,100) equity shares of ₹ 10 each fully paid up of Siti Jony Digital Cable Network Private Limited	0.05	0.05
5,100 (previous year : 5,100) equity shares of ₹ 10 each fully paid up of Siti Krishna Digital Media Private Limited	0.05	0.05
7,400 (previous year : 7,400) equity shares of ₹ 10 each fully paid up of Siti Guntur Digital Network Private Limited	0.07	0.07
5,100 (previous year : 5,100) equity shares of ₹ 10 each fully paid up of Siti Faction Digital Private Limited	0.05	0.05

	₹ in million	
	As at March 31, 2019	As at March 31, 2018
5,100 (previous year : 5,100) equity shares of ₹ 10 each fully paid up of Siti Global Private Limited	0.05	0.05
10,000 (previous year : 10,000) equity shares of ₹ 10 each fully paid up of Siti Broadband Services Private Limited	0.10	0.10
5,100 (previous year : 5,100) equity shares of ₹ 10 each fully paid up of Siti Karnal Digital Media Network Private Limited	0.05	0.05
5,100 (previous year : 5,100) equity shares of ₹ 10 each fully paid up of Siti Siri Digital Network Private Limited	0.05	0.05
10,200 (previous year : 10,200) equity shares of ₹ 10 each fully paid up of Siti Prime Uttaranchal Communication Private Limited	24.99	24.99
5,100 (previous year : 5,100) equity shares of ₹ 10 each fully paid up of Siti Saistar Digital Media Private Limited	14.61	14.61
5,100 (previous year : 5,100) equity shares of ₹ 10 each fully paid up of Siti Sagar Digital Cable Network Private Limited	2.48	2.48
5,100 (previous year : 5,100) equity shares of ₹ 10 each fully paid up of Siti Godaari Digital Services Private Limited	9.94	9.94
1,000 (previous year : 1,000) equity shares of ₹ 100 each fully paid up of Variety Entertainment Private Limited	7.50	7.50
99.90% (previous year : Nil) capital contribution in SITI Networks India LLP	0.10	-
Joint ventures		
25,500 (previous year : 25,500) equity shares of ₹ 10 each fully paid up of Wire and Wireless Tisai Satellite Limited	0.26	0.26
4,800 (previous year : 4,800) equity shares of ₹ 10 each fully paid up of C&S Medianet Private Limited	0.05	0.05
Investment in optionally convertible debenture at fair value through profit and loss (trade, unquoted)		
744,900,000 (previous year : 744,900,000) 0.01%, cumulative optionally convertible debentures of ₹ 1 each fully paid up of Siti Siri Digital Network Private Limited	735.86	735.86
231,300,000 (previous year : 231,300,000) 0.01%, cumulative optionally convertible debentures of ₹ 1 each fully paid up of Siti Saistar Digital Media Private Limited	231.50	231.50
	3,520.73	3,520.73
Investment other than investment in subsidiaries and joint ventures		
Investment in equity shares (trade, unquoted)		
480 (previous year : 480) equity shares of ₹ 100 each fully paid up of Master Ads Private Limited	0.05	0.05
9,500 (previous year : 9,500) equity shares of ₹ 10 each fully paid up of Dakshin Communications Private Limited	1.77	1.77
3,000 (previous year : 3,000) equity shares of ₹ 10 each fully paid up of Centre Channel Private Limited	0.23	0.23
Less: Aggregate amount of impairment in value of investments	(2.05)	(2.05)
	-	-
	3,520.73	3,520.73
Aggregate amount of unquoted investments	3,522.78	3,522.78
Aggregate amount of impairment in value of investments	2.05	2.05

7. OTHERS (NON-CURRENT, FINANCIAL ASSETS)

₹ in million

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Margin money deposit (pledged)	309.28	642.14
Security deposits	86.89	78.76
	396.17	720.90

8. OTHER NON-CURRENT ASSETS (NON-FINANCIAL)

₹ in million

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Prepaid expenses	0.29	31.18
Capital advances	213.96	53.07
	214.25	84.25

9. INVENTORIES

₹ in million

	As at March 31, 2019	As at March 31, 2018
Stores and spares	7.13	14.84
	7.13	14.84

10. TRADE RECEIVABLES

₹ in million

	As at March 31, 2019	As at March 31, 2018
Trade receivable - considered good unsecured	2,843.25	5,181.60
Trade receivable - credit impaired	4,443.12	2,362.83
Less: Allowance for expected credit loss	(4,443.12)	(2,362.83)
	2,843.25	5,181.60

For amounts due and terms and conditions relating to related party receivables see note 37.

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. No trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

11. CASH AND CASH EQUIVALENTS

₹ in million

	As at March 31, 2019	As at March 31, 2018
Cash on hand	9.68	25.45
Balances with banks on current accounts	85.97	269.94
Cheques and drafts on hand	18.52	15.77
	114.17	311.16

12. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

	₹ in million	
	As at March 31, 2019	As at March 31, 2018
- Deposits with original maturity of more than 3 but less than 12 months	40.00	-
	40.00	-

13. OTHERS (CURRENT, FINANCIAL ASSETS)

	₹ in million	
	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Amounts recoverable	1,124.59	92.21
Interest accrued and not due on fixed deposits	27.75	28.95
Unbilled revenues	529.38	696.68
Security deposits	50.00	3.72
	1,731.72	821.56

14. OTHER CURRENT ASSETS (NON-FINANCIAL)

	₹ in million	
	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good unless otherwise stated		
Balances with Government authorities	544.36	690.89
Taxes paid	463.37	472.14
Prepaid expenses	17.68	41.50
Amounts recoverable (considered good)	150.30	292.12
Amounts recoverable (considered doubtful)	569.21	538.42
Less: Impairment allowance	(569.21)	(538.42)
	1,175.71	1,496.65

15(a) EQUITY SHARE CAPITAL

	₹ in million	
	As at March 31, 2019	As at March 31, 2018
Authorised share capital		
1,290,000,000 (previous year : 1,290,000,000) equity shares of ₹ 1 each	1,290.00	1,290.00
10,000,000 (previous year : 10,000,000) preference shares of ₹ 1 each	10.00	10.00
Total authorised capital	1,300.00	1,300.00
Issued share capital		
873,280,971 (previous year : 873,280,971) equity shares of ₹ 1 each	873.28	873.28
Less: Forfeited shares 1,227,123 (previous year : 1,227,123) equity shares of ₹ 1 each	(1.23)	(1.23)
23,436 (previous year : 23,436) 7.25% Non-cumulative redeemable preference shares of ₹ 1 each	0.02	0.02
Total issued capital	872.07	872.07
Subscribed and fully paid up capital		
872,053,848 (previous year : 872,053,848) equity shares of ₹ 1 each fully paid up	872.05	872.05
Total paid up capital	872.05	872.05
Forfeited equity shares 1,227,123 (previous year : 1,227,123) equity shares of ₹ 1 each	0.62	0.62
	872.67	872.67

(A) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**Equity shares**

There is no movement in equity share capital during current and previous year.

Preference shares

There is no movement in preference share capital during current and previous year.

(B) Terms/rights attached to:**Equity shares**

The Company has only one class of equity shares having par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Preference shares

The Company has only one class of 7.25% Non-cumulative redeemable preference shares of ₹ 1 each. The said preference shares were allotted to Zee Telefilms Limited (now Zee Entertainment Enterprises Limited) on December 29, 2006, pursuant to the scheme of arrangement for demerger of cable business undertaking of Zee Telefilms Limited approved by the Hon'ble Bombay High Court vide its order dated November 17, 2006. Initially, as per the terms of the issue and allotment, the said preference shares were due for redemption on December 29, 2008. However, with the written consent/approval of Zee Entertainment Enterprises Limited, the terms of the issue of said preference shares were varied by extending the period of redemption by another three years i.e. till December 29, 2011. Later on June 6, 2011 these shares were transferred to Churu Enterprises LLP by Zee Entertainment Enterprises Limited.

Period for redemption of preference shares was extended by a period of five years till December 29, 2016 which has been further extended for period of five years till December 29, 2021 by Churu Enterprises LLP. The preference shares are redeemable at par.

In the event of liquidation of the Company the holders of preference shares will have priority over equity shares in the payment of dividend and repayment of capital. These instruments are accounted for as liability in accordance with the Ind AS.

(C) Details of shareholders holding more than 5% shares in the Company**Equity shares**

	As at March 31, 2019		As at March 31, 2018	
	No. of shares	% of holding	No. of shares	% of holding
Bioscope Cinemas Private Limited	112,008,946	12.84%	112,008,946	12.84%
Direct Media Solutions LLP	121,000,000	13.88%	121,000,000	13.88%
Digital Satellite Holdings Private Limited	151,045,816	17.32%	151,045,816	17.32%
Direct Media and Cable Private Limited	85,714,285	9.83%	85,714,285	9.83%
Arrow Media and Broadband Private Limited	-	-	57,142,857	6.55%
Digital Satellite Media & Broadband Private Limited	40,790,273	4.68%	51,428,571	5.90%

Preference shares

	As at March 31, 2019		As at March 31, 2018	
	No. of shares	% of holding	No. of shares	% of holding
Churu Enterprises LLP	23,436	100%	23,436	100%

(D) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 34.

(E) No shares were issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issue or brought back during the current and last 5 years.

15 (b) OTHER EQUITY

	₹ in million	
	As at March 31, 2019	As at March 31, 2018
Securities premium	16,017.37	16,017.37
Retained earnings	(16,712.36)	(13,755.68)
General reserve	3.23	3.23
Other comprehensive income	(0.79)	0.72
Foreign currency monetary item translation difference account (FCMITDA)	-	13.66
Employee share based payment reserve	42.03	42.18
	(650.52)	2,321.48

A) Notes:

	₹ in million	
Particulars	March 31, 2019	March 31, 2018
1 Securities premium		
Opening balance	16,017.37	16,017.37
Addition during the year	-	-
Closing balance	16,017.37	16,017.37
2 Retained earnings		
Opening balance	(13,755.68)	(11,699.91)
Adjustment on adoption of Ind AS 115 (Refer Note 3(c))	767.59	-
Addition during the year	(3,724.27)	(2,055.77)
Closing balance	(16,712.36)	(13,755.68)
3 General reserve		
Opening balance	3.23	3.23
Addition during the year	-	-
Closing balance	3.23	3.23
4 Other comprehensive income		
Opening balance	0.72	(1.01)
Other comprehensive income for the year	(1.51)	1.73
Closing balance	(0.79)	0.72
5 Foreign currency monetary item translation difference account (FCMITDA)		
Opening balance	13.66	6.47
Addition during the year	(47.54)	89.16
Amortised during the year	33.88	(81.97)
Closing balance	0.00	13.66
6 Employee share based payments reserve		
Opening balance	42.18	58.65
Reversal during the year	(0.15)	(16.47)
Closing balance	42.03	42.18

B) Nature and purpose of reserves:**1 Securities premium**

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Act.

2 Retained earnings

Retained earnings represent the accumulated earnings, net of losses (if any) made by the Company over the years.

3 General reserve

General reserve is a free reserve which is created by transferring funds from retained earnings to meet future obligations or other purposes.

4 Other comprehensive Income

For the company, other comprehensive income includes actuarial gain/(loss) on remeasurement of defined benefit liability over the years.

5 Foreign currency monetary item translation difference account (FCMITDA)

FCMITDA includes exchange differences arising on restatement of long term foreign currency monetary items, other than for acquisition of fixed assets, and is being amortised over the term of such monetary items.

6 Employee shares based reserve

The reserve is used to recognised the grant date fair value of the options issued to employees under Company's employee stock option plan.

16. BORROWINGS (NON-CURRENT, FINANCIAL LIABILITIES)

₹ in million

	As at March 31, 2019	As at March 31, 2018
Secured loans from banks*	5,313.88	5,009.54
Long-term maturities of finance lease obligations (secured)	1.42	2.48
Redeemable preference shares (refer note 15 (a) (B))	0.02	0.02
	5,315.32	5,012.04

* For details of repayment, nature of securities and interest rate of borrowings, refer note 16.1

* For details of period and amount of default in repayment of borrowings, refer note 16.2

17. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

₹ in million

	As at March 31, 2019	As at March 31, 2018
Security deposits received from customers	31.31	43.54
Payables for purchase of property, plant and equipment	-	1,204.16
	31.31	1,247.70

18. PROVISIONS (NON-CURRENT)

₹ in million

	As at March 31, 2019	As at March 31, 2018
Provision for gratuity	28.58	24.18
Provision for compensated absences	23.10	20.56
	51.68	44.74

19. OTHER NON-CURRENT LIABILITIES (NON-FINANCIAL)

₹ in million

	As at March 31, 2019	As at March 31, 2018
Deferred revenue	-	443.73
	-	443.73

20. BORROWINGS (CURRENT, FINANCIAL LIABILITIES)

₹ in million

	As at March 31, 2019	As at March 31, 2018
Loans repayable on demand from banks (secured)	1,534.82	1,492.49
	1,534.82	1,492.49

- i) As at March 31, 2019 and March 31, 2018 the cash credit facilities are secured by first pari passu charge on the future and current assets of the Company with minimum assets cover ratio 1:1. The Company is required to maintain Debt Service Reserve Account ('DSRA') for 2 quarter's interest. The same are further secured by corporate guarantee of an associate Company to maintain DSRA and carries an interest rate of bank borrowing rate+250 basis points ('BBR+250 BPS'), intrinsic value base rate ('IVBR') and six months marginal cost of funds based lending rate+1.70% ('MCLR + 1.70%') respectively.

21. TRADE PAYABLES

₹ in million

	As at March 31, 2019	As at March 31, 2018
- Total outstanding dues of micro enterprises and small enterprises; and	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	4,531.25	3,566.17
	4,531.25	3,566.17

₹ in million

	As at March 31, 2019	As at March 31, 2018
Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006	-	-
Principle amount remaining unpaid	-	-
Interest due thereon	-	-
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-
	-	-

The details of amounts outstanding to micro enterprises and small enterprises under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 are as per available information with the Company.

22. OTHER FINANCIAL LIABILITIES (CURRENT)

₹ in million

	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term borrowings*	5,028.28	6,186.53
Current maturities of finance lease obligations	0.97	1.09
Interest accrued and not due on borrowings	71.16	41.49
Interest accrued and due on borrowings*	63.90	-
Payables for purchase of property, plant and equipment	728.04	720.94
Book overdraft	105.23	89.35
Amount refundable to a related party (refer note 37)	400.00	-
	6,397.58	7,039.40

* For details of period and amount of default in repayment of borrowings refer note 16.2

23. PROVISIONS (CURRENT)

₹ in million

	As at March 31, 2019	As at March 31, 2018
Provision for gratuity	1.92	0.86
Provision for compensated absences	1.87	0.95
	3.79	1.81

24. OTHER CURRENT LIABILITIES (NON-FINANCIAL)

₹ in million

	As at March 31, 2019	As at March 31, 2018
Deferred revenue	-	323.86
Statutory dues payable	740.20	508.90
Advance from customers	162.52	96.75
	902.72	929.51

**16.1 Details of terms of repayment, nature of security and interest rate of borrowings
(Refer note 16 and 22)**

Nature of loan	March 31, 2019		March 31, 2018		Nature of securities	Interest rate	Tenure of repayment*
	Non-current	Current	Non-current	Current			
1	385.11	89.25	113.64	180.53	Term loans from banks are secured by first pari passu charge on entire movable fixed assets, both present and future, of the Company and on the receivables, cash flow and bank account of the Company. Also secured by corporate guarantee of an associated company for maintaining revolving debt service reserve account (DSRA) for 1 quarter of the interest and principal repayment to be funded ten days before each due date, for the entire tenure of the loan.	Base rate + 1.20% p.a. Base rate + 1.20% p.a.	Eight (previous year: Eight) quarterly instalments payable as per the terms of underlying agreement. Two (previous year: Six) quarterly instalments payable as per the terms of underlying agreement.
2	547.31	932.28	15.90	495.24			
3	-	249.78	247.66	460.72		Base rate + 1.20% p.a.	Two (previous year: Six) quarterly instalments payable as per the terms of underlying agreement.
4	-	152.36	11.78	460.72		Base rate + 1.20% p.a.	Two (previous year: Six) quarterly instalments payable as per the terms of underlying agreement.
5	-	411.91	307.82	415.42	Term loans from banks are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/or pledge of the Company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 2 quarter's interest.	Base rate + 2.50% p.a.	Four (previous year: Seven) quarterly instalments payable as per the terms of underlying agreement.
6	-	187.33	124.85	249.11	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/or pledge of the Company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 1 quarter's interest.	Base rate + 0.45% p.a.	Three (previous year: Six) quarterly instalments payable as per the terms of underlying agreement.
7	62.38	155.53	186.68	123.74	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/or pledge of the Company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 1 quarter's interest.	Base rate + 0.45% p.a.	Seven (previous year: Ten) quarterly instalments payable as per the terms of underlying agreement.

Nature of loan	March 31, 2019		March 31, 2018		Nature of securities	Interest rate	Tenure of repayment*
	Non-current	Current	Non-current	Current			
8	1,269.16	147.65	1,416.82	72.68	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's movable fixed assets, both present and future, and as well as current assets. Also secured by the Company for maintenance of interest service reserve account (ISRA) for 1 quarter's interest.	Base rate + spread rate	Twenty (previous year: Twenty four) quarterly instalments payable as per the terms of underlying agreement.
9	996.41	993.96	1,657.06	325.45	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as current assets.	Bank corporate prime lending rate	Six (previous year: six) half yearly instalments payable as per the terms of underlying agreement.
10	-	561.64	561.75	147.50	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's movable fixed assets and as well as current assets. Also secured by corporate guarantee of an associated company.	Base rate + 0.5% p.a.	Two (previous year: Six) quarterly instalments payable as per the terms of underlying agreement.
11	-	365.58	365.58	365.58	Term loans from bank are secured by pari passu charge in favour of lender in a form satisfactory to the lender of all of the Company's fixed and current assets excluding immovable assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA).	6 months MCLR + margin	Two (previous year: Four) half yearly instalments payable as per the terms of underlying agreement.
12	380.00	380.00	-	-	Term loans from bank are secured by pari passu charge in favour of lender in a form satisfactory to the lender of all of the Company's fixed and current assets excluding immovable assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA).	6 months MCLR + margin	Four (previous year: Nil) half yearly instalments payable as per the terms of underlying agreement.
13	141.45	282.90	-	-	Term loans from bank are secured by pari passu charge in favour of lender in a form satisfactory to the lender of all of the Company's fixed and current assets excluding immovable assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA).	6 months MCLR + margin	Three (previous year: Nil) half yearly instalments payable as per the terms of underlying agreement.
14	530.80	118.11	-	-	Term loans from bank are secured by pari passu charge in favour of lender in a form satisfactory to the lender of all of the Company's fixed and current assets excluding immovable assets.	1 Year MCLR + margin	Five (previous year: Nil) half yearly instalments payable as per the terms of underlying agreement.
15	811.86	-	-	-	Term loans from bank are secured by pari passu charge in favour of lender in a form satisfactory to the lender of all of the Company's fixed and current assets excluding immovable assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA).	1 Year MCLR + margin	Eight (previous year: Nil) quarterly instalments payable as per the terms of underlying agreement.
16	189.40	-	-	-	Term loans from bank are secured by pari passu charge in favour of lender in a form satisfactory to the lender of all of the Company's fixed and current assets excluding immovable assets.	6 months LIBOR + 300bps	One (previous year: Nil) instalment payable in financial year 2020 as per the terms of underlying agreement.
Sub total	5,313.88	5,028.28	5,009.54	2,835.97			

* The above mentioned loan instalments range from ₹ 31.25 million to ₹ 525 million per installment as per the terms of respective underlying agreement.

Nature of loan	March 31, 2019		March 31, 2018		Nature of securities	Interest rate	Tenure of repayment
	Non-current	Current	Non-current	Current			
Buyer's credits	-	-	-	1,338.10	Buyer's credit from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/or pledge of the Company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 1 quarter's interest.	Six months LIBOR + 335 bps	Repayable at the end of tenure.
1	-	-	-	1,502.14	Buyer's credit from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/or pledge of the Company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 2 quarter's interest.	Six months LIBOR + 100 bps	Repayable at the end of tenure.
2	-	-	-	510.32	Buyer's credit from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's movable fixed assets and current assets (both present and future).	Three months LIBOR + 295 bps	Repayable at the end of tenure.
3	-	-	-	-	-	-	-
Sub total	-	-	-	3,350.56			
Finance lease obligations	1.42	0.97	2.48	1.09	Finance lease obligations - Secured by hypothecation of vehicles purchased thereunder.		
Sub total	1.42	0.97	2.48	1.09			

16.2 Details of delay/default in repayment of borrowings (current and non-current)

The Company has delayed in repayment of following dues to the banks during the year, which were unpaid as at March 31, 2019:

Name of the bank	Amount of default as on March 31, 2019 ₹ (in million)		Period of default upto the date of Balance Sheet (in days)	
	Principal	Interest	Principal	Interest
HDFC Bank	330.00	63.90	1	1

25. REVENUE FROM OPERATIONS

₹ in million

	March 31, 2019	March 31, 2018
Sale of services		
Subscription income	5,052.64	4,322.35
Advertisement income	-	20.69
Carriage income	1,873.84	1,825.03
Activation and Set top boxes pairing charges	307.10	789.83
Other operating revenue		
Sale of traded goods*	184.30	445.51
Management charges and other networking income	792.19	974.37
Scrap sales	2.68	0.30
	8,212.75	8,378.08
*Details of sale of traded goods		
Set top box (STB) and viewing cards (VC)	181.55	441.94
Stores and spares	2.75	3.57
	184.30	445.51

* For Disclosure of revenue pursuant to Ind AS 115 'Revenue from Contracts with Customers', kindly refer to Note 50.

26. OTHER INCOME

₹ in million

	March 31, 2019	March 31, 2018
Interest income on		
Bank deposits	34.27	50.49
Others	32.86	31.49
Excess provisions written back	44.65	12.69
Net gain arising on financial assets designated as at fair value through profit or loss	-	5.91
Profit on sale of property, plant and equipment and other intangible assets (net)	48.32	-
Exchange fluctuation gain (net)	14.64	-
Other non-operating income	38.84	7.22
	213.58	107.80

27. EMPLOYEE BENEFITS EXPENSE

₹ in million

	March 31, 2019	March 31, 2018
Salaries, allowances and bonus	495.45	586.50
Contributions to provident and other funds	26.86	33.21
Staff welfare expenses	16.52	24.91
	538.83	644.62

28. FINANCE COSTS

₹ in million

	March 31, 2019	March 31, 2018
Interest expense for borrowings at amortised cost	1,359.76	1,006.37
Bank charges	177.57	267.09
	1,537.33	1,273.46

29. DEPRECIATION AND AMORTISATION EXPENSES

	₹ in million	
	March 31, 2019	March 31, 2018
Depreciation of property, plant and equipment	1,704.30	1,522.83
Amortisation of other intangible assets	388.73	307.32
	2,093.03	1,830.15

30. OTHER EXPENSES

	₹ in million	
	March 31, 2019	March 31, 2018
Rent	104.08	141.02
Rates and taxes	44.68	11.12
Communication expenses	14.62	21.41
Repairs and maintenance		
- Network	27.67	7.66
- Buildings	0.37	0.49
- Others	17.96	4.56
Electricity and water charges	57.71	69.54
Legal, professional and consultancy charges	83.62	73.72
Printing and stationery	3.10	9.02
Contractual service charges	293.67	412.56
Travelling and conveyance expenses	27.92	42.72
Auditor's remuneration [^]	8.75	6.53
Vehicle running expenses	31.77	36.93
Insurance expenses	2.20	7.08
Provision for doubtful debts ^{^^}	310.07	664.00
Advertisement and publicity expenses	14.29	10.20
Commission charges and incentives	578.13	160.90
Bad debts written off	7.69	3.45
Program production expenses	30.79	28.65
Other operational cost	484.63	497.29
Business and sales promotion	22.84	18.19
Loss on sale of property, plant and equipment (net)	-	23.98
Exchange fluctuation loss (net)	-	35.18
Net loss arising on financial assets designated as at fair value through profit or loss	-	4.41
Miscellaneous expenses	22.82	73.66
	2,189.38	2,364.27

[^]Auditors' remuneration

	₹ in million	
	March 31, 2019	March 31, 2018
as an auditor	6.50	6.00
for other services including certifications	1.71	0.14
reimbursement of expenses	0.54	0.39
	8.75	6.53

^{^^}Provision for doubtful debts is net of write-back of provision in relation to corresponding revenue sharing costs aggregating ₹ Nil (previous year: ₹ 198.86 million).

31. LOSS PER SHARE

₹ in million

	March 31, 2019	March 31, 2018
Loss attributable to equity shareholders	(3,724.27)	(2,055.77)
Weighted average number of equity shares outstanding during the year (nos.)	872,053,848	872,053,848
Weighted average number of equity shares outstanding during the year for calculating basic and diluted earnings per share (nos.)	872,053,848	872,053,848
Effect of dilutive potential equity shares		
Employee stock options (nos.)*	-	-
Nominal value of per equity share (₹)	1	1
Loss per share (₹)		
Basic and diluted loss per share	(4.27)	(2.36)

* The employee stock option have not been considered, being anti-dilutive

32. GROUP COMPOSITION STRUCTURE

Name of the subsidiary Company	Country of incorporation	Percentage of ownership	
		As at March 31, 2019	As at March 31, 2018
Indian Cable Net Company Limited (hereinafter referred as "ICNCL")*	India	60.02%	60.02%
Central Bombay Cable Network Limited (hereinafter referred as "CBCNL")	India	100.00%	100.00%
Siticable Broadband South Limited (hereinafter referred as "SBSL")	India	100.00%	100.00%
Master Channel Community Network Private Limited (hereinafter referred as "MCCNPL")**	India	66.00%	66.00%
Siti Vision Digital Media Private Limited (hereinafter referred as "SVDMPPL")	India	51.00%	51.00%
Siti Jind Digital Media Communications Private Limited (hereinafter referred as "SJDMCPL")****	India	57.50%	57.50%
Siti Jai Maa Durgee Communications Private Limited (hereinafter referred as "SJMDCPL")	India	51.00%	51.00%
Siti Bhatia Network Entertainment Private Limited (hereinafter referred as "SBNEPL") (till June 14, 2018)	India	-	51.00%
Siti Jony Digital Cable Network Private Limited (hereinafter referred as "SJDCNPL")	India	51.00%	51.00%
Siti Krishna Digital Media Private Limited (hereinafter referred as "SKDMPL")	India	51.00%	51.00%
Siti Faction Digital Private Limited (hereinafter referred as "SFDPL")	India	51.00%	51.00%
Siti Guntur Digital Network Private Limited (hereinafter referred as "SGDNPL")	India	74.00%	74.00%
Siti Maurya Cable Net Private Limited (hereinafter referred as "SMCNPL") ***	India	50.10%	50.10%
Siti Karnal Digital Media Network Private Limited (hereinafter referred as "SKDMNPL")	India	51.00%	51.00%

Name of the subsidiary Company	Country of incorporation	Percentage of ownership	
		As at March 31, 2019	As at March 31, 2018
Siti Global Private Limited (hereinafter referred as "SGPL")	India	51.00%	51.00%
Siti Siri Digital Network Private Limited (hereinafter referred as "SDNPL")	India	51.00%	51.00%
Siti Broadband Services Private Limited (hereinafter referred as "SBSPL")	India	100.00%	100.00%
Siti Prime Uttaranchal Communication Private Limited (hereinafter referred as "SPUCPL")	India	51.00%	51.00%
Siti Sagar Digital Cable Network Private Limited (hereinafter referred as "SSDCNPL")	India	51.00%	51.00%
Siti Saistar Digital Media Private Limited (hereinafter referred as "SSDMPL")	India	51.00%	51.00%
Siti Godaari Digital Services Private Limited (hereinafter referred as "SGDSPL")*****	India	100.00%	51.00%
Variety Entertainment Private Limited (hereinafter referred as "VEPL")	India	100.00%	100.00%
Indinet Service Private Limited (hereinafter referred as "ISPL")***	India	100.00%	100.00%
Axom Communications & Cable Private Limited (hereinafter referred as "ACCPL")*** (till December 31, 2018)	India	-	50.00%
Siti Networks India LLP (w.e.f. May 07, 2018)	India	99.90%	-

*Include 0.30% held through CBCNL

** Subsidiary of CBCNL

*** Subsidiary of ICNCL

**** Include 6.50% held through SBSL

***** Include 49% held through VEPL

Name of the associate and joint venture	Country of incorporation	Percentage of ownership	
		As at March 31, 2019	As at March 31, 2018
Siti Chhattisgarh Multimedia Private Limited (hereinafter referred as "SCMPL")***** (till June 14, 2018)	India	-	41.00%
C&S Medianet Private Limited (hereinafter referred as "CSMPL")	India	48.00%	48.00%
Voice Snap Services Private Limited (hereinafter referred as "VSSPL")*****	India	40.00%	35.26%
Wire and Wireless Tisai Satellite Limited (hereinafter referred as "WWTSL")	India	51.00%	51.00%

**** Associate of SBNEPL

***** Associate of VEPL

33. EMPLOYEE BENEFIT OBLIGATIONS

Post-employment obligations - gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of completed years of service. The expected contribution to the plan for next annual reporting period amounts to ₹ 7.82 million (previous year : ₹ 7.68 million)

The weighted average duration of the defined benefit obligation as at March 31, 2019 is 15 years (previous year 16 years).

The plan exposes the Company to actuarial risks such as interest rate risk and inflation risk.

Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of risk free securities.

Inflation risk

A significant proportion of the defined benefit liability is linked to inflation. An increase in the inflation rate will increase the Company's liability.

The following tables summarises the components of net benefit expense recognised in the standalone statement of profit and loss and the amount recognised in the standalone balance sheet for the respective plans.

Changes in the present value of the defined benefit obligation are as follows:

	₹ in million	
	March 31, 2019	March 31, 2018
Present value of defined benefit obligation at the beginning of the year	25.04	29.66
Interest cost	1.94	2.30
Current service cost	6.43	5.79
Past service cost	-	0.22
Benefits paid	(4.42)	(11.20)
Actuarial loss/(gain) on remeasurement of obligation	1.51	(1.73)
Present value of defined benefit obligation at the end of the year *	30.50	25.04

* Includes current portion ₹ 1.92 million (previous year: ₹ 0.86 million)

The gratuity plan of the Company is unfunded.

Amount recognised in the standalone statement of profit and loss:

	₹ in million	
	March 31, 2019	March 31, 2018
Current service cost	6.43	5.79
Past service cost	-	0.22
Interest cost	1.94	2.30
	8.37	8.31

Amount recognised in the statement of other comprehensive income:

	₹ in million	
	March 31, 2019	March 31, 2018
Actuarial loss/(gain) arising from change in financial assumptions	1.06	(0.68)
Actuarial loss/(gain) arising from experience adjustments	0.45	(1.05)
	1.51	(1.73)

Actuarial assumptions used

	Compensated Absence		Gratuity	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Discount rate (per annum)	7.8%	7.8%	7.8%	7.8%
Rate of escalation in salary (per annum)	5.0%	5.0%	5.0%	5.0%
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Withdrawal rate (per annum)	5.0%	5.0%	5% (18 to 30 Years) 3% (30 to 44 Years) 2%(44 to 60 Years)	5% (18 to 30 Years) 3% (30 to 44 Years) 2%(44 to 60 Years)
Normal retirement age	60 years	60 years	60 years	60 years

These assumptions were developed by management with the assistance of independent actuary. Discount factors are determined close to each year-end by reference to market yields of risk free securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

The present value of the defined benefit obligation was measured using the projected unit credit method.

Sensitivity analysis of the defined benefit obligation for significant actuarial assumptions

	₹ in million	
	March 31, 2019	March 31, 2018
Impact of the change in discount rate		
Present value of obligation at the end of the year	30.50	25.04
Decrease in liability due to increase of 8% (previous year 10%)	(2.49)	(2.58)
Increase in liability due to decrease of 9% (previous year 12%)	2.85	3.05
Impact of the change in salary growth rate		
Present value of obligation at the end of the year	30.50	25.04
Increase in liability due to increase of 10% (previous year 12%)	2.91	3.10
Decrease in liability due to decrease of 8% (previous year 11%)	(2.58)	(2.67)

Defined contribution plans

Contribution to defined contribution plan, recognised as expense for the year is as under :-

Employer's contribution to provident fund and other funds ₹ 26.86 million (previous year: ₹ 33.21 million)

34 SHARE-BASED EMPLOYEE REMUNERATION
Employee Stock Option Plan –ESOP-2015

The Company instituted the Employee Stock Option Scheme -2015 ("SITI ESOP 2015" or "New Plan") to grant equity based incentives to eligible employees. The SITI ESOP-2015 has been approved by the Board of Directors of the Company at their meeting held on May 28, 2015 and by the shareholders of the Company by way of special resolution passed at their Annual General Meeting held on August 27, 2015 to grant upto 33,881,656 options, representing one share for each option upon exercise by the eligible employee at an exercise price determined by the Board/remuneration committee.

The options granted under the Scheme shall vest not less than one year and not more than five years from the date of grant of options. Under the terms of the Scheme, 50%, 35% and 15% of the options will vest in the employee(s) after expiry of one year, two years and three years, respectively, from the date of grant of options. The option grantee must exercise all vested options within a period of four years from the date of vesting and the shares arising on exercise of such options shall not be subject to any lock-in period.

**Employee Stock
Option Plan –
ESOP-2015**

Date of grant	September 3, 2015
Date of Board approval	May 28, 2015
Date of shareholders' approval	August 27, 2015
Number of options granted	4,663,500
Method of settlement (cash/equity)	Equity
Vesting period	Three years
Exercise period	Four years

The details of activity under New Plan have been summarised below:

	March 31, 2019		March 31, 2018	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	2,852,275	30.85	4,295,400	30.85
Forfeited during the year	-	-	1,443,125	30.85
Outstanding at the end of the year	2,852,275	30.85	2,852,275	30.85
Exercisable at the end of the year	2,852,275	30.85	2,714,680	30.85

No options were exercised during the current and previous financial year.

The fair values of options granted under new plan were determined using a variation of the binomial option pricing model that takes into account factors specific to the share incentive plans, such as the vesting period. The following principal assumptions were used in the valuation:

	March 31, 2019			March 31, 2018		
	Options (50%)	Options (35%)	Options (15%)	Options (50%)	Options (35%)	Options (15%)
Number of options	2,331,750	1,632,225	699,525	2,331,750	1,632,225	699,525
Fair value on grant date	14.63	17.49	19.14	14.63	17.49	19.14
Share price at grant date	30.85	30.85	30.85	30.85	30.85	30.85
Fair value at exercise date	Not Applicable (NA)	NA	NA	NA	NA	NA
Exercise price	30.85	30.85	30.85	30.85	30.85	30.85
Expected volatility	39.82%	44.49%	43.47%	39.82%	44.49%	43.47%
Expected life	Three years	Four years	Five years	Three years	Four years	Five years
Expected dividends	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate (based on government bonds)	7.77%	7.97%	7.98%	7.77%	7.97%	7.98%

The underlying expected volatility was determined by reference to historical data of the Company's shares over a period of time since its flotation on the Stock Exchange. No special features inherent to the options granted were incorporated into measurement of fair value.

The employee remuneration expense has decreased by ₹ 0.15 million (previous year: decreased by ₹ 16.47 million), all of this relates to options lapsed/expired during the year due to resignation of eligible employees.

35 LEASES

Finance lease: Company as lessee

Vehicles obtained on finance lease are for 4 years after which the legal title gets transferred is passed to the lessee. There is escalation clause in the lease agreement. There are restrictions imposed by the lease arrangements.

Finance lease liabilities (refer note 16 and 22) are secured by related assets held under finance leases.

Future minimum lease payments and their present values are given below:

	Minimum lease payments due			Total
	Within 1 year	1 to 5 years	after 5 years	
	₹ in million			
March 31, 2019				
Lease payments	1.15	1.51	-	2.66
Finance charges	0.18	0.09	-	0.27
Net present value	0.97	1.42	-	2.39
March 31, 2018				
Lease payments	1.33	2.64	-	3.97
Finance charges	0.24	0.16	-	0.40
Net present value	1.09	2.48	-	3.57

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 ₹ 104.08 million (previous year: ₹ 141.02 million) has been debited to standalone statement of profit and loss during the year.

36 FAIR VALUE MEASUREMENTS

A. Financial instruments by category

	Note	March 31, 2019		
		FVTPL	Amortised cost	Total
		₹ in million		
Financial assets				
Margin money deposits (pledged)	7	-	309.28	309.28
Amount recoverable	13	-	1,124.59	1,124.59
Interest accrued and not due on fixed deposits	13	-	27.75	27.75
Security deposits	7 and 13	-	136.89	136.89
Investment (Non- current, financial assets)	6	967.36	2,553.37	3,520.73
Unbilled revenues	13	-	529.38	529.38
Trade receivables (net)	10	-	2,843.25	2,843.25
Cash and cash equivalents	11	-	114.17	114.17
Bank deposits	12	-	40.00	40.00
Total financial assets		967.36	7,678.68	8,646.04
Financial liabilities				
Borrowings (non-current, financial liabilities)	16	-	5,315.32	5,315.32
Borrowings (current, financial liabilities)	20	-	1,534.82	1,534.82
Security deposits	17	-	31.31	31.31
Trade payables	21	-	4,531.25	4,531.25
Other financial liabilities (current)	22	-	6,397.58	6,397.58
Total financial liabilities		-	17,810.28	17,810.28

₹ in million

	Note	March 31, 2018		Total
		FVTPL	Amortised cost	
Financial assets				
Margin money deposits (pledged)	7	-	642.14	642.14
Amount recoverable	13	-	92.21	92.21
Interest accrued and not due on fixed deposits	13	-	28.95	28.95
Security deposits	7 and 13	-	82.48	82.48
Investment (Non- current, financial assets)	6	967.36	2,553.37	3,520.73
Unbilled revenues	13	-	696.68	696.68
Trade receivables (net)	10	-	5,181.60	5,181.60
Cash and cash equivalents	11	-	311.16	311.16
Total financial assets		967.36	9,588.59	10,555.95
Financial liabilities				
Borrowings (non-current, financial liabilities)	16	-	5,012.04	5,012.04
Borrowings (current, financial liabilities)	20	-	1,492.49	1,492.49
Payables for purchase of property, plant and equipment	17	-	1,204.16	1,204.16
Security deposits	17	-	43.54	43.54
Trade payables	21	-	3,566.17	3,566.17
Other financial liabilities (current)	22	-	7,039.40	7,039.40
Total financial liabilities		-	18,357.80	18,357.80

B. Financial instruments measured at fair value

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

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

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

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable 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, 2019 and March 31, 2018 as follows:

₹ in million

March 31, 2019	Date of Valuation	Level 1	Level 2	Level 3
Financial assets				
Investment in optionally convertible debentures	At March 31, 2019	-	-	967.36

₹ in million

March 31, 2018	Date of Valuation	Level 1	Level 2	Level 3
Financial assets				
Investment in optionally convertible debentures	At March 31, 2018	-	-	967.36

Valuation technique to determine fair value
Optionally convertible debentures (Level 3)

For the year ended March 31, 2019:

The valuation of optionally convertible debentures ('OCD') has been done using the binomial option pricing model where at each node, the investor allocates an expected value of OCD as the highest of each of following:

* Fair value expected to be received upon conversion of OCDs into equity shares as of each of the respective nodes based on the underlying stock price of the investee as of those nodes.

* Present value of fair value expected to be received upon conversion of OCDs into equity shares as of a future node vis a vis each of reference nodes.

* Face value which is expected to be received by the investor upon redemption of OCDs as of each of the nodes, given the investor has the right to redeem the OCDs at any time prior to the end of the tenure.

The key assumptions used in binomial option pricing model is the fair value of equity share of investee companies, which have been valued using the discounted cash flow method as mentioned below.

For the year ended March 31, 2018:

The valuation of OCD has been done using the discounted cash flow method by discounting the investee companies free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows are discounted by weighted average cost of capital comprising of debt and equity. The risk free rate of 7.64% is considered on the 10 year zero coupon government bond.

There have been no transfer between level 1, level 2 and level 3 during the year ended March 31, 2019 and March 31, 2018.

The following table presents the changes in level 1 items for the year ended March 31, 2019 and March 31, 2018:

Particulars	₹ in million
As at April 01, 2017	4.40
Mutual funds sold during the year	(4.42)
Gains recognised in statement of profit and loss	0.02
As at March 31, 2018	-
Mutual funds sold during the year	-
Gains recognised in statement of profit and loss	-
As at March 31, 2019	-

The following table presents the changes in level 3 items for the year ended March 31, 2019 and March 31, 2018:

Particulars	₹ in million
As at April 01, 2017	1,340.05
Optionally convertible debentures redeemed during the year	(370.40)
Loss recognised in standalone statement of profit and loss	(2.29)
As at March 31, 2018	967.36
Optionally convertible debentures redeemed during the year	-
Loss recognised in standalone statement of profit and loss	-
As at March 31, 2019	967.36

As at March 31, 2019

Significant unobservable input	Estimate of the input	Sensitivity of the fair value measurement to input
Probability of meeting of cash flow	20%	An increase to 20% would increase fair value by ₹ 15.49 million and decrease by 20% would decrease fair value by ₹ Nil million

As at March 31, 2018

Significant unobservable input	Estimate of the input	Sensitivity of the fair value measurement to input
Probability of meeting of cash flow	10%	An increase to 10% would increase fair value by ₹ 92.84 million and decrease by 10% would decrease fair value by ₹ 92.84 million

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

	March 31, 2019		March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Margin money deposits (pledged)	309.28	309.28	642.14	642.14
Amount recoverable	1,124.59	1,124.59	92.21	92.21
Interest accrued and not due on fixed deposits	27.75	27.75	28.95	28.95
Security deposits	136.89	136.89	82.48	82.48
Investment (Non-current, financial assets)	2,553.37	2,553.37	2,553.37	2,553.37
Unbilled revenue	529.38	529.38	696.68	696.68
Trade receivables	2,843.25	2,843.25	5,181.60	5,181.60
Cash and cash equivalents	114.17	114.17	311.16	311.16
Bank deposits	40.00	40.00		
Total financial assets	7,678.68	7,678.68	9,588.59	9,588.59
Financial liabilities				
Borrowings (non-current, financial liabilities)	5,315.32	5,315.32	5,012.04	5,012.04
Borrowings (current, financial liabilities)	1,534.82	1,534.82	1,492.49	1,492.49
Payables for purchase of property, plant and equipment	-	-	1,204.16	1,204.16
Security deposits	31.31	31.31	43.54	43.54
Trade payables	4,531.25	4,531.25	3,566.17	3,566.17
Other financial liabilities (current)	6,397.58	6,397.58	7,039.40	7,039.40
Total financial liabilities	17,810.28	17,810.28	18,357.80	18,357.80

D. Financial risk management objectives and policies**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 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	Cash and cash equivalents, bank deposit, margin money deposits, interest accrued and other financial assets except security deposits	12 month expected credit loss
High credit risk	Investment, trade receivables, security deposits and amount recoverable and unbilled revenue	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.

		₹ in million	
Credit rating	Particulars	March 31, 2019	March 31, 2018
A: Low credit risk	Cash and cash equivalents, bank deposit, margin money deposits, interest accrued and other financial assets except security deposits	491.20	982.25
B: High credit risk	Investment, trade receivables, security deposits and amount recoverable and unbilled revenue	8,154.84	9,573.70

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 trade receivables created in earlier years. The average rate of provision has been computed based on the adjusted sales (excluding those where the Company does not have any historical provision) and provision for doubtful debtors created against those sales. As per this methodology, the Company has determined the expected credit loss at approximately 5% for customers of subscription and carriage.

Expected credit loss for trade receivables under simplified approach

As at March 31, 2019

₹ in million			
Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	7,286.37	(4,443.12)	2,843.25
Security deposits	136.89	-	136.89
Amounts recoverable	1,124.59	-	1,124.59
Investment	3,520.73	-	3,520.73
Unbilled revenues	529.38	-	529.38

As at March 31, 2018

₹ in million

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	7,544.43	(2,362.83)	5,181.60
Security deposits	82.48	-	82.48
Amounts recoverable	92.21	-	92.21
Investment	3,520.73	-	3,520.73
Unbilled revenues	696.68	-	696.68

Reconciliation of loss allowance provision – Trade receivable

₹ in million

Particulars	
Loss allowance on March 31, 2017	(1,985.43)
Changes in loss allowance	(377.40)
Loss allowance on March 31, 2018	(2,362.83)
Changes in loss allowance (refer note 30 and 48)	(2,080.29)
Loss allowance on March 31, 2019	(4,443.12)

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, employee dues and other current payables 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 balance sheet date, the Company's liabilities having contractual maturities (including interest payments where applicable) are summarised as follows:

Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows.

₹ in million

Contractual maturities of financial liabilities	Less than one year	One to two years	More than two years
March 31, 2019			
Non-derivatives			
Borrowings (non-current, financial liabilities) and interest on borrowings	5,960.17	3,332.60	2,856.53
Borrowings (current, financial liabilities) and interest on borrowings	1,598.72	-	-
Payables for purchase of property, plant and equipment	728.04	-	-
Security deposits received from customers (non-current, financial liabilities)	-	-	31.31
Book overdraft	105.23	-	-
Trade payables	4,531.25	-	-
Others (including redeemable preference shares and finance lease obligation)	2.41	-	-
Total non-derivative liabilities	12,925.82	3,332.60	2,887.84

Contractual maturities of financial liabilities	₹ in million		
	Less than one year	One to two years	More than two years
March 31, 2018			
Non-derivatives			
Borrowings (non-current, financial liabilities) and interest on borrowings	6,970.20	3,079.35	2,793.41
Borrowings (current, financial liabilities) and interest on borrowings	1,533.98	-	-
Payables for purchase of property, plant and equipment	720.94	-	1,204.16
Security deposits received from customers (non-current, financial liabilities)	-	-	43.54
Book overdraft	89.35	-	-
Trade payables	3,566.17	-	-
Total non-derivative liabilities	12,880.64	3,079.35	4,041.11

C. Market Risk

During the previous year the Company had foreign currency borrowings in the form of buyers credit and is exposed to change in the exchange rates. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (₹). The risk is measured through a forecast of highly probable foreign currency cash flows.

(i) Foreign currency risk

Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows:

	₹ in million	
	March 31, 2019	March 31, 2018
Financial assets (A)	24.60	51.75
Trade receivables	24.60	51.75
Financial liabilities (B)	728.04	5,275.66
Buyer's credit	-	3,350.56
Payable to vendors for property, plant and equipment	728.04	1,925.10
Net exposure (B-A)	703.44	5,223.91

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

	₹ in million	
	Impact on loss after tax	
	March 31, 2019	March 31, 2018
(₹)/USD and (₹)/EURO increased by 5% (previous year (₹)/USD and (₹)/EURO increased by 5%)	(35.17)	(261.20)
(₹)/USD and (₹)/EURO decreased by 5% (previous year (₹)/USD and (₹)/EURO decreased by 5%)	35.17	261.20

(ii) Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. The Company is exposed to changes in market interest rates through bank borrowings at variable interest rates.

	₹ in million	
	March 31, 2019	March 31, 2018
Variable rate borrowings	11,876.98	12,688.58
Total borrowings	11,876.98	12,688.58

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	₹ in million	
	Impact on loss after tax	
	March 31, 2019	March 31, 2018
Interest rates – increase by 100 basis points (previous year 100 bps)	118.77	126.89
Interest rates – decrease by 100 basis points (previous year 100 bps)	(118.77)	(126.89)

37 RELATED PARTY TRANSACTIONS**(i) Promoter and Promoter Group****

Dr. Subhash Chandra
Direct Media Solutions LLP

(ii) Enterprises owned or significantly influenced by Promoter/Promoter Group**

Zee Entertainment Enterprises Limited
Zee Media Corporation Limited
Zee Turner Limited

(iii) Names of related parties where control exists**Subsidiary companies**

Indian Cable Net Company Limited
Central Bombay Cable Network Limited
Siticable Broadband South Limited
Master Channel Community Network Private Limited (Subsidiary of Central Bombay Cable Network Limited)
Siti Vision Digital Media Private Limited
Siti Jind Digital Media Communications Private Limited
Siti Jai Maa Durgee Communications Private Limited
Siti Bhatia Network Entertainment Private Limited (till June 14, 2018)
Siti Jony Digital Cable Network Private Limited
Siti Krishna Digital Media Private Limited
Siti Faction Digital Private Limited
Siti Guntur Digital Network Private Limited
Siti Maurya Cable Net Private Limited (Subsidiary of Indian Cable Net Company Limited)
Siti Karnal Digital Media Network Private Limited
Siti Global Private Limited
Siti Siri Digital Network Private Limited
Siti Broadband Services Private Limited
Siti Prime Uttaranchal Communication Private Limited
Siti Sagar Digital Cable Network Private Limited
Siti Saistar Digital Media Private Limited
Siti Godaari Digital Services Private Limited
Variety Entertainment Private Limited
Indinet Service Private Limited (Subsidiary of Indian Cable Net Company Limited)
Axom Communication & Cable Private Limited (Subsidiary of Indian Cable Net Company Limited) (till December 31, 2018)
Siti Networks LLP w.e.f. May 07, 2018

(iv) Associate companies

Siti Chhattisgarh Multimedia Private Limited (Associate of Siti Bhatia Network Entertainment Private Limited) (till June 14, 2018)

Voice Snap Services Private Limited w.e.f. September 19, 2016 (Associate of Variety Entertainment Private Limited)

C&S Medianet Private Limited w.e.f. November 01, 2018

(v) Joint ventures

C&S Medianet Private Limited (till October 31, 2018)

Wire and Wireless Tisai Satellite Limited

(vi) Key Management Personnel (KMP)

Mr .V.D. Wadhwa, Executive Director and Chief Executive Officer (till June 05, 2017)

Mr. Sidharth Balakrishna, Whole Time Director w.e.f. July 01, 2017

Mr. Anil Jain, Head - Finance and Accounts (till September 09, 2017)

Mr. Sanjay Berry, Chief Financial Officer (resigned on April 28, 2017, has been re-appointed w.e.f. September 01, 2017)

Mr. Sureshkumar Agarwal, Independent Director (till October 26, 2017)

Mr. B.K. Syngal, Independent Director (till March 31, 2019)

Mr. Vinod Kumar Bakshi, Independent Director (till March 31, 2019)

Ms. Kavita Kapahi, Independent Director

Mr. Sandeep Khurana, Independent Director (till November 03, 2017)

Prof. Sunil Kumar Maheshwari, Independent Director w.e.f. November 03, 2017

Mr. Suresh Arora, Non Executive Director w.e.f. March 29, 2019

(vii) Relatives of KMP**

Mrs. Shiela Wadhwa

Mrs. Renu Wadhwa

(viii) Enterprises owned or significantly influenced by KMP or their relatives**

All India Digital Cable Federation (till June 05, 2017)

Insight Financial Services Private Limited (till November 03, 2017)

** With whom the Company has transactions during the current year and previous year.

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

a) Sale of goods and services during the year
Subsidiary companies

	₹ in million	
	March 31, 2019	March 31, 2018
Indian Cable Net Company Limited	258.28	355.84
Master Channel Community Network Private Limited	175.72	116.56
Siti Vision Digital Media Private Limited	33.85	108.17
Siti Jind Digital Media Communications Private Limited	35.14	117.52
Siti Krishna Digital Media Private Limited	0.01	2.65
Siti Jony Digital Cable Network Private Limited	0.62	1.12
Siti Maurya Cable Net Private Limited	3.29	3.28
Siti Faction Digital Private Limited	1.72	7.75
Siti Karnal Digital Media Network Private Limited	0.14	37.77
Siti Siri Digital Network Private Limited	174.38	275.02
Siti Global Private Limited	11.75	9.00
Siti Prime Uttaranchal Communication Private Limited	2.43	13.46
Siti Broadband Services Private Limited	60.00	261.22
Siti Bhatia Network Entertainment Private Limited	-	2.58
Siti Sagar Digital Cable Network Private Limited	6.13	3.80
Siti Saistar Digital Media Private Limited	105.86	109.09
Variety Entertainment Private Limited	64.38	-
Axom Communication & Cable Private Limited	4.14	3.43
Enterprises owned or significantly influenced by Promoter/Promoter Group		
Zee Entertainment Enterprises Limited	252.47	263.30
Zee Media Corporation Limited	80.02	95.18

b) Purchase of goods and services during the year
Subsidiary companies

	₹ in million	
	March 31, 2019	March 31, 2018
Indian Cable Net Company Limited	119.66	270.45
Siti Faction Digital Private Limited	3.00	-
Siti Jony Digital Cable Network Private Limited	0.44	-
Siti Global Private Limited	4.06	-
Siti Sagar Digital Cable Networks Private Limited	3.58	-
Enterprises owned or significantly influenced by Promoter/Promoter Group		
Zee Entertainment Enterprises Limited	924.34	639.61
Zee Media Corporation Limited	3.44	-
Enterprises owned or significantly influenced by KMP or their relatives		
All India Digital Cable Federation	-	2.01
Insight Financial Services Private Limited	-	4.20
C&S Medianet Private Limited	13.90	-

c) Set top boxes hiring charge paid during the year
Subsidiary companies

	₹ in million	
	March 31, 2019	March 31, 2018
Siti Faction Digital Private Limited	0.86	2.23
Siti Jony Digital Cable Network Private Limited	0.15	0.39
Siti Krishna Digital Media Private Limited	0.26	0.67
Siti Godaari Digital Services Private Limited	1.14	2.97

d) Trade receivable written off as exceptional item
Subsidiary companies

	₹ in million	
	March 31, 2019	March 31, 2018
Siti Bhatia Network Entertainment Private Limited	63.09	-

e) Balance (payable)/receivable (net of provision created) at the end of the year
Subsidiary companies

	₹ in million	
	March 31, 2019	March 31, 2018
Indian Cable Net Company Limited	(102.46)	1,167.18
Master Channel Community Network Private Limited	306.74	378.55
Siti Vision Digital Media Private Limited	128.46	307.73
Siti Jind Digital Media Communications Private Limited	6.85	135.79
Siti Jai Maa Durgee Communications Private Limited	(6.44)	9.30
Siti Krishna Digital Media Private Limited	-	9.66
Siti Jony Digital Cable Network Private Limited	-	6.46
Siti Guntur Digital Network Private Limited	14.98	40.60
Siti Maurya Cable Net Private Limited	18.98	15.49
Siti Faction Digital Private Limited	-	121.75
Siti Karnal Digital Media Network Private Limited	-	128.46
Siti Siri Digital Network Private Limited	238.58	384.36
Siti Global Private Limited	0.72	62.40
Siti Godaari Digital Services Private Limited	45.04	82.02
Siti Bhatia Network Entertainment Private Limited	-	64.01
Siti Prime Uttaranchal Communication Private Limited	3.02	91.75
Siti Broadband Services Private Limited	172.08	-
Siti Sagar Digital Cable Network Private Limited	-	52.23
Siti Saistar Digital Media Private Limited	156.69	308.64
Axom Communications & Cable Private Limited	52.27	47.42

	₹ in million	
	March 31, 2019	March 31, 2018
Variety Entertainment Private Limited	(28.70)	0.02
Indinet Service Private Limited	0.01	0.04
Jointly ventures		
Wire and Wireless Tisai Satellite Limited	-	37.96
Enterprises owned or significantly influenced by Promoter/Promoter Group		
Trade receivables		
Zee Entertainment Enterprises Limited	86.74	133.83
Zee Media Corporation Limited	79.04	45.00
Trade payables		
Zee Entertainment Enterprises Limited	1,154.56	601.73
Zee Turner Limited	10.00	293.66
Zee Media Corporation Limited	3.66	15.96
Enterprises owned or significantly influenced by KMP or their relatives		
C&S Medianet Private Limited	1.92	-
Security deposit given		
Zee Turner Limited	12.72	12.72

f) Expenditure paid by the Company on behalf of others concession received and expenditure paid by others on behalf of the Company:

	₹ in million			
	Expenditure paid by the Company on behalf of the others and concession received		Expenditure paid by others on behalf of the Company	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Subsidiary companies				
Siti Vision Digital Media Private Limited	1.24	0.02	-	1.32
Siticable Broadband South Limited	0.10	0.02	-	-
Central Bombay Cable Network Limited	-	0.07	-	-
Master Channel Community Network Private Limited	0.02	0.86	-	-
Siti Jai Maa Durgee Communications Private Limited	0.14	0.04	-	0.08
Siti Faction Digital Private Limited	0.16	0.01	-	-
Indian Cable Net Company Limited	11.85	23.13	34.20	47.38
Siti Jind Digital Media Communications Private Limited	0.01	1.95	-	-
Siti Krishna Digital Media Private Limited	0.07	0.01	-	-
Siti Karnal Digital Media Network Private Limited	0.39	5.51	-	-
Siti Guntur Digital Network Private Limited	0.02	0.04	-	-
Siti Global Private Limited	1.04	0.47	-	-
Siti Godaari Digital Services Private Limited	0.04	3.82	-	-
Siti Prime Uttaranchal Communication Private Limited	1.33	1.78	-	-
Siti Siri Digital Network Private Limited	0.01	0.01	12.30	10.31
Siti Bhatia Network Entertainment Private Limited	0.00	0.49	-	-
Siti Broadband Services Private Limited	0.01	0.12	-	0.14
Siti Sagar Digital Cable Network Private Limited	1.27	1.27	-	-
Siti Saistar Digital Media Private Limited	0.03	106.22	-	-
Siti Jony Digital Cable Network Private Limited	0.35	0.01	-	-
Axom Communications & Cable Private Limited	-	0.02	-	-
Indinet Service Private Limited	0.28	0.28	-	-
Variety Entertainment Private Limited	0.05	0.01	-	-

₹ in million

	Expenditure paid by the Company on behalf of the others and concession received		Expenditure paid by others on behalf of the Company	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Jointly ventures				
Wire and Wireless Tisai Satellite Limited	0.04	0.13	-	-
Enterprises owned or significantly influenced by Promoter/Promoter Group				
Zee Entertainment Enterprises Limited	275.60	0.12	12.80	7.14

g) Advances given and repayment thereof

₹ in million

		Advances given	Repayment/ Adjustments	Balance owed by related parties
Subsidiary companies				
Indian Cable Net Company Limited	March 31, 2019	-	-	-
	March 31, 2018	17.00	195.85	-
Central Bombay Cable Network Limited	March 31, 2019	0.00	-	-
	March 31, 2018	1.53	387.21	-
Siticable Broadband South Limited	March 31, 2019	0.10	-	0.10
	March 31, 2018	4.64	94.99	-
Siti Vision Digital Media Private Limited	March 31, 2019	3.35	-	63.64
	March 31, 2018	20.01	2.15	60.29
Master Channel Community Network Private Limited	March 31, 2019	-	-	2.88
	March 31, 2018	-	-	2.88
Siti Jai Maa Durgee Communications Private Limited	March 31, 2019	0.15	-	6.43
	March 31, 2018	3.24	2.44	6.28
Variety Entertainment Private Limited	March 31, 2019	2,493.64	2,283.72	209.92
	March 31, 2018	16.31	50.44	-
Siti Guntur Digital Network Private Limited	March 31, 2019	-	-	10.65
	March 31, 2018	-	-	10.65
Enterprises owned or significantly influenced by KMP or their relatives				
All India Digital Cable Federation	March 31, 2019	-	-	-
	March 31, 2018	-	0.63	-

h) Investment in Optionally Convertible Debenture

₹ in million

	March 31, 2019	March 31, 2018
Siti Siri Digital Network Private Limited	735.86	735.86
Siti Saistar Digital Media Private Limited	231.50	231.50

i) Redemption of optionally convertible debentures

₹ in million

	March 31, 2019	March 31, 2018
Variety Entertainment Private Limited	-	234.00
Siti Broadband Services Private Limited	-	136.40

j) Remuneration to KMP

₹ in million

	March 31, 2019	March 31, 2018
Mr. V.D. Wadhwa	-	1.95
Mr. Siddhartha Balakrishna	5.77	3.63
Mr. Anil Jain	-	5.03
Mr. Sanjay Berry	10.74	6.59

k) Compensated absences

	₹ in million	
	March 31, 2019	March 31, 2018
Mr. V.D. Wadhwa	-	1.80
Mr. Siddhartha Balakrishna	0.20	0.20
Mr. Anil Jain	-	0.42
Mr. Sanjay Berry	0.01	0.08

l) Director sitting fees

	₹ in million	
	March 31, 2019	March 31, 2018
Mr. B.K. Syngal	0.26	0.42
Mr. Vinod Kumar Bakshi	0.34	0.48
Ms. Kavita Kapahi	0.16	0.24
Mr. Sureshkumar Agarwal	-	0.20
Prof. Sunil Kumar Maheshwari	0.08	0.06

m) Purchase of services

	₹ in million	
	March 31, 2019	March 31, 2018
Relatives of KMP	-	2.69

n) Corporate guarantee given by

	₹ in million	
	March 31, 2019	March 31, 2018
Zee Entertainment Enterprises Limited	976.00	867.00

o) Trade receivables assigned

	₹ in million	
	March 31, 2019	March 31, 2018
Variety Entertainment Private Limited		
Assignment of trade receivables	642.95	-
Commission paid	14.25	-
Reversal of trade receivable assignment (along with related commission)	(657.20)	-
Balance payable at the end of year	-	-
Siti Networks India LLP		
Assignment of trade receivables	530.71	-
Commission paid	15.00	-
Amount received against assigned trade receivable	400.00	-
Reversal of trade receivable assignment (along with related commission)	(545.71)	-
Balance payable at the end of year	400.00	-

- p)** Direct Media Solutions LLP (formerly known as Direct Media Solutions Private Limited), a stakeholder of the Company, has provided financial support as is necessary to enable the Company to fulfil all its obligations incurred in foreseeable future, atleast upto and including March 31, 2021, to enable it to continue as a going concern until such time period. Further, the stakeholder has indemnified the Company against certain advances and receivables, if such are not adjusted/recovered in near future. The aforementioned indemnity shall also cover any amounts further advanced and receivable from such parties.

38 CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed and not provided for (net of advances) amounting to ₹ 93.67 million (previous year: ₹ 174.46 million).

39 Previous year's amounts have been regrouped wherever deemed appropriate.

40 CONTINGENT LIABILITIES AND LITIGATIONS

- i) Claims against the Company not acknowledged as debts ₹ 103.94 million* (previous year: ₹ 108.74 million).
- ii) Demands raised by the statutory authorities being contested by the Company:

₹ in million

	March 31, 2019	March 31, 2018
Service tax matters*	119.21	119.21
VAT/ Sales tax matters*	45.58	45.58

* excludes pending cases/litigations including ones with business associates/statutory authorities where the management believes that no material liability will devolve on the Company in respect of these litigations or where amount of liability is not ascertainable. These are net of amounts deposited under protest.

During the financial ended 31 March 2018, the Directorate of Revenue Intelligence (DRI), Bangalore, u/s 108 of the Custom Act, 1962, had inquired about the classification of viewing cards for applicability of customs duty. The Company had, suo-moto, paid ₹ 20 million under protest. Further, during the current financial year, the Company has received a show cause notice with a demand for ₹ 1,011.22 million. The Company is confident that the demand will not sustain, therefore no provision has been made in these financial statements and the amount demanded has been considered as contingent liability.

- iii) The Hon'ble Supreme Court in its recent ruling had ruled that various allowances like conveyance allowance, special allowance, education allowance, medical allowance etc., paid uniformly and universally by an employer to its employees would form part of basic wages for computing the provident fund ('PF' or 'the fund') contribution and thereby, has laid down principles to exclude (or include) a particular allowance or payments from 'basic wage' for the purpose of computing PF contribution. The Company pays certain allowances to its employees as a part of compensation structure, which have not been included in the basic wages for the purpose of computing the PF.

As this ruling has not prescribed any clarification w.r.t. to its application, the Company, based on legal advice and management assessment has applied the aforesaid ruling prospectively. Management believes that this will not result in any material liability on the Company.

41 UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars of unhedged foreign currency exposure as at reporting date:

	March 31, 2019			March 31, 2018		
	EURO million	USD million	₹ in million	EURO million	USD million	₹ in million
Trade receivables for carriage income	-	0.35	24.60	-	0.80	51.75
Payables for purchase of property, plant and equipment	5.53	4.30	728.04	6.91	21.03	1,925.10
Buyers' credit (Secured loan)	-	-	-	0.76	50.57	3,350.56

* Closing rate as at March 31, 2019: 1 USD = ₹ 69.32 (previous year: 1 USD = ₹ 65.04); 1 EURO = ₹ 77.75 (previous year: 1 EURO = ₹ 80.62)

- 42** The breakup of year end deferred tax assets and liabilities into major components of the respective balance is as under:

Particulars	₹ in million	
	March 31, 2019	March 31, 2018
Deferred tax liabilities		
Temporary difference in depreciation and amortisation of property, plant and equipment and other intangible assets.	173.96	205.02
Gross deferred tax liabilities	173.96	205.02
Deferred tax assets		
Provision for doubtful debts	173.96	205.02
Gross deferred tax assets	173.96	205.02
Net deferred tax liability/(assets)	-	-

In the absence of probability of sufficient future taxable income, the Company has recognised deferred tax assets only to the extent of deferred tax liability.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom:

	₹ in million			
	March 31, 2019		March 31, 2018	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Deductible temporary differences	9,690.32	2,994.31	7,057.71	2,180.83
Brought forward losses	920.84	284.54	1,161.76	358.98

The tax losses expire in assessment year 2019-2020 to 2024-2025. The deductible temporary differences which includes unabsorbed depreciation and provision for doubtful debts do not expire under the current income tax legislation.

43 UTILISATION OF PROCEEDS FROM PREFERENTIAL ALLOTMENT

The Company had issued 142,857,142 warrants at ₹ 35 per warrant during the year 2015-16.

	₹ in million	
	March 31, 2019	March 31, 2018
Unutilised amount at the beginning of the year	-	477.16
Add: Amount received during the year	-	-
Less: Amount utilised during the year		
Repayments of debts of the Company	-	477.16
Unutilised amount at the end of the year	-	-

Since the money is fungible, utilisation had been linked with the payment made from a common bank account post transfer of fund from the bank account separately maintained for the receipt of preferential allotment proceeds.

44 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.

₹ in million

Particulars	March 31, 2019	March 31, 2018
Cash and cash equivalents (refer note 11)	114.17	311.16
Bank balances other than cash and cash equivalents above (refer note 12)	40.00	-
Margin money deposit (refer note 7)	309.28	642.14
Total cash (A)	463.45	953.30
Borrowings (non-current, financial liabilities) (refer note 16)	5,315.32	5,012.04
Borrowings (current, financial liabilities) (refer note 20)	1,534.82	1,492.49
Current maturities of long-term borrowings (refer note 22)	5,028.28	6,186.53
Current maturities of finance lease obligations (refer note 22)	0.97	1.09
Total borrowing (B)	11,879.39	12,692.15
Net debt (C=B-A)	11,415.94	11,738.85
Total equity (refer note 15(a) and 15(b))	222.15	3,194.15
Total capital (equity + net debts) (D)	11,638.09	14,933.00
Gearing ratio (C/D)	0.98	0.79

45 ASSETS PLEDGED AS SECURITY

The carrying amount of assets pledged as security are:

₹ in million

	Note	March 31, 2019	March 31, 2018
Current assets			
a) Inventories	9	7.13	14.84
b) Financial assets			
i) Trade receivables	10	2,843.25	5,181.60
ii) Cash and cash equivalents	11	114.17	311.16
iii) Bank balances other than cash and cash equivalents above	12	40.00	-
iv) Others	13	1,731.72	821.56
c) Other current assets	14	1,175.71	1,496.65
		5,911.98	7,825.81
Non-current assets			
a) Property, plant and equipment	4	7,091.09	8,552.40
b) Capital work-in-progress	4	396.91	818.25
c) Other intangible assets	5	1,413.02	1,376.03
d) Intangible assets under development	4	46.47	73.37
e) Financial assets			
i) Margin money deposit (pledged)	7	309.28	642.14
		9,256.77	11,462.19
Total assets		15,168.75	19,288.00

46 INFORMATION UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013

There are no investments or loan given or guarantee provided or security given by the Company other than the investments and loans stated under note 6 and note 13 in these standalone financial statements, which have been made predominantly for the purpose of business.

47 The Company predominantly operates in a single business segment of cable distribution in India only. Hence there are no separately reportable business or geographical segments as per Indian Accounting Standard ('Ind AS') 108 on Operating Segments. The aforesaid is in line with the way operating results are reviewed and viewed by the chief operating decision maker(s).

48 Exceptional items in the standalone financial statements include the following:

During the year ended March 31, 2019

The Company had divested its 51% shareholding (10,409 shares of face value ₹ 10 each) in a subsidiary company namely, Siti Bhatia Networks Entertainment Private Limited for a consideration of ₹ 1.1 million pursuant to which, Siti Bhatia and Siti Chhattisgarh Multimedia Private Limited (associate of Siti Bhatia) ceased to be part of the Group.

The exceptional items in the standalone financial statements consists of write off of the amount recoverable from Siti Bhatia amounting to ₹ 63.09 million, pursuant to aforementioned divestment and settlement arrangement and

- The Tariff Order 2017 notified by the TRAI resulted into changes in pricing mechanism and certain arrangements with the customers. The Management, based on its review, and in terms of ongoing negotiations with the customers, has provided for certain trade receivables and advances amounting to ₹ 1840.00 million in standalone financial statements. The exceptional items in the standalone financial statements also include one time provision towards certain recoverable amounts and other settlements aggregating ₹ 37.79 million.

During the year ended March 31, 2018

The Company had incurred towards settlement as a one time cost towards restructuring of the operations to improve efficiencies amounting to ₹ 46.80 million, which were disclosed as exceptional item in the standalone financial statement.

49 The new tariff order of Telecom Regulatory Authority of India ('TRAI') was implemented from February 1, 2019, as per the extended timelines. TRAI had further extended the timeline for subscribers to select channels till March 31, 2019. Owing to the initial delays in implementation of new tariff order, all the distribution platform operators ('DPO') are in transition from previous regime to new regime and are in the process of implementation of contracts with the broadcasters and customers.

50 DISCLOSURE OF REVENUE PURSUANT TO IND AS 115 'REVENUE FROM CONTRACTS WITH CUSTOMERS':

A. Reconciliation of revenue from sale of services and other operating revenue with contracted price

	₹ in million	
	March 31, 2019	March 31, 2018
Contracted price	8,212.75	8,378.08

B. Disaggregation of revenue

	₹ in million	
	March 31, 2019	March 31, 2018
Revenue from operations		
Sale of services		
Subscription income	5,052.64	4,322.35
Advertisement income	-	20.69
Carriage income	1,873.84	1,825.03
Activation and Set top boxes pairing charges	307.10	789.83
Other operating revenue		
Sale of traded goods	184.30	445.51
Management charges and other networking income	792.19	974.37
Scrap sales	2.68	0.30
	8,212.75	8,378.08

The Company has disaggregated the revenue from contracts with customers on the basis of nature of services. The Company believes that the disaggregation of revenue on the basis of nature of services has no impact on the nature, amount, timing and uncertainty of revenue and cash flows.

C. Contract balances

The following table provides information about receivables and contract liabilities from contract with customers.

	₹ in million	
	March 31, 2019	March 31, 2018
Contract liabilities		
Advance from customers (including deferred revenue)	162.52	864.34
	162.52	864.34
Contract assets		
Trade receivable	7,286.37	7,544.43
Less: Allowance for expected credit loss	(4,443.12)	(2,362.83)
	2,843.25	5,181.60

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance.

D. Significant changes in the contract liabilities balances during the year are as follows:

	₹ in million	
	March 31, 2019	March 31, 2018
Opening balance	864.34	751.88
Revenue recognised (net of additions)	(701.82)	112.46
Closing balance	162.52	864.34

E. The Company has applied Ind AS 115 with modified retrospective approach from April 1, 2018 and the adoption of this standard has the following impact:

	₹ in million	
	For the year ended March 31, 2019	
	Amount as per Ind AS 115	Amount as per Ind AS 18
Revenue from operations	8,212.75	8,450.81

Impact of adoption of Ind AS 115 on retained earning has been separately disclosed in note 15 (b).

51 POST REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between March 31, 2019 and the date of authorisation of these standalone financial statements.

This is the Summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sumit Mahajan
Partner
Membership No.: 504822

Place : Gurugram
Date : May 30, 2019

For and on behalf of the Board of Directors of
SITI Networks Limited

Suresh Arora
Non Executive Director
DIN: 00299232

Sanjay Berry
Chief Financial Officer

Kavita Kapahi
Independent Director
DIN: 02330706

Suresh Kumar
Company Secretary
Membership No: ACS 14390

INDEPENDENT AUDITOR'S REPORT

To the Members of SITI Networks Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

1. We have audited the accompanying consolidated financial statements of SITI Networks Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated 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 and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint venture the aforesaid consolidated 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 consolidated state of affairs (consolidated financial position) of the Group as at March 31, 2019, and its consolidated loss (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated 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 Consolidated 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 and the audit evidence

obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

4. We draw attention to Note 3(a) to the accompanying consolidated financial statements, which indicates that the Group along with its associates and joint venture has incurred a net loss (including other comprehensive income) of ₹ 2,645.01 million during the year ended March 31, 2019, and as of that date, the Group's accumulated losses amounts to ₹ 14,958.23 million and the Group's current liabilities have exceeded its current assets by ₹ 7,471.59 million which have resulted in negative working capital. These conditions along with other matters as set forth in Note 3(a), indicate the existence of material uncertainty, that may cast significant doubt about the Group's (along with its associates and joint venture) ability to continue as a going concern. However, based on the expected impact of Tariff Order 2017 and other factors mentioned in aforesaid note to the accompanying consolidated financial statements, management is of the view that going concern basis of accounting is appropriate. Our opinion is not modified in respect of this matter.

The above assessment of the Group's (along with its associates and joint venture) ability to continue as going concern is by its nature considered as key audit matter in accordance with SA 701. In relation to the above key audit matter, our audit work included, but was not restricted to, the following procedures:

- We obtained an understanding of the management's process for identification of events or conditions that may cast significant doubt over the Group's (along with its associates and joint ventures) ability to continue as a going concern and the process to assess the corresponding mitigating factors existing against each such event or condition.
- Evaluated the design and tested the operating effectiveness of key controls around aforesaid identification of events or conditions and mitigating factors, and controls around going concern assessment, including cash flow projections prepared by the management.
- We obtained from the management, its projected cash flows for the next twelve months' basis their

future business plans and considering the expected impact of implementation of New Tariff Order, 2017.

- We held discussions with the management personnel to understand the assumptions used and estimates made by them for determining the future projections.
 - The key assumptions such as revenue growth rate, reduction in administrative expenses, and capital expenditure outflows, were assessed for reasonableness by reference to historical data, future market trends, existing market conditions, business plans and our understanding of the business and the industry in which the Group operates.
 - We tested mathematical accuracy of the projections and applied independent sensitivity analysis to the key assumptions mentioned above to determine inputs leading to high estimation uncertainty of the cash flow projections.
- We obtained copy of the referred to the letter of financial support given by the Stakeholder.
 - In terms with the provisions of Ind AS 1 Presentation of Financial Statements and Standards on Auditing (SA) 570 (Revised), we referred to the disclosures made by the Group with respect to the above mentioned events and conditions.
6. In addition to the matters described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

KEY AUDIT MATTERS

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Adoption of Ind AS 115 'Revenue from Contracts with Customers'

We refer to summary of significant accounting policies and note 3(c) of the financial statements of the Group for the year ended March 31, 2019 disclosures related to first time application of Ind AS 115 and impact of transition from previous standards to the new one.

The Group has adopted the new Ind AS 115 'Revenue from contracts with Customers' applicable from April 1, 2018 replacing the existing Ind AS 18 'Revenue'.

Under Ind AS 18, activation and set top boxes pairing charges were recognised as revenue to the extent the upfront obligation is discharged and if the part of the revenues collected at the time of activation related to future services, it was deferred and recognised over the expected customer life.

Pursuant to notification of Ind AS 115 and its adoption by the Group, the activation and set-top box pairing service doesn't qualify as a separate performance obligation and provides no material right to the customers, hence is recognised as revenue over the initial contract period.

How our audit addressed the key audit matter

Our audit procedures included, but were not limited to the following:

- We obtained an understanding of management's processes and internal controls around adoption of Ind AS 115. We sought explanations from the management for areas involving complex judgements or interpretations to assess their appropriateness.
- We tested the operating effectiveness of internal controls established by management to ensure completeness, accuracy and timing of revenue (point in time or over time, as applicable) recognised during the year as well as for adjustments made on transition.
- We reviewed the underlying contractual arrangements entered into by the Company with its customers, held discussions with the management and assessed its impact on the recognition of revenue from operations.
- We evaluated the management's judgement for recognition of activation revenue over the period of initial contract. For this, among other things, we considered customer relationship period, subscriptions from customers, market conditions, business plans and our understanding of the business and the industry in which the Company operates.

Key audit matter

The determination of accounting treatment under Ind AS 115 required analysis of the historical revenues from activation and subscription, and also required estimation of customer relationship period, forecast of number of activations and subscribers and revenue expected from such activation and subscription.

Further, the Telecom Regulatory Authority of India ("TRAI") has implemented a new regulatory framework for the television broadcasting industry in India herein referred as Tariff Order, 2017. Among other things, Tariff Order, 2017 mandated that the customers pay only for the channels they choose to view and it sets out the inter-play between the broadcasters and distribution platform providers. This tariff order has changed the pack price of channels as per the MRP fixed and extensive management's efforts were involved in analysing the impact of the same in the IT system for the mapping of pack price.

Introduction of Ind AS 115, coupled with the regulatory update on tariff order required detailed analysis under the standards, which is complex and involves a certain degree of judgement and estimates, due to which, this matter has been considered as a key audit matter.

Provision for expected credit losses (ECL)

Refer note 3(m) for significant accounting policy and note 38 for credit risk disclosures.

As described in note 11, trade receivables comprise a significant portion of the current financial assets of the Group. As at March 31, 2019 trade receivables aggregate to INR 3,899.91 million (net of allowance for expected credit losses of INR 3,589.94 million).

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Group has analysed the trend of trade receivables under different ageing bracket for last three years and calculated credit loss rate basis such ageing. The complexity in calculation of ECL is mainly related to calculations performed for different type of revenue streams in which the Group operates and the different recovery period for different categories of customers. Additional provision is recognised for the receivables which are specifically identified as doubtful or non-recoverable.

How our audit addressed the key audit matter

- We evaluated the completeness and mathematical accuracy of the cumulative adjustments on transition to Ind AS 115 by assessing whether the schedule of adjustments is complete and reflects appropriate consideration for the changes in the revenue accounting under Ind AS 115;
- We held detailed discussion with the management to assess the impact of the new tariff order on the operations of the Company, revenue recognition policy of the Company,
- In view of the new tariff order, which is in the process of being fully implemented, we have considered the prevailing arrangements with the broadcasters and analysed the contracts entered into between the Company and the customers to ensure that revenue has been appropriately recorded in the books of accounts.
- We have assessed the appropriateness of revenue recognition policy of the Company, its measurement and adequacy of disclosures made in the financial statements in terms with Ind AS 115.

Our audit procedures included, but were not limited to the following:

- We obtained an understanding of the management process for segregating receivables into appropriate groups, compute average historical loss rate by age-band and adjustments made to historical loss rates (if any).
- We assessed and tested the design and operating effectiveness of controls around management's assessment of the recoverability of trade receivables and corresponding provisioning for ECL. Also, evaluated the controls over the modelling process, validation of data and related approvals.
- We obtained from the management of the Company, detailed assessment, including computation, of the ECL.
- We audited the underlying data and assessed reasonableness of the assumptions used for each age-band of trade receivables.

Key audit matter

Further, the management regularly assess each class of trade receivables for recoverability. Provision for ECL is adjusted considering the recovery trends noted for the respective class, adjusted for forward looking estimates. Additional provision is created for the receivables specifically identified as doubtful or non-recoverable. The onset of the Tariff Order, 2017 resulted into changes in pricing mechanism and the terms of certain customer arrangements, and basis management's assessment certain trade receivables and advances aggregating to ₹ 679.80 million have been identified as doubtful and provided for as exceptional items.

Estimation of provisions and assessment of recoverability of amounts involves significant degree of judgement and evaluation basis the ongoing communications with the respective parties and is therefore considered as a key audit matter.

How our audit addressed the key audit matter

- We analyzed the methodology used by the management and considered the credit and payment history of specific parties to determine the trend used for arriving at the expected credit loss provision.
- We obtained the details of receivables specifically identified by the management for provisioning, over and above the ECL, and corroborated them from the ageing schedule and held discussions with management on their recoverability.
- We assessed the appropriateness of disclosures made by the management for the ECL recognized in accordance with applicable accounting standards.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

7. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

8. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of

the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group, and its associate companies and joint venture companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint venture are

responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associates and joint venture.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

11. Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.
12. 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 consolidated 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 expressing our opinion on whether the Group, its associates and joint ventures (covered under the Act) have 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 ability of the Group and its associates and joint ventures 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 consolidated 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 Group and its associates and joint ventures to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
13. 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.
14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

OTHER MATTER

16. We did not audit the financial statements of twenty subsidiaries, whose financial statements reflect total assets of ₹ 14,051.40 million and net assets of ₹ 4,097.11 million as at March 31, 2019, total revenues of ₹ 6,496.91 million and net cash outflows amounting to ₹ 68.77 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 1.21 million for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of two associates and a joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates and joint venture, is based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

17. We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of ₹ 1,783.07 million and net assets of ₹ (147.15) million as at March 31, 2019, total revenues of ₹ 976.46 million and net cash inflows amounting to ₹ 46.13 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 0.21 million for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of an associates, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, and matters identified and disclosed under key audit matters section above and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, are based solely on such unaudited financial statement. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statements certified by the management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

18. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 16, on separate financial statements of the subsidiaries, associates and joint ventures, we report that the Holding Company and nineteen subsidiary companies and one joint venture company covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. As stated in paragraph 17, financial statements of five subsidiary companies and one associate company covered under the Act are unaudited and have been furnished to us by the management, and as certified by the management, such companies have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to two associate companies covered under the Act, since none of such companies is a public company as defined under section 2(71) of the Act.

19. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, associates and joint venture, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;

- e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, associate companies and joint venture company covered under the Act, none of the directors of the Group companies, its associate companies and joint venture company covered under the Act, are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies, associate companies and joint venture company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure 1';
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint venture:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint venture as detailed in Note 42 to the consolidated financial statements;
- ii. the Group, its associates and joint ventures did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2019;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and joint venture company covered under the Act, during the year ended March 31, 2019;
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to December 30, 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sumit Mahajan

Partner

Membership No.: 504822

Place: Gurugram

Date: May 30, 2019

ANNEXURE 1

INDEPENDENT AUDITOR'S REPORT

on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of SITI Networks Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint venture as at and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its subsidiary companies, its associate companies and joint venture company, which are companies covered under the Act, as at that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and joint venture company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') 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 the company's business, including adherence to the 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 Act.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary companies, its associate companies and joint venture company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note 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 IFCoFR were 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company, its subsidiary companies, its associate companies and joint venture company as aforesaid.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

6. A company's IFCoFR 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 IFCoFR include 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 IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR 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 and based on the consideration of the reports of the other auditors on IFCoFR of the subsidiary companies, associate companies and joint venture company, the Holding Company, its subsidiary companies, its associate companies and joint venture company, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTERS

9. We did not audit the IFCoFR in so far as it relates to nineteen subsidiary companies, which are companies covered under the Act, whose financial statements

reflect total assets of ₹ 13,651.30 million and net assets of ₹ 4,097.10 million as at March 31, 2019, total revenues of ₹ 6,496.91 million and net cash outflows amounting to ₹ 68.87 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 1.21 million for the year ended March 31, 2019, in respect of two associate companies and a joint venture company, which are companies covered under the Act, whose IFCoFR have not been audited by us. The IFCoFR in so far as it relates to such subsidiary companies, associate companies and joint venture company have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company, its subsidiary companies, its associate companies and joint venture company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies, associate companies and joint venture company is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sumit Mahajan

Partner

Membership No.: 504822

Place: Gurugram

Date: May 30, 2019

CONSOLIDATED BALANCE SHEET

as at March 31, 2019

	Note	As at March 31, 2019	₹ in million As at March 31, 2018
ASSETS			
Non-current assets			
a) Property, plant and equipment	4	14,079.21	16,493.91
b) Capital work-in-progress	4(a)	948.01	1,458.97
c) Investment Property	5	658.53	669.21
d) Goodwill	6	485.52	540.45
e) Other intangible assets	6	2,397.94	2,601.58
f) Intangible assets under development	4(a)	46.47	73.37
g) Investments in joint ventures and associates	7	148.59	47.17
h) Financial assets			
i) Others	8	459.85	782.97
i) Deferred tax asset (Net)	20	13.07	10.43
j) Other non-current assets	9	34.31	159.09
		19,271.50	22,837.15
Current assets			
a) Inventories	10	18.02	145.25
b) Financial assets			
i) Trade receivables	11	3,899.91	3,687.62
ii) Cash and cash equivalents	12	715.67	935.31
iii) Bank balances other than (ii) above	13	65.40	325.52
iv) Others	14	1,805.34	1,006.66
c) Current tax assets (Net)		71.34	56.49
d) Other current assets	15	2,296.80	1,908.85
		8,872.48	8,065.70
Total Assets		28,143.98	30,902.85
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	16 (a)	872.67	872.67
b) Other equity	16 (b)	1,107.50	2,557.29
Equity attributable to owners of the parent (a+b)		1,980.17	3,429.96
c) Non controlling-interest		1,047.06	1,160.33
		3,027.23	4,590.29
Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	17	7,423.85	5,971.94
ii) Other financial liabilities	18	1,009.36	1,992.65
b) Provisions	19	92.37	75.46
c) Deferred tax liabilities (Net)	20	204.03	124.18
d) Other non-current liabilities	21	43.07	1,189.48
		8,772.68	9,353.71
Current liabilities			
a) Financial liabilities			
i) Borrowings	22	1,623.08	1,566.06
ii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	23	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	23	6,580.88	5,255.95
iii) Other financial liabilities	24	6,727.34	8,373.12
b) Other current liabilities	26	1,399.71	1,751.54
c) Provisions	25	13.06	12.18
		16,344.07	16,958.85
Total Equity and Liabilities		28,143.98	30,902.85

The accompanying notes are an integral part of these consolidated financial statements.
This is the consolidated balance sheet referred to in our report of even date.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sumit Mahajan
Partner
Membership No.: 504822

Place : Gurugram
Date : May 30, 2019

For and on behalf of the Board of Directors of
SITI Networks Limited

Suresh Arora
Non Executive Director
DIN: 00299232

Sanjay Berry
Chief Financial Officer

Kavita Kapahi
Independent Director
DIN: 02330706

Suresh Kumar
Company Secretary
Membership No.: ACS 14390

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

	Note	Year ended March 31, 2019	Year ended March 31, 2018
₹ in million			
Income			
Revenue from operations	27	14,421.34	14,104.01
Other income	28	322.38	159.73
Total income		14,743.72	14,263.74
Expenses			
Cost of materials consumed		14.38	17.65
Purchase of stock-in-trade		28.43	15.62
Carriage sharing, pay channel and related costs		6,541.38	6,379.02
Employee benefits expenses	29	813.18	904.94
Finance costs	30	1,707.16	1,395.49
Depreciation and amortisation expenses	31	3,649.67	3,261.70
Other expenses	32	3,787.87	3,701.31
Total expenses		16,542.07	15,675.73
Loss before share of loss of associates and joint ventures, exceptional items and tax		(1,798.35)	(1,411.99)
Share of loss of associates and joint ventures		(1.42)	(5.80)
Loss before exceptional items and tax		(1,799.77)	(1,417.79)
Exceptional items	53	742.66	163.41
Loss before tax		(2,542.43)	(1,581.20)
Tax expense			
Current tax		139.50	72.78
Deferred tax		(39.10)	44.99
Loss for the year		(2,642.83)	(1,698.97)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability		(2.18)	3.91
Total comprehensive income for the period (including non-controlling interest)		(2,645.01)	(1,695.06)
Net loss attributable to:			
A Owners of the parent		(2,661.94)	(1,938.57)
B Non-controlling interest		19.11	239.60
Other comprehensive income attributable to:			
A Owners of the parent		(1.91)	3.62
B Non-controlling interest		(0.27)	0.29
Total comprehensive income attributable to:			
A Owners of the parent		(2,663.85)	(1,934.95)
B Non-controlling interest		18.84	239.89
Earnings/(Loss) per share			
Basic and diluted loss per share	33	(3.05)	(2.22)

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

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sumit Mahajan
Partner
Membership No.: 504822

Place : Gurugram
Date : May 30, 2019

For and on behalf of the Board of Directors of
SITI Networks Limited

Suresh Arora
Non Executive Director
DIN: 00299232

Sanjay Berry
Chief Financial Officer

Kavita Kapahi
Independent Director
DIN: 02330706

Suresh Kumar
Company Secretary
Membership No.: ACS 14390

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2019

	₹ in million	
	March 31, 2019	March 31, 2018
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(2,542.43)	(1,581.20)
Adjustment for:		
Depreciation and amortisation of expenses	3,649.67	3,261.70
Interest income on bank deposits	(46.28)	(70.91)
Excess provisions written back	(74.12)	(22.95)
Share of loss of associates and jointly ventures	1.42	5.80
(Profit)/loss on sale of property, plant and equipment (net)	(42.52)	28.09
Interest expense for borrowings at amortised cost	1,525.65	1,114.58
Bad debts written off	46.02	36.06
Unrealised foreign exchange loss	(13.82)	17.52
Provision for doubtful debts	501.23	721.68
Provision for doubtful advances	0.03	0.07
Employee stock compensation expense	(0.15)	(16.47)
Measurement of investment (current, financial assets) at fair value through profit and loss	-	(0.02)
Effect of recognising other expense on security deposit as per effective interest method	1.26	2.36
Measurement of financial assets and financial liabilities at amortised cost	(1.52)	(1.72)
Exceptional items	742.66	163.41
Operating profit before working capital changes	3,747.10	3,658.00
Adjustments for changes in:		
Increase in trade receivables	(1,503.29)	(813.96)
Decrease in other finance current and non-current assets	224.35	367.71
Increase in other current and non-current assets	(304.52)	(30.83)
Decrease/increase in inventories	127.23	(52.32)
Increase/(decrease) in other financial liabilities	1,270.31	(454.32)
Increase in employee benefit obligations	26.34	16.65
Decrease in other current and non-current liabilities	(559.32)	(40.71)
Increase in trade payables	1,399.06	1,028.23
Cash generated from operations	4,427.25	3,678.45
Income taxes paid	(56.22)	(264.29)
Net cash flows from operating activities	4,371.03	3,414.16
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, and intangibles assets	(2,400.40)	(3,881.62)
Proceeds from sale of property, plant and equipment, and intangible assets	12.18	18.55
Purchase of investments (non-current, financial assets)	(102.85)	(6.00)
Sale of investment (current and non-current financial assets)	1.10	4.42
Interest received	46.36	125.10
Proceeds from / (Investments in) margin deposits and bank deposits	590.92	(127.71)
Net cash used in investing activities	(1,852.69)	(3,867.26)

₹ in million

	March 31, 2019	March 31, 2018
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings (current, financial liabilities) (net)	57.02	1,370.00
Proceeds from borrowings (non-current, financial liabilities)	3,310.37	2,851.58
Repayment of borrowings (non-current, financial liabilities)	(4,605.93)	(3,460.60)
Interest paid	(1,499.43)	(1,079.13)
Net cash flow used in financing activities	(2,737.97)	(318.15)
Net decrease in cash and cash equivalents	(219.64)	(771.25)
Cash and cash equivalents at beginning of the year	935.31	1,706.56
Cash and cash equivalents at the end of the year	715.67	935.31

Notes:

₹ in million

	March 31, 2019	March 31, 2018
a. Cash and cash equivalents include (refer note 12):		
Cash on hand	199.72	52.10
Balances with banks on current accounts	257.01	456.75
Cheques and drafts on hand	32.08	288.26
Deposits with maturity of upto three months	226.86	138.20
	715.67	935.31

- b. Amendment to Ind AS 7:
The non-cash changes in liabilities arising from financing activities pertains to impact of fair value changes and foreign exchange fluctuations which are considered to be insignificant.
- c. The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (Ind AS-7) on "Statement of Cash Flows".
- d. Figures in brackets indicate Cash Outflow.
- e. Purchase of property, plant and equipment and intangible assets include movements of capital work-in-progress, intangible assets under development, capital advances and payable for property, plant and equipment during the the year.

This is the consolidated cash flow statement referred to in our report of even date.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sumit Mahajan
Partner
Membership No.: 504822

Place : Gurugram
Date : May 30, 2019

For and on behalf of the Board of Directors of
SITI Networks Limited

Suresh Arora
Non Executive Director
DIN: 00299232

Sanjay Berry
Chief Financial Officer

Kavita Kapahi
Independent Director
DIN: 02330706

Suresh Kumar
Company Secretary
Membership No.: ACS 14390

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

A EQUITY SHARE CAPITAL (including forfeited equity shares)

	₹ in million
Balance as at April 01, 2017	872.67
Issued during the year	-
Balance as at March 31, 2018	872.67
Issued during the year	-
Balance as at March 31, 2019	872.67

B OTHER EQUITY

	Reserves and surplus			Other components of equity			Total other equity	Equity attributable to owners of the parent	Non controlling-interest	Total equity
	Securities premium (refer note 16(b))	Retained earnings (refer note 16(b))	General reserve (refer note 16(b))	Other comprehensive income (refer note 16(b))	Foreign currency monetary item translation difference account (FCMITDA) (refer note 16(b))	Employee share based payments reserve (refer note 16(b))				
Balance as at April 01, 2017	16,017.37	(11,585.74)	3.23	1.39	5.71	58.65	4,500.61	5,373.28	920.44	6,293.72
Loss for the year	-	(1,938.57)	-	-	-	-	(1,938.57)	(1,938.57)	239.60	(1,698.97)
Remeasurement of defined benefit liability	-	-	-	3.62	-	-	3.62	3.62	0.29	3.91
Total comprehensive income for the year	-	(1,938.57)	-	3.62	-	-	(1,934.95)	(1,934.95)	239.89	(1,695.06)
FCMITDA created during the year	-	-	-	-	89.16	-	89.16	89.16	-	89.16
FCMITDA expensed during the year	-	-	-	-	(81.06)	-	(81.06)	(81.06)	-	(81.06)
Employee share based payments reserve reversed	-	-	-	-	-	(16.47)	(16.47)	(16.47)	-	(16.47)
Balance as at March 31, 2018	16,017.37	(13,524.31)	3.23	5.01	13.81	42.18	2,557.29	3,429.96	1,160.33	4,590.29
Balance as at April 01, 2018	16,017.37	(13,524.31)	3.23	5.01	13.81	42.18	2,557.29	3,429.96	1,160.33	4,590.29
Loss for the year	-	(2,661.94)	-	-	-	-	(2,661.94)	(2,661.94)	19.11	(2,642.83)
Remeasurement of defined benefit liability	-	-	-	(1.91)	-	-	(1.91)	(1.91)	(0.27)	(2.18)
Total comprehensive income for the year	-	(2,661.94)	-	(1.91)	-	-	(2,663.85)	(2,663.85)	18.84	(2,645.01)
Adjustment on adoption of Ind AS 115 (Refer Note 3(f))	-	1,228.02	-	-	-	-	1,228.02	1,228.02	(132.11)	1,095.91
FCMITDA created during the year	-	-	-	-	(47.62)	-	(47.62)	(47.62)	-	(47.62)
FCMITDA expensed during the year	-	-	-	-	33.81	-	33.81	33.81	-	33.81
Employee share based payments reserve reversed	-	-	-	-	-	(0.15)	(0.15)	(0.15)	-	(0.15)
Balance as at March 31, 2019	16,017.37	(14,958.23)	3.23	3.10	-	42.03	1,107.50	1,980.17	1,047.06	3,027.23

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

This is the consolidated statement of change in equity referred to in our report of even date.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sumit Mahajan
Partner
Membership No.: 504822

Place : Gurugram
Date : May 30, 2019

For and on behalf of the Board of Directors of
SITI Networks Limited

Suresh Arora
Non Executive Director
DIN: 00299232

Sanjay Berry
Chief Financial Officer

Kavita Kapahi
Independent Director
DIN: 02330706

Suresh Kumar
Company Secretary
Membership No.: ACS 14390

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2019

1 NATURE OF OPERATIONS

SITI Networks Limited (hereinafter referred to as the 'Company' or 'SNL' or 'Holding Company') was incorporated in the state of Maharashtra, India. The Company, its subsidiaries, joint ventures and associates (collectively known as the 'Group' or 'Holding Company') are 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 Group.

2. GENERAL INFORMATION

SNL, is a public company incorporated and domiciled in India. Its registered office is at Unit no. 38, 1st Floor, A wing Madhu Industrial Estate, Pandurang Budhkar Marg, Worli, Mumbai 400013, India. The Company's shares are listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

a) Overall consideration and basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act'). These consolidated financial statements have been prepared and presented under the historical cost convention except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period as stated in the accounting policies below.

These consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used consistently throughout all periods presented in these consolidated financial statements except as mentioned in note (f) below.

The consolidated financial statements have been reviewed by the Audit Committee and approved

by the Board of Directors in their meeting held on May 30, 2019.

The Group continued to incur losses during year ended March 31, 2019 and had negative working capital as at March 31, 2019 but in view of the management, the present positive net worth and other likely mitigating factors, such as expected substantial revenue growth and improvement in operating margins under the Tariff Order 2017, together with continued financial support from a stakeholder of the Group, these consolidated financial statements for the year ended March 31, 2019 continue to be prepared on a going concern basis.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Group has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

b) Principles of consolidation

The consolidated financial statements consolidates the financial statements of the Holding Company and its subsidiaries. All the group companies have reporting date of March 31.

Subsidiaries are all entities over which the Company exercises control. The Company exercises control if and only if it has the following:

- a) power over the entity
- b) exposure, or rights, to variable returns from its involvement with the entity; and
- c) the ability to use its power over the entity to affect the amount of its returns.

The Company reassesses, whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of the financial statements of subsidiaries begins on the date control is established.

In preparing the consolidated financial statements, financial statements of the Holding company and its subsidiaries have been combined on a line by line basis by adding the book values of the line items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions. All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. The Group attributes total comprehensive income of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

c) Investments in Associates and Joint Ventures

An associate is an entity over which the investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group accounts for its interest in joint venture using the equity method, after initially being recognised at cost in the consolidated balance sheet. Goodwill arising on the acquisition of joint venture is included in the carrying value of investments in joint venture. Investments in associates are accounted for using the equity method. Goodwill arising on the acquisition of associates is included in the carrying value of investments in associate.

Under the equity method of accounting applicable for investments in associates and joint ventures, investments are initially recorded at the cost to the Group and then, in subsequent periods, the carrying value is adjusted to reflect the Group's share of the post acquisition profits or losses of the investee in profit or loss, and the Group's share of other comprehensive income of the investee.

The consolidated statement of profit and loss include the Group's share of associate's results.

If the Group's share of losses in an associate or a joint venture equals or exceeds its interests in the associate or joint venture, the Group discontinues recognition of further losses. Additional losses are provided for, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate/joint venture. Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

d) Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method.

The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

e) Foreign currency translation Functional and presentation currency

These consolidated financial statements are presented in currency Indian Rupee (₹), which is also the functional currency of the Group.

Foreign currency transactions and balances

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.

f) Revenue

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

Revenue is measured at the fair value of the consideration received/receivable net of rebates and taxes. The Group 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 as per 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.

Till previous year ended March 31, 2018, activation and set top boxes pairing charges were recognised as revenue to the extent it relates to pairing and issue of the related boxes and when no significant uncertainty exists regarding the amount of consideration that will be derived and the upfront obligation was discharged. Where part of the revenues collected at the time of activation related to future services to be provided by the Group, a part of activation revenue was deferred and recognised over the expected customer life.

Application of New Accounting Pronouncement:

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

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

period and has been recognised over the same. The Group has elected to recognise cumulative effect of initially applying Ind AS 115 under modified retrospective approach as an adjustment to opening balance sheet as at April 01, 2018 on the contracts that are not completed as at that date.

Income from rendering technical services and broadband services are recognised on accrual basis.

Revenue from sale set top box (STBs) & viewing cards (VCs)

Revenue from sale of goods is recognised when the significant risks and rewards in respect of ownership of the goods are transferred to the buyer, usually on delivery of the goods and when no uncertainty exists regarding the amount of consideration that will be derived. The Group collects goods and services tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

Interest

Interest income is reported on an accrual basis using the effective interest method.

g) Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the related service or as incurred.

h) Borrowing costs

Borrowing costs include interest, amortisation 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 capitalised 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. Capitalisation of borrowing cost 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 profit or loss as incurred.

i) Property, plant and equipment Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition less accumulated depreciation

and accumulated impairment losses, if any. The cost comprises purchase price (net of CENVAT/GST credit availed), borrowing cost if capitalisation 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.

Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

All other repair and maintenance costs are recognised in consolidated statement of profit or loss as incurred.

Set top boxes are treated as part of capital work in progress till the end of the month of activation thereof post which the same are capitalised.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives

	life in years
Buildings	60
Plant and equipment (including ground network)	8
Furniture and fixtures	10
Studio equipment	13
Computers	3
Vehicles	8
Office equipment	5
Air conditioners	5
Set top boxes	8
Integrated receiver and decoder (IRD) boxes	10

Leasehold improvements are amortised over their lease term or estimated useful lives, whichever is less.

Leasehold land is amortised over the effective period of lease.

Plant and equipment taken over under scheme of arrangement in the earlier years are depreciated over the management's estimate of remaining useful life, a period of 5 years.

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 derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition (calculated as the difference between the net disposal proceeds and its carrying amount) is included in the profit or loss when the respective asset is derecognised.

j) Intangible assets Recognition and initial measurement

Intangible assets acquired separately are stated at their cost of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Subsequent measurement

Goodwill arising from business combination is recognised as a separate asset in the acquirer's consolidated financial statements and is not amortised but is subject to an annual impairment test.

Non compete agreement and customer relationship arising from business combination is recognised as a separate asset in the acquirer's consolidated financial statements and is amortised over the period of four years.

Goodwill is not amortised but is tested for impairment at least annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Software are amortised over a period of six years on straight-line basis.

Cost of news, current affairs, chat shows and events including sports events etc. are fully expensed on first telecast.

Program, film and cable rights are amortised on a straight-line basis over the license period or 5 years from the date of purchase, whichever is shorter.

Amortisation has been included within depreciation and amortisation of non-financial assets.

Subsequent expenditures on the maintenance of intangible assets are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the respective intangible asset, and is recognised in profit or loss.

In case of Indian Cable Net Company Limited, a subsidiary company, distribution network rights are amortized using the straight-line method over a period of ten years.

k) Investment property

Property (land or a building- or part of a building- or both) that is held (by the lessee under a finance lease) for long-term rental yields or for capital appreciation or both, other than for:

- i) use in the production or supply of goods or services or for administrative purposes; or
- ii) sale in the ordinary course of business: is recognised as Investment property in the books.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing cost. Subsequent expenditure is capitalised to the asset carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

The management believes a period of 60 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the Company depreciates investment properties over a period of 60 years on a straight-line basis.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from the use and no future economic benefit is expected from their disposal. The net difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

l) Impairment of non-financial assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group 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 recognised 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.

Goodwill is tested for impairment annually when circumstances indicate that the carrying value may be impaired.

**m) Financial instruments
Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instruments and are measured initially at:

- a) fair value, in case of financial instruments subsequently carried at fair value through profit or loss (FVTPL);
- b) fair value adjusted for transaction costs, in case of all other financial instruments. "

Subsequent measurement

Financial instruments at amortised cost – the financial instrument is measured at the amortised cost if both the following conditions are met:

- i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

All other debt instruments are measured at fair value through other comprehensive income or FVTPL based on Group's business model.

Equity investments – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at FVTPL. For all other equity

instruments, the Group decides to classify the same either as at FVOCI or FVTPL. The classification is made on initial recognition and is irrevocable.

Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at FVTPL.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

Subsequent measurement

Subsequent to initial recognition, these liabilities are measured at amortised cost using the EIR method.

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 statement profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported 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 realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

In accordance with Ind-AS 109, the Group applies Expected Credit Loss ('ECL') model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group

expects to receive. When estimating the cash flows, the Group consider the following –

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

Trade receivables

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

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

n) Post-employment, long term and short term employee benefits

Defined contribution plans

Provident fund

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has further payment obligation 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.

Defined benefit plans

Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at the reporting date by an independent actuary using the

projected unit credit method.

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 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.

Short term employee benefits

Short-term employee benefits, are current liabilities, measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

o) Share based employee remuneration

The Group operates equity-settled share-based remuneration plans for its employees, where the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted.

This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions). All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to ESOP reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest

differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as securities premium.

p) Provisions, contingent assets and contingent liabilities

Provisions are recognised 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 Group 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 realisation of income is virtually certain.

q) Earnings 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. The weighted average number of equity shares outstanding during the year is adjusted for the effects of mandatorily convertible instrument in compliance with Ind AS 33.

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.

r) Leases

Where the Group is a lessee

Finance leases

Management applies judgement in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include i) the length of the lease term in relation to the economic life of the asset ii) the present value of the minimum lease payments in relation to the asset's fair value, and iii) whether the Group obtains ownership of the asset at the end of the lease term.

For leases of land and buildings, the minimum lease payments are first allocated to each component based on the relative fair values of the respective lease interest. If the minimum lease payments cannot be allocated reliably between the two components, entire lease is classified as a finance lease, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease. Each component is then evaluated separately for possible treatment as a finance lease, taking into consideration the fact that land normally has an indefinite economic life

The interest element of lease payments is charged to profit or loss, as finance costs over the period of the lease.

Operating leases

Where the Group 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.

Where the Group is a lessor

Operating leases

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

s) Income taxes

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 year. 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 Group'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 Ind AS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the Group does not recognise deferred tax on temporary differences relating to goodwill, or to its investments in subsidiaries.

t) Inventories

Stores and spares are valued at cost on weighted average basis or at net realisable value whichever is lower.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

u) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group is a multi-system operator providing cable television network services and allied services which is considered as the only reportable segment. The Group's operations are based in India.

v) Significant management judgement in applying accounting policies and estimation uncertainty

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles 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 consolidated financial statements and reported amounts of income and 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 these consolidated 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 recognised 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 Group that have the most significant effect.

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognised is based on the assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised.

Evaluation of indicators for impairment of non-financial 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:

Recoverability of advances/ receivables – The management from time to time reviews the recoverability of advances and receivables. The review is done at least once in a financial year and such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.

Defined benefit obligation – Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the defined benefit obligation amount and the annual defined benefit expenses.

Contingencies – Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies, claim, litigations etc against the Group as it is not possible to predict the outcome of pending matters with accuracy.

Fair value measurement

The Group measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Group uses following measurement techniques:

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

Refer note 38(B) for Fair Value Hierarchy.

w) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition. Cash and cash equivalent are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

x) Equity and reserves

Share capital represents the nominal (par) value of shares that have been issued.

Securities premium includes any premium received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from securities premium, net of any related income tax benefits.

Other components of equity include the following:

Re-measurement of net defined benefit liability-comprises the actuarial losses from changes in demographic and financial assumptions and the return on plan assets (refer note 35)

Retained earnings includes all current and prior period retained profits and share-based employee remuneration (refer note 16)

All transactions with owners of the parent are recorded separately within equity.

Recent accounting pronouncements (standards issued but not yet effective)

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying new standards and amendments to certain issued standards. These amendments are applicable to the Group from April 01, 2019. The Group will be adopting the below stated new standards and applicable amendments from their respective effective date.

a) Ind AS 116, Leases:

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 April 01, 2019. The Group is evaluating the requirements of the standard and the effect on the financial statements.

b) 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 group is evaluating the requirements of the standard and the effect on the financial statements.

c) Amendment to Ind AS 12, Income Taxes:

The amendment clarifies that an entity shall recognise 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.

The Group will apply these amendments for annual reporting periods beginning on or after April 01, 2019. The group is evaluating the requirements of the standard and the effect on the financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Leasehold land	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Air conditioners	Studio equipment	Vehicles	Leasehold improvements	Set top boxes	IRD boxes	Total
₹ in million													
Gross carrying amount													
Balance as at April 01, 2017	64.06	469.02	6,110.87	303.42	75.25	73.32	16.24	68.73	39.29	56.26	14,460.42	1.26	21,738.14
Additions	343.60	-	594.81	18.69	7.08	114.65	-	-	7.93	1.68	4,096.26	-	5,184.70
Disposals	-	-	6.07	-	1.51	-	-	-	4.14	-	130.89	-	142.61
Balance as at March 31, 2018	407.66	469.02	6,699.61	322.11	80.82	187.97	16.24	68.73	43.08	57.94	18,425.79	1.26	26,780.23
Additions	9.98	-	449.65	8.71	6.47	11.04	0.03	1.93	2.95	0.02	1,431.09	-	1,921.87
Disposals	-	-	27.48	-	-	4.12	-	13.52	-	-	1,744.84	-	1,789.96
Adjustment on disposal of subsidiary companies	-	-	105.16	1.95	0.70	3.95	-	-	0.40	-	687.16	-	799.32
Balance as at March 31, 2019	417.64	469.02	7,016.62	328.87	86.59	190.94	16.27	57.14	45.63	57.96	17,424.88	1.26	26,112.82
Accumulated depreciation													
Balance as at April 01, 2017	15.98	8.00	2,889.98	142.67	65.70	35.37	13.53	36.08	18.35	49.39	4,419.13	0.66	7,694.84
Charge for the year	3.08	7.18	498.31	16.57	7.27	8.46	0.11	1.40	3.75	1.37	2,134.65	-	2,682.15
Disposals	-	-	4.10	-	0.17	-	-	-	1.62	-	84.78	-	90.67
Balance as at March 31, 2018	19.06	15.18	3,384.19	159.24	72.80	43.83	13.64	37.48	20.48	50.76	6,469.00	0.66	10,286.32
Charge for the year	5.91	7.99	530.03	15.68	6.09	16.62	0.07	1.17	4.23	-	2,406.71	-	2,994.50
Disposals	-	-	13.53	-	-	3.53	-	12.84	-	-	942.85	-	972.75
Adjustment on disposal of subsidiary companies	-	-	31.50	1.37	0.35	1.02	-	-	0.25	-	239.97	-	274.46
Balance as at March 31, 2019	24.97	23.17	3,869.19	173.55	78.54	55.90	13.71	25.81	24.46	50.76	7,692.89	0.66	12,033.61
Net carrying amount as at March 31, 2018	388.60	453.84	3,315.42	162.87	8.02	144.14	2.60	31.25	22.60	7.18	11,956.79	0.60	16,493.91
Net carrying amount as at March 31, 2019	392.67	445.85	3,147.43	155.32	8.05	135.04	2.56	31.33	21.17	7.20	9,731.99	0.60	14,079.21

a) Capital work-in-progress and intangible assets under development include set top boxes, viewing cards (softwares) and plant and equipment amounting to ₹ 646.25 million, ₹ 46.47 million and ₹ 301.76 million respectively (previous year: ₹ 1,003.77 million, ₹ 73.37 million and ₹ 455.20 million) which are yet to be installed.

b) Refer note 37 for vehicle finance lease.

c) For details related to assets pledged as security, refer note 46.

d) The Group has capitalised foreign exchange differences on long term monetary liabilities related to set top boxes amounting to ₹ 272.98 million (previous year: ₹ 6.51 million).

5. INVESTMENT PROPERTY

₹ in million

Total**Gross carrying amount**

Balance as at April 01, 2017	-
Additions	674.51
Balance as at March 31, 2018	674.51
Additions	-
Balance as at March 31, 2019	674.51
Accumulated depreciation	
Balance as at April 01, 2017	-
Charge for the year	5.30
Balance as at March 31, 2018	5.30
Charge for the year	10.68
Balance as at March 31, 2019	15.98
Net carrying amount as at March 31, 2018	669.21
Net carrying amount as at March 31, 2019	658.53

Note a) Amount recognised in profit and loss for investment property

₹ in million

	March 31, 2019	March 31, 2018
Rental income derived from investment property	22.86	13.44

Note b) Refer note no. 46 for information on investment property pledged as securities by the Group.

Note c) The fair value of investment property as on March 31, 2019 and March 31, 2018 amounted to ₹ 1,571.60 million and ₹ 1,562.80 million, respectively, as assessed by an independent valuer.

6. OTHER INTANGIBLE ASSETS

₹ in million

	Goodwill	Goodwill on consolidation	Program, film and cable rights	Distribution network rights	Software	Non compete agreement	Customer relationships	Total
Gross carrying amount								
Balance as at April 01, 2017	463.38	287.09	50.33	1,550.00	2,089.71	5.50	25.30	4,471.31
Additions	-	-	-	-	645.69	-	-	645.69
Balance as at March 31, 2018	463.38	287.09	50.33	1,550.00	2,735.40	5.50	25.30	5,117.00
Additions	-	-	-	-	423.43	-	-	423.43
Disposals	-	-	-	-	136.44	-	-	136.44
Adjustment on disposal of subsidiary companies	-	12.80	-	-	-	-	-	12.80
Balance as at March 31, 2019	463.38	274.29	50.33	1,550.00	3,022.39	5.50	25.30	5,391.19
Accumulated amortisation								
Balance as at April 01, 2017	167.89	-	47.18	474.05	702.53	1.47	7.60	1,400.72
Charge for the year	42.13	-	-	153.71	371.11	1.40	5.90	574.25
Balance as at March 31, 2018	210.02	-	47.18	627.76	1,073.64	2.87	13.50	1,974.97
Charge for the year	42.13	-	-	153.71	441.30	1.38	5.97	644.49
Disposals	-	-	-	-	111.73	-	-	111.73
Balance as at March 31, 2019	252.15	-	47.18	781.47	1,403.21	4.25	19.47	2,507.73
Net carrying amount as at March 31, 2018	253.36	287.09	3.15	922.24	1,661.76	2.63	11.80	3,142.03
Net carrying amount as at March 31, 2019	211.23	274.29	3.15	768.53	1,619.18	1.25	5.83	2,883.46

₹ in million

Net book value	As at March 31, 2019	As at March 31, 2018
Goodwill	485.52	540.45
Other intangible assets	2,397.94	2,601.58
Total	2,883.46	3,142.03

7. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

₹ in million

	As at March 31, 2019	As at March 31, 2018
Investment in equity shares (trade, unquoted)		
Investment in associates		
70,500 (previous year: 70,500) equity shares of ₹ 10 each fully paid up of Siti Chhattisgarh Multimedia Private Limited	-	8.42
6,667 (previous year: 6,667) equity shares of ₹ 10 each fully paid up (previous year: ₹ 8.17) of Voice Snap Services Private Limited	51.12	44.50
Add: Share in (loss)/profit	(1.37)	(5.80)
4,800 (previous year: 4,800) equity shares of ₹ 10 each fully paid up of C&S Medianet Private Limited	0.05	-
Add: Share in loss	(0.05)	-
Investment in Joint ventures		
4,800 (previous year: 4,800) equity shares of ₹ 10 each fully paid up of C&S Medianet Private Limited	-	0.05
25,500 (previous year: 25,500) equity shares of ₹ 10 each fully paid up of Wire and Wireless Tisai Satellite Limited	0.26	0.26
Add: Share in loss	(0.26)	(0.26)
	49.75	47.17
Investment other than investment in joint ventures entities and associates		
Investment in equity shares		
480 (previous year: 480) equity shares of ₹ 100 each fully paid up of Master Ads Private Limited	0.05	0.05
9,500 (previous year: 9,500) equity shares of ₹ 10 each fully paid up of Dakshin Communications Private Limited	1.77	1.77
3,000 (previous year: 3,000) equity shares of ₹ 10 each fully paid up of Centre Channel Private Limited	0.23	0.23
Less: Aggregate amount of impairment in value of investments	(2.05)	(2.05)
1,25,000 (previous year: Nil) equity shares of ₹ 10 each fully paid up of Axom Communications & Cable Private Limited	98.84	-
	98.84	-
	148.59	47.17
Aggregate amount of unquoted investments	150.64	49.22
Aggregate amount of impairment in value of investments	2.05	2.05

8. OTHERS (NON-CURRENT, FINANCIAL ASSETS)

	₹ in million	
	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Margin money deposit (pledged)	345.49	676.28
Security deposits	114.36	106.69
	459.85	782.97

9. OTHER NON-CURRENT ASSETS (NON-FINANCIAL)

	₹ in million	
	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Prepaid expenses	0.29	37.32
Capital advances	3.99	53.07
Other advances to vendors	30.03	68.70
	34.31	159.09

10. INVENTORIES

	₹ in million	
	As at March 31, 2019	As at March 31, 2018
Stores and spares	18.02	145.25
	18.02	145.25

11. TRADE RECEIVABLES

	₹ in million	
	As at March 31, 2019	As at March 31, 2018
Trade receivable - considered good unsecured	3,899.91	3,687.62
Trade receivable - credit impaired	3,589.94	2,646.08
Less: Allowance for expected credit loss	(3,589.94)	(2,646.08)
	3,899.91	3,687.62

For amounts due and terms and conditions relating to related party receivables, see note 39.

No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. No trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

12. CASH AND CASH EQUIVALENTS

	₹ in million	
	As at March 31, 2019	As at March 31, 2018
Cash on hand	199.72	52.10
Balances with banks on current accounts	257.01	456.75
Cheques and drafts on hand	32.08	288.26
Deposits with maturity of upto three months	226.86	138.20
	715.67	935.31

13. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

₹ in million

	As at March 31, 2019	As at March 31, 2018
- Deposits with original maturity of more than 3 but less than 12 months	65.40	325.52
	65.40	325.52

14. OTHERS (CURRENT, FINANCIAL ASSETS)

₹ in million

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Amounts recoverable	1,259.79	401.17
Interest accrued and not due on fixed deposits	29.64	29.73
Unbilled revenues	465.91	572.04
Security deposits	50.00	3.72
	1,805.34	1,006.66

15. OTHER CURRENT ASSETS (NON-FINANCIAL)

₹ in million

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good unless otherwise stated		
Balances with Government authorities	923.08	1,089.05
Taxes paid	521.00	513.27
Prepaid expenses	37.56	59.13
Amounts recoverable (considered good)	815.16	247.40
Amounts recoverable (considered doubtful)	569.21	538.42
Less: Impairment allowance	(569.21)	(538.42)
	2,296.80	1,908.85

16(a) EQUITY SHARE CAPITAL

₹ in million

	As at March 31, 2019	As at March 31, 2018
Authorised share capital		
1,290,000,000 (previous year : 1,290,000,000) equity shares of ₹ 1 each	1,290.00	1,290.00
10,000,000 (previous year : 10,000,000) preference shares of ₹ 1 each	10.00	10.00
Total authorised capital	1,300.00	1,300.00
Issued share capital		
873,280,971 (previous year: 873,280,971) equity shares of ₹ 1 each	873.28	873.28
Less: Forfeited shares 1,227,123 (previous year: 1,227,123) equity shares of ₹ 1 each	(1.23)	(1.23)
23,436 (previous year: 23,436) 7.25% Non-cumulative redeemable preference shares of ₹ 1 each	0.02	0.02
Total issued capital	872.07	872.07
Subscribed and fully paid up capital		
872,053,848 (previous year: 872,053,848) equity shares of ₹ 1 each fully paid up	872.05	872.05
Total paid up capital	872.05	872.05
Forfeited equity shares 1,227,123 (previous year : 1,227,123) equity shares of ₹ 1 each	0.62	0.62
	872.67	872.67

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

Equity shares

There is no movement in equity share capital during current and previous year.

Preference shares

There is no movement in preference share capital during current and previous year.

(B) Terms/rights attached to:

Equity shares

The Company has only one class of equity shares having par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Preference shares

The Company has only one class of 7.25% Non-cumulative redeemable preference shares of ₹ 1 each. The said preference shares were allotted to Zee Telefilms Limited (now Zee Entertainment Enterprises Limited) on December 29, 2006, pursuant to the scheme of arrangement for demerger of cable business undertaking of Zee Telefilms Limited approved by the Hon'ble Bombay High Court vide its order dated November 17, 2006. Initially, as per the terms of the issue and allotment, the said preference shares were due for redemption on December 29, 2008. However, with the written consent/approval of Zee Entertainment Enterprises Limited, the terms of the issue of said preference shares was varied by extending the period of redemption by another three years i.e. till December 29, 2011. Later on June 6, 2011 these shares were transferred to Churu Enterprises LLP by Zee Entertainment Enterprises Limited.

Period for redemption of preference shares was extended by a period of five years till December 29, 2016 which has been further extended for period of five years till December 29, 2021 by Churu Enterprises LLP. The preference shares are redeemable at par.

In the event of liquidation of the Company, the holders of preference shares will have priority over equity shares in the payment of dividend and repayment of capital. These instruments are accounted for as liability in accordance with the Ind AS.

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

Equity shares

	As at March 31, 2019		As at March 31, 2018	
	No. of shares	% of holding	No. of shares	% of holding
Bioscope Cinemas Private Limited	112,008,946	12.84%	112,008,946	12.84%
Direct Media Solutions LLP	121,000,000	13.88%	121,000,000	13.88%
Digital Satellite Holdings Private Limited	151,045,816	17.32%	151,045,816	17.32%
Direct Media and Cable Private Limited	85,714,285	9.83%	85,714,285	9.83%
Arrow Media and Broadband Private Limited	-	-	57,142,857	6.55%
Digital Satellite Media & Broadband Private Limited	40,790,273	4.68%	51,428,571	5.90%

Preference shares

	As at March 31, 2019		As at March 31, 2018	
	No. of shares	% of holding	No. of shares	% of holding
Churu Enterprises LLP	23,436	100%	23,436	100%

(D) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Group, refer note 36.

- (E) No shares were issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issue or brought back during the current and last 5 years.

16 (b) OTHER EQUITY

₹ in million

	As at March 31, 2019	As at March 31, 2018
Securities premium	16,017.37	16,017.37
Retained earnings	(14,958.23)	(13,524.31)
General reserve	3.23	3.23
Other comprehensive Income	3.10	5.01
Foreign currency monetary item translation difference account (FCMITDA)	-	13.81
Employee share based payment reserve	42.03	42.18
	1,107.50	2,557.29

A) Notes:

₹ in million

Particulars	March 31, 2019	March 31, 2018
1 Securities premium		
Opening balance	16,017.37	16,017.37
Addition during the year	-	-
Closing balance	16,017.37	16,017.37
2 Retained earnings		
Opening balance	(13,524.31)	(11,585.74)
Adjustment on adoption of Ind AS 115 (Refer Note 3(f))	1,228.02	-
Addition during the year	(2,661.94)	(1,938.57)
Closing balance	(14,958.23)	(13,524.31)
3 General reserve		
Opening balance	3.23	3.23
Addition during the year	-	-
Closing balance	3.23	3.23
4 Other comprehensive income		
Opening balance	5.01	1.39
Addition during the year	(1.91)	3.62
Closing balance	3.10	5.01
5 Foreign currency monetary item translation difference account (FCMITDA)		
Opening balance	13.81	5.71
Addition during the year	(47.62)	89.16
Amortised during the year	33.81	(81.06)
Closing balance	-	13.81
6 Employee shares based payments reserve		
Opening balance	42.18	58.65
Reversal during the year	(0.15)	(16.47)
Closing balance	42.03	42.18

B) Nature and purpose of reserves:**1 Securities premium**

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Act.

2 Retained earnings

Retained earnings represent the accumulated earnings, net of losses (if any) made by the Group over the years.

3 General reserve

General reserve is a free reserve which is created by transferring funds from retained earnings to meet future obligations or other purposes.

4 Other comprehensive Income

For the Group, other comprehensive income includes actuarial gain/(loss) on remeasurement of defined benefit liability over the years.

5 Foreign currency monetary item translation difference account (FCMITDA)

FCMITDA includes exchange differences arising on restatement of long term foreign currency monetary items, other than for acquisition of fixed assets, and is being amortised over the terms of such monetary items.

6 Employee shares based reserve

The reserve is used to recognised the grant date fair value of the options issued to employees under Group's employee stock option plan.

17. BORROWINGS (NON-CURRENT, FINANCIAL LIABILITIES)

	₹ in million	
	As at March 31, 2019	As at March 31, 2018
Secured loans from banks *	7,189.36	5,250.53
Buyer's credit (secured)	-	452.16
Long-term maturities of finance lease obligations (secured)	1.57	12.27
Redeemable preference shares (refer note 16 (a) (B))	0.02	0.02
Unsecured loan	232.90	256.96
	7,423.85	5,971.94

* For details of repayment, nature of securities and interest rate of borrowings, refer note 17.1

* For details of period and amount of default in repayment of borrowings, refer note 17.2

18. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

	₹ in million	
	As at March 31, 2019	As at March 31, 2018
Security deposits received from customers	78.76	37.49
Payables for purchase of property, plant and equipment	930.60	1,955.16
	1,009.36	1,992.65

19. PROVISIONS (NON-CURRENT)

	₹ in million	
	As at March 31, 2019	As at March 31, 2018
Provision for gratuity	43.70	37.40
Provision for compensated absences	35.19	29.44
Provision for taxation	13.48	8.62
	92.37	75.46

20. THE BREAKUP OF YEAR END DEFERRED TAX ASSETS AND LIABILITIES INTO MAJOR COMPONENTS OF THE RESPECTIVE BALANCE IS AS UNDER

₹ in million

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities		
Timing difference in depreciation and amortisation of property, plant and equipment and other intangible assets	505.71	545.25
Gross deferred tax liabilities	505.71	545.25
Deferred tax assets		
Provision for doubtful debts	288.21	303.97
Expenditure debited to consolidated statement of profit and loss in the current year but allowed for tax purposes in following years	26.54	35.08
Minimum alternate tax (MAT) credit	-	92.45
Gross deferred tax assets	314.75	431.50
Net deferred tax liability	204.03	124.18
Net deferred tax assets	13.07	10.43

Movement in deferred tax liabilities and assets

Net deferred tax asset recognised in consolidated statement of profit and loss during the year ended March 31, 2019 amounts to ₹ 39.10 million (Net deferred tax liability recognised in year ended March 31, 2018 was ₹ 44.99 million).

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom:

	March 31, 2019		March 31, 2018	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Deductible temporary differences	9,690.32	2,994.31	7,057.71	2,180.83
Brought forward losses	920.84	284.54	1,161.76	358.98

The tax losses expire in assessment year 2019-2020 to 2024-2025. The deductible temporary differences which includes unabsorbed depreciation and provision for doubtful debts do not expire under current tax legislation.

21. OTHER NON-CURRENT LIABILITIES (NON-FINANCIAL)

₹ in million

	As at March 31, 2019	As at March 31, 2018
Deferred revenue	15.03	894.61
Interest free deposits from customers	28.02	291.90
Others	0.02	2.97
	43.07	1,189.48

22. BORROWINGS (CURRENT, FINANCIAL LIABILITIES)

	₹ in million	
	As at March 31, 2019	As at March 31, 2018
Loans repayable on demand		
From banks (secured)	1,603.46	1,533.03
From other (unsecured)	19.62	33.03
	1,623.08	1,566.06

- i) As at March 31, 2019 and March 31, 2018 the cash credit facilities are secured by first pari passu charge on the future and current assets of the Company with minimum assets cover ratio 1:1. The Company is required to maintain Debt Service Reserve Account ('DSRA') for 2 quarter's interest. The same are further secured by corporate guarantee of an associate Company to maintain DSRA and carries an interest rate of bank borrowing rate+250 Basis Points ('BBR + 250 BPS'), intrinsic value base rate and six months marginal cost of funds based lending rate + 1.70% ('MCLR'+1.70%) respectively.
- ii) As at March 31, 2019, secured by first charge on entire current assets of the company, both present and future and also secured by the first and exclusive equitable mortgage land and building at Plot No.- XI/4, Block- EP & GP, Sector-V, Salt Lake, Kolkata-700091, pledge of fixed deposit, held in the name of the company and personal guarantee of the directors and carries interest rate of @ 10.05 % (Being 1.25 % over MCLR + SP)
- iii) As at March 31, 2019 and March 31, 2018, the loan from others are repayable on demand carrying interest rate of @ 10.50%.

23. TRADE PAYABLES

	₹ in million	
	As at March 31, 2019	As at March 31, 2018
- Total outstanding dues of micro enterprises and small enterprises; and	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	6,580.88	5,255.95
	6,580.88	5,255.95

	₹ in million	
	March 31, 2019	March 31, 2018
Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006	-	-
Principle amount remaining unpaid	-	-
Interest due thereon	-	-
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-
	-	-

The details of amounts outstanding to micro enterprises and small enterprises under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 are as per available information with the Group.

24. OTHER FINANCIAL LIABILITIES (CURRENT)

₹ in million

	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term borrowings *	5,353.16	6,929.14
Current maturities of finance lease obligations	1.15	14.60
Interest accrued and due on borrowings	63.90	-
Interest accrued and not due on borrowings	75.34	47.58
Payables for purchase of property, plant and equipment	1,093.87	1,249.02
Book overdraft	139.92	132.78
	6,727.34	8,373.12

* For details of period and amount of default in repayment of borrowings, refer note 17.2

25. PROVISIONS (CURRENT)

₹ in million

	As at March 31, 2019	As at March 31, 2018
Provision for gratuity	2.90	2.09
Provision for compensated absences	3.01	1.93
Provision for taxation	7.15	8.16
	13.06	12.18

26. OTHER CURRENT LIABILITIES (NON-FINANCIAL)

₹ in million

	As at March 31, 2019	As at March 31, 2018
Deferred revenue	37.51	575.13
Statutory dues payable	871.42	720.08
Advance from customers	490.78	456.33
	1,399.71	1,751.54

17.1 Details of repayment, nature of security and interest rate of borrowings (Refer note 17 and 24)

₹ in million

Nature of loan	March 31, 2019		March 31, 2018		Nature of securities	Interest rate	Tenure of repayment*
	Non-current	Current	Non-current	Current			
Term loan							
1	385.11	89.25	113.64	-	Term loans from banks are secured by first pari passu charge on entire movable fixed assets, both present and future, of the Company and on the receivables, cash flow and bank account of the Company. Also secured by corporate guarantee of an associated company for maintaining revolving debt service reserve account (DSRA) for 1 quarter of the interest and principal repayment to be funded ten days before each due date, for the entire tenure of the loan.	Base rate + 1.20% p.a.	Eight (previous year: Eight) quarterly instalments payable as per the terms of underlying agreement.
2	547.31	932.28	15.90	180.53		Base rate + 1.20% p.a.	Two (previous year: Six) quarterly instalments payable as per the terms of underlying agreement.
3	-	249.78	247.66	495.24		Base rate + 1.20% p.a.	Two (previous year: Six) quarterly instalments payable as per the terms of underlying agreement.
4	-	152.36	11.78	460.72		Base rate + 1.20% p.a.	Two (previous year: Six) quarterly instalments payable as per the terms of underlying agreement.
5	-	411.91	307.82	415.42	Term loans from banks are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/or pledge of the Company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 2 quarter's interest.	Base rate + 2.50% p.a.	Four (previous year: Seven) quarterly instalments payable as per the terms of underlying agreement.
6	-	187.33	124.85	249.11	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/or pledge of the Company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 1 quarter's interest.	Base rate + 0.45% p.a.	Three (previous year: Six) quarterly instalments payable as per the terms of underlying agreement.
7	62.38	155.53	186.68	123.74	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/or pledge of the Company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 1 quarter's interest.	Base rate + 0.45% p.a.	Seven (previous year: Ten) quarterly instalments payable as per the terms of underlying agreement.

Nature of loan	March 31, 2019		March 31, 2018		Nature of securities	Interest rate	Tenure of repayment*
	Non-current	Current	Non-current	Current			
	₹ in million						
8	1,269.16	147.65	1,416.82	72.68	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's movable fixed assets, both present and future, and as well as current assets. Also secured by the Company for maintenance of interest service reserve account (ISRA) for 1 quarter's interest.	Base rate + spread rate	Twenty (previous year: Twenty four) quarterly instalments payable as per the terms of underlying agreement.
9	996.41	993.96	1,657.06	325.45	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as current assets.	Bank corporate prime lending rate	Six (previous year: six) half yearly instalments payable as per the terms of underlying agreement.
10	-	561.64	561.75	147.50	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's movable fixed assets and as well as current assets. Also secured by corporate guarantee of an associated company.	Base rate + 0.5% p.a.	Two (previous year: Six) quarterly instalments payable as per the terms of underlying agreement.
11	-	365.58	365.58	365.58	Term loans from bank are secured by pari passu charge in favour of lender in a form satisfactory to the lender of all of the Company's fixed and current assets excluding immovable assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA).	6 months MCLR + margin	Two (previous year: Four) half yearly instalments payable as per the terms of underlying agreement.
12	380.00	380.00	-	-	Term loans from bank are secured by pari passu charge in favour of lender in a form satisfactory to the lender of all of the Company's fixed and current assets excluding immovable assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA).	6 months MCLR + margin	Four (previous year: Nil) half yearly instalments payable as per the terms of underlying agreement.
13	141.45	282.90	-	-	Term loans from bank are secured by pari passu charge in favour of lender in a form satisfactory to the lender of all of the Company's fixed and current assets excluding immovable assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA).	6 months MCLR + margin	Three (previous year: Nil) half yearly instalments payable as per the terms of underlying agreement.
14	530.80	118.11	-	-	Term loans from bank are secured by pari passu charge in favour of lender in a form satisfactory to the lender of all of the Company's fixed and current assets excluding immovable assets.	1 Year MCLR + margin	Five (previous year: Nil) half yearly instalments payable as per the terms of underlying agreement.

₹ in million

Nature of loan	March 31, 2019		March 31, 2018		Nature of securities	Interest rate	Tenure of repayment*
	Non-current	Current	Non-current	Current			
15	811.86	-	-	-	Term loans from bank are secured by pari passu charge in favour of lender in a form satisfactory to the lender of all of the Company's fixed and current assets excluding immovable assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA).	1 Year MCLR + margin	Eight (previous year: Nil) quarterly instalments payable as per the terms of underlying agreement.
16	189.41	-	-	-	Term loans from bank are secured by pari passu charge in favour of lender in a form satisfactory to the lender of all of the Company's fixed and current assets excluding immovable assets.	6 months LIBOR + 300bps	One (previous year: Nil) instalment payable in financial year 2020 as per the terms of underlying agreement.
17	-	131.70	29.00	58.00	Secured by the first and exclusive equitable mortgage land and building at Plot No.- XI/4, Block- EP & GP, Sector-V, Salt Lake, Kolkata-700091, pledge of fixed deposit, held in the name of the subsidiary company and personal guarantee of the directors.	11.2% p.a.	Six (previous year: Eighteen) monthly instalments payable as per the terms of underlying agreement.
18	175.47	143.18	211.99	106.01			Nine (previous year: Twelve) quarterly instalments payable as per the terms of underlying agreement.
19	1,700.00	50.00	-	-	Term loans from bank are secured by the first and exclusive equitable Mortgage of land and building at plot no. XI/4, Block- EP & GP, Sector - V, Salt Lake, Kolkata-700091.	10.5% p.a.	Eleven (previous year: Nil) half yearly instalments payable as per the terms of underlying agreement.
Sub total	7,189.36	5,353.16	5,250.53	2,999.98			

* The above mentioned loan instalments range from ₹31.25 million to ₹525 million per installment as per the terms of respective underlying agreement.

Nature of loan	March 31, 2019		March 31, 2018		Nature of securities	Interest rate	Tenure of repayment
	Non-current	Current	Non-current	Current			
Buyer's credits							
1	-	-	-	1,338.10	Buyer's credit from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/or pledge of the Company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 1 quarter's interest.	Six months LIBOR + 335 bps	Repayable at the end of tenure.
2	-	-	-	1,502.14	Buyer's credit from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/or pledge of the Company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 2 quarter's interest.	Six months LIBOR + 100 bps	Repayable at the end of tenure.
3	-	-	-	510.32	Buyer's credit from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's movable fixed assets and current assets (both present and future).	Three months LIBOR + 295 bps	Repayable at the end of tenure.
4	-	-	452.16	578.60	Buyer's credit from Bank secured by first and exclusive charge on all existing and future current assets and unencumbered movable fixed assets including the set top boxes and also secured by the first and exclusive equitable mortgage on its land and building under construction, pledge of fixed deposit, held in the name of the subsidiary and personal guarantee of the directors.	Base rate+0.45% p.a.	Repayable at the end of tenure.
Sub total	-	-	452.16	3,929.16			
Unsecured loan	232.90	-	256.96	-		Interest free	Repayable on demand
Sub total	232.90	-	256.96	-			
Finance lease obligations	1.57	1.15	12.27	14.60	Finance lease obligations - Secured by hypothecation of vehicles purchased thereunder.		
Sub total	1.57	1.15	12.27	14.60			

17.2 Details of delay/default in repayment of borrowings (current and non-current)

The Group has delayed in repayment of following dues to the banks during the year, which were unpaid at at March 31, 2019:

Name of the bank	Amount of default as on March 31, 2019 ₹ (in million)		Period of default upto the date of Balance Sheet (in days)	
	Principal	Interest	Principal	Interest
HDFC Bank	330.00	63.90	1	1

27. REVENUE FROM OPERATIONS

	₹ in million	
	March 31, 2019	March 31, 2018
Sale of services		
Subscription income	10,444.36	9,007.02
Advertisement income	261.85	185.36
Carriage income	3,003.48	3,037.55
Activation and Set top boxes pairing charges	557.29	1,750.14
Other operating revenue		
Sale of traded goods*	15.61	20.06
Management charges and other networking income	135.74	103.58
Scrap sales	3.01	0.30
	14,421.34	14,104.01
*Details of sale of traded goods		
Set top box (STB) and viewing cards (VC)	6.13	16.49
Stores and spares	9.48	3.57
	15.61	20.06

* For Disclosure of revenue pursuant to Ind AS 115 'Revenue from Contracts with Customers', kindly refer to Note 54.

28. OTHER INCOME

	₹ in million	
	March 31, 2019	March 31, 2018
Interest income on		
Bank deposits	46.28	70.91
Others	37.71	52.43
Excess provisions written back	74.12	22.95
Rental income derived from investment property	22.86	13.44
Profit on sale of property, plant and equipment and other intangible assets (net)	48.32	-
Exchange fluctuation gain (net)	14.64	-
Other non operating income	78.45	-
	322.38	159.73

29. EMPLOYEE BENEFITS EXPENSE

	₹ in million	
	March 31, 2019	March 31, 2018
Salaries, allowances and bonus	728.14	802.05
Contributions to provident and other funds	49.13	53.24
Staff welfare expenses	35.91	49.65
	813.18	904.94

30. FINANCE COSTS

	₹ in million	
	March 31, 2019	March 31, 2018
Interest expense for borrowings at amortised cost	1,525.65	1,114.58
Bank charges	181.51	280.91
	1,707.16	1,395.49

31. DEPRECIATION AND AMORTISATION EXPENSES

₹ in million

	March 31, 2019	March 31, 2018
Depreciation of property, plant and equipment (refer note 4)	2,994.50	2,682.15
Depreciation of investment property (refer note 5)	10.68	5.30
Amortisation of intangible assets (refer note 6)	644.49	574.25
	3,649.67	3,261.70

32. OTHER EXPENSES

₹ in million

	March 31, 2019	March 31, 2018
Rent	172.06	218.79
Rates and taxes	72.61	36.25
Communication expenses	28.64	39.94
Repairs and maintenance		
- Network	100.47	58.29
- Buildings	5.61	1.55
- Others	50.87	33.77
Electricity and water charges	120.57	109.20
Legal, professional and consultancy charges	137.18	116.17
Printing and stationery	7.50	14.87
Contractual service charges	435.68	530.83
Travelling and conveyance expenses	63.20	85.01
Auditors' remuneration*	12.14	9.09
Vehicle running expenses	53.10	58.32
Insurance expenses	3.78	8.40
Provision for doubtful debts**	501.23	721.68
Provision for doubtful advances	0.03	0.07
Advertisement and publicity expenses	24.66	28.31
Commission charges and incentives	619.83	181.88
Bad debts written off	46.02	36.06
Program production expenses	50.93	48.05
Other operational cost	1,149.27	1,179.97
Business and sales promotion	35.23	24.25
Loss on sale of property, plant and equipment (net)	-	28.09
Exchange fluctuation loss (net)	-	35.21
Miscellaneous expenses	97.26	97.26
	3,787.87	3,701.31

*Auditors' remuneration (including auditors remuneration of subsidiary companies)

₹ in million

	March 31, 2019	March 31, 2018
as an auditor	9.89	8.28
for other services including certifications	1.71	0.38
reimbursement of expenses	0.54	0.43
	12.14	9.09

** Provision for doubtful debts is net of write-back of provision in relation to corresponding revenue sharing costs aggregating ₹ Nil (previous year: ₹ 198.86 million).

33. LOSS PER SHARE

	₹ in million	
	March 31, 2019	March 31, 2018
Loss attributable to owners of the parent	(2,661.94)	(1,938.57)
Weighted average number of equity shares outstanding during the year (nos.)	872,053,848	872,053,848
Weighted average number of equity shares outstanding during the year for calculating basic and diluted earnings per share (nos.)	872,053,848	872,053,848
Effect of dilutive potential equity shares		
Employee stock options (nos.)*	-	-
Nominal value of per equity share (₹)	1	1
Loss per share (₹)		
Basic and diluted loss per share	(3.05)	(2.22)

* The employee stock option have not been considered, being anti-dilutive.

34. GROUP COMPOSITION STRUCTURE

Name of the subsidiaries	Country of incorporation	Percentage of ownership	
		As at March 31, 2019	As at March 31, 2018
Indian Cable Net Company Limited (hereinafter referred as "ICNCL")*	India	60.02%	60.02%
Central Bombay Cable Network Limited (hereinafter referred as "CBCNL")	India	100.00%	100.00%
Siticable Broadband South Limited (hereinafter referred as "SBSL")	India	100.00%	100.00%
Master Channel Community Network Private Limited (hereinafter referred as "MCCNPL")**	India	66.00%	66.00%
Siti Vision Digital Media Private Limited (hereinafter referred as "SVDMPL")	India	51.00%	51.00%
Siti Jind Digital Media Communications Private Limited (hereinafter referred as "SJDMCPL")****	India	57.50%	57.50%
Siti Jai Maa Durgee Communications Private Limited (hereinafter referred as "SJMDCL")	India	51.00%	51.00%
Siti Bhatia Network Entertainment Private Limited (hereinafter referred as "SBNEPL") (till June 14, 2018)	India	-	51.00%
Siti Jony Digital Cable Network Private Limited (hereinafter referred as "SJDCNPL")	India	51.00%	51.00%
Siti Krishna Digital Media Private Limited (hereinafter referred as "SKDMPL")	India	51.00%	51.00%
Siti Faction Digital Private Limited (hereinafter referred as "SFDPL")	India	51.00%	51.00%
Siti Guntur Digital Network Private Limited (hereinafter referred as "SGDNPL")	India	74.00%	74.00%
Siti Maurya Cable Net Private Limited (hereinafter referred as "SMCNPL") ***	India	50.10%	50.10%
Siti Karnal Digital Media Network Private Limited (hereinafter referred as "SKDMNPL")	India	51.00%	51.00%
Siti Global Private Limited (hereinafter referred as "SGPL")	India	51.00%	51.00%

Name of the subsidiaries	Country of incorporation	Percentage of ownership	
		As at March 31, 2019	As at March 31, 2018
Siti Siri Digital Network Private Limited (hereinafter referred as "SDNPL")	India	51.00%	51.00%
Siti Broadband Services Private Limited (hereinafter referred as "SBSPL")	India	100.00%	100.00%
Siti Prime Uttaranchal Communication Private Limited (hereinafter referred as "SPUCPL")	India	51.00%	51.00%
Siti Sagar Digital Cable Network Private Limited (hereinafter referred as "SSDCNPL")	India	51.00%	51.00%
Siti Saistar Digital Media Private Limited (hereinafter referred as "SSDMPL")	India	51.00%	51.00%
Siti Godaari Digital Services Private Limited (hereinafter referred as "SGDSPL")*****	India	100.00%	51.00%
Variety Entertainment Private Limited (hereinafter referred as "VEPL")	India	100.00%	100.00%
Indinet Service Private Limited (hereinafter referred as "ISPL")***	India	100.00%	100.00%
Axom Communications & Cable Private Limited (hereinafter referred as "ACCPL")*** (till December 31, 2018)	India	-	50.00%
Siti Networks India LLP (w.e.f. May 07, 2018)	India	99.90%	-

*Include 0.03% held through CBCNL

** Subsidiary of CBCNL

*** Subsidiary of ICNCL

**** Include 6.50% held through SBSL

***** Include 49% held through VEPL

Name of the associate and joint venture	Country of incorporation	Percentage of ownership	
		As at March 31, 2019	As at March 31, 2018
Siti Chhattisgarh Multimedia Private Limited (hereinafter referred as "SCMPL")***** (till June 14, 2018)	India	-	41.00%
C&S Medianet Private Limited (hereinafter referred as "CSMPL")	India	48.00%	48.00%
Voice Snap Services Private Limited (hereinafter referred as "VSSPL")*****	India	40.00%	35.26%
Wire and Wireless Tisai Satellite Limited (hereinafter referred as "WWTSL")	India	51.00%	51.00%

***** Associate of SBNEPL

***** Associate of VEPL

35. EMPLOYEE BENEFIT OBLIGATIONS

Post-employment obligations - gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of completed years of service. The expected contribution to the plan for next annual reporting period amounts to ₹ 11.81 million (previous year: ₹ 11.90 million).

The weighted average duration of the defined benefit obligation as at March 31, 2019 is 15 years (March 31, 2018: 16 years).

The plan exposes the Group to actuarial risks such as interest rate risk and inflation risk.

Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of risk free securities.

Inflation risk

A significant proportion of the defined benefit liability is linked to inflation. An increase in the inflation rate will increase the Group's liability.

The following tables summarises the components of net benefit expense recognised in the consolidated statement of profit and loss and the amount recognised in the consolidated balance sheet for the respective plans.

Changes in the present value of the defined benefit obligation are as follows:

	₹ in million	
	March 31, 2019	March 31, 2018
Present value of defined benefit obligation at the beginning of the year	39.49	43.61
Interest cost	5.59	3.38
Current service cost	8.39	7.40
Benefits paid	(4.69)	(21.00)
Past service Cost	-	2.19
Actuarial loss/(gain) on Remeasurement of obligation	(2.18)	3.91
Present value of defined benefit obligation at the end of the year *	46.60	39.49

* Includes current portion ₹ 2.90 million (March 31, 2018: ₹ 2.09 million)

The gratuity plan of the Group is unfunded.

Amount recognised in the consolidated statement of profit and loss:

	₹ in million	
	March 31, 2019	March 31, 2018
Current service cost	8.39	7.40
Interest cost	5.59	3.38
Past service cost	-	2.19
	13.98	12.97

Amount recognised in the statement of other comprehensive income

	₹ in million	
	March 31, 2019	March 31, 2018
Actuarial loss on arising from change in financial assumptions	1.23	2.95
Actuarial gain on arising from experience adjustments	(3.41)	0.96
	(2.18)	3.91

Actuarial assumptions used

	Compensated Absence		Gratuity	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Discount rate (per annum)	7.75%	7.75%	7.75%	7.75%
Rate of escalation in salary (per annum)	5%-8%	5%-8%	5%-8%	5%-8%
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Withdrawal rate (per annum)	2%-5%	2%-5%	2%-5%	2%-5%
Normal retirement age	60 years	60 years	60 years	60 years

These assumptions were developed by management with the assistance of independent actuaries. Discount factors are determined close to each year-end by reference to market yields of risk free securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

The present value of the defined benefit obligation was measured using the projected unit credit method.

Sensitivity analysis of the defined benefit obligation for significant actuarial assumptions

	₹ in million	
	March 31, 2019	March 31, 2018
Impact of the change in discount rate		
Present value of obligation at the end of the year	46.60	39.49
Decrease in liability due to increase of 9% (previous year 11%)	(3.85)	(3.91)
Increase in liability due to decrease of 10% (previous year 13%)	4.24	4.54
Impact of the change in salary growth rate		
Present value of obligation at the end of the year	46.60	39.49
Increase in liability due to increase of 10% (previous year 12%)	4.24	4.23
Decrease in liability due to decrease of 9% (previous year 11%)	(3.85)	(3.91)

Defined contribution plans

Contribution to defined contribution plan, recognised as expense for the year is as under :-

Employer's contribution to provident fund and other funds ₹ 49.13 million (previous year: ₹ 53.24 million)

36. SHARE-BASED EMPLOYEE REMUNERATION

Employee Stock Option Plan –ESOP-2015

The Holding Company instituted the Employee Stock Option Scheme -2015 ("SITI ESOP 2015" or "New Plan" or "Scheme") to grant equity based incentives to eligible employees. The SITI ESOP-2015 has been approved by the Board of Directors of the Holding Company at their meeting held on May 28, 2015 and by the shareholders of the Holding Company by way of special resolution passed at their Annual General Meeting held on August 27, 2015 to grant upto 33,881,656 options, representing one share for each option upon exercise by the eligible employee at an exercise price determined by the Board/remuneration committee.

The options granted under the Scheme shall vest not less than one year and not more than five years from the date of grant of options. Under the terms of the Scheme, 50%, 35% and 15% of the options will vest in the employee(s) after expiry of one year, two years and three years, respectively, from the date of grant of options. The option grantee must exercise all vested options within a period of four years from the date of vesting and the shares arising on exercise of such options shall not be subject to any lock-in period.

	Employee Stock Option Plan- ESOP-2015
Date of grant	September 3, 2015
Date of Board approval	May 28, 2015
Date of shareholders' approval	August 27, 2015
Number of options granted	4,663,500
Method of settlement (cash/equity)	Equity
Vesting period	Three years
Exercise period	Four years

The details of activity under New Plan have been summarised below:

	March 31, 2019		March 31, 2018	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	2,852,275	30.85	4,295,400	30.85
Forfeited during the year	-	-	1,443,125	30.85
Outstanding at the end of the year	2,852,275	30.85	2,852,275	30.85
Exercisable at the end of the year	2,852,275	30.85	2,714,680	30.85

No options were exercised during the current and previous financial year.

The fair values of options granted under new plan were determined using a variation of the binomial option pricing model that takes into account factors specific to the share incentive plans, such as the vesting period. The following principal assumptions were used in the valuation:

	March 31, 2019			March 31, 2018		
	Options (50%)	Options (35%)	Options (15%)	Options (50%)	Options (35%)	Options (15%)
Number of options	2,331,750	1,632,225	699,525	2,331,750	1,632,225	699,525
Fair value on grant date	14.63	17.49	19.14	14.63	17.49	19.14
Share price at grant date	30.85	30.85	30.85	30.85	30.85	30.85
Fair value at exercise date	Not Applicable (NA)	NA	NA	NA	NA	NA
Exercise price	30.85	30.85	30.85	30.85	30.85	30.85
Expected volatility	39.82%	44.49%	43.47%	39.82%	44.49%	43.47%
Expected life	Three years	Four years	Five years	Three years	Four years	Five years
Expected dividends	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate (based on government bonds)	7.77%	7.97%	7.98%	7.77%	7.97%	7.98%

The underlying expected volatility was determined by reference to historical data of the Holding Company's shares over a period of time since its flotation on the Stock Exchange. No special features inherent to the options granted were incorporated into measurement of fair value.

The employee remuneration expense has decreased by ₹ 0.15 million (previous year: decreased by ₹ 16.47 million), all of this relates to options lapsed/expired during the year due to resignation of eligible employees.

37. LEASES

Finance lease: Group as lessee

Vehicles obtained on finance lease are for 4 years after which the legal title is passed to the lessee. There is escalation clause in the lease agreement. There are restrictions imposed by the lease arrangements.

Finance lease liabilities (refer note 17 and 24) are secured by related assets held under finance leases.

Future minimum lease payments and their present values are given below:

	Minimum lease payments due			Total
	Within 1 year	1 to 5 years	after 5 years	
	₹ in million			
March 31, 2019				
Lease payments	1.36	1.66	-	3.02
Finance charges	0.21	0.09	-	0.30
Net present value	1.15	1.57	-	2.72
March 31, 2018				
Lease payments	1.33	2.64	-	3.97
Finance charges	0.24	0.16	-	0.40
Net present value	1.09	2.48	-	3.57

Operating lease : Group as lessee

The Group 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 ₹ 172.06 million (previous year: ₹ 218.79 million) has been debited to consolidated statement of profit and loss during the year.

The total future minimum lease payment receivable under non-cancellable operating lease is:

	₹ in million	
	March 31, 2019	March 31, 2018
Lease payment for the year	30.00	30.00
Minimum lease payment not later than 1 year	12.50	30.00
Minimum lease payment later than 1 year but not later than 5 years	-	42.50

38. FAIR VALUE MEASUREMENTS

A. Financial instruments by category

	Note	₹ in million		
		March 31, 2019		Total
		FVTPL	Amortised cost	
Financial assets				
Margin money deposits (pledged)	8	-	345.49	345.49
Amount recoverable	14	-	1,259.79	1,259.79
Interest accrued and not due on fixed deposits	14	-	29.64	29.64
Security deposits	8 and 14	-	164.36	164.36
Unbilled revenues	14	-	465.91	465.91
Trade receivables (net)	11	-	3,899.91	3,899.91
Cash and cash equivalents	12	-	715.67	715.67
Bank deposits	13	-	65.40	65.40
Total financial assets		-	6,946.17	6,946.17

₹ in million

	Note	March 31, 2019		
		FVTPL	Amortised cost	Total
Financial liabilities				
Borrowings (non-current, financial liabilities)	17	-	7,423.85	7,423.85
Borrowings (current, financial liabilities)	22	-	1,623.08	1,623.08
Payables for purchase of property, plant and equipment	18 and 24	-	2,024.47	2,024.47
Security deposits received from customer	18	-	78.76	78.76
Trade payables	23	-	6,580.88	6,580.88
Other financial liabilities (current)	24	-	5,633.47	5,633.47
Total financial liabilities		-	23,364.51	23,364.51

₹ in million

	Note	March 31, 2018		
		FVTPL	Amortised cost	Total
Financial assets				
Margin money deposits (pledged)	8	-	676.28	676.28
Amount recoverable	14	-	401.17	401.17
Interest accrued and not due on fixed deposits	14	-	29.73	29.73
Security deposits	8 and 14	-	110.41	110.41
Unbilled revenues	14	-	572.04	572.04
Trade receivables (net)	11	-	3,687.62	3,687.62
Cash and cash equivalents	12	-	935.31	935.31
Bank deposits	13	-	325.52	325.52
Total financial assets		-	6,738.08	6,738.08
Financial liabilities				
Borrowings (non-current, financial liabilities)	17	-	5,971.94	5,971.94
Borrowings (current, financial liabilities)	22	-	1,566.06	1,566.06
Payables for purchase of property, plant and equipment	18 and 24	-	3,204.18	3,204.18
Security deposits received from customer	18	-	37.49	37.49
Trade payables	23	-	5,255.95	5,255.95
Other financial liabilities (current)	24	-	7,124.10	7,124.10
Total financial liabilities		-	23,159.72	23,159.72

B. Financial instruments measured at fair value

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

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

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

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

There are no financial assets measured at fair value in the consolidated statement of financial position that are grouped into the fair value hierarchy as on March 31, 2019 and March 31, 2018.

There have been no transfer between level 1, level 2 and level 3 during the year ended March 31, 2019 and March 31, 2018.

The following table presents the changes in level 1 items for the year ended March 31, 2019 and March 31, 2018:

₹ in million

Particulars	
As at April 01, 2017	4.40
Mutual funds sold during the year	(4.42)
Gains recognised in statement of profit and loss	0.02
As at March 31, 2018	0.00
Mutual funds sold during the year	-
Gains recognised in statement of profit and loss	-
As at March 31, 2019	-

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

₹ in million

	March 31, 2019		March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Margin money deposits (pledged)	345.49	345.49	676.28	676.28
Amount recoverable	1,259.79	1,259.79	401.17	401.17
Interest accrued and not due on fixed deposits	29.64	29.64	29.73	29.73
Security deposits	164.36	164.36	110.41	110.41
Unbilled revenue	465.91	465.91	572.04	572.04
Trade receivables	3,899.91	3,899.91	3,687.62	3,687.62
Cash and cash equivalents	715.67	715.67	935.31	935.31
Bank deposits	65.40	65.40	325.52	325.52
Total financial assets	6,946.17	6,946.17	6,738.08	6,738.08
Financial liabilities				
Borrowings (non-current, financial liabilities)	7,423.85	7,423.85	5,971.94	5,971.94
Borrowings (current, financial liabilities)	1,623.08	1,623.08	1,566.06	1,566.06
Payables for purchase of property, plant and equipment	2,024.47	2,024.47	3,204.18	3,204.18
Security deposits	78.76	78.76	37.49	37.49
Trade payables	6,580.88	6,580.88	5,255.95	5,255.95
Other financial liabilities (current)	5,633.47	5,633.47	7,124.10	7,124.10
Total financial liabilities	23,364.51	23,364.51	23,159.72	23,159.72

D. Financial risk management objectives and policies

Financial risk management

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

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

This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the related impact in these consolidated 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 Group causing financial loss. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk management

Credit risk rating

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

Asset group	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, bank deposit, margin money deposits, interest accrued and other financial assets except security deposits	12 month expected credit loss
High credit risk	Trade receivables, security deposits, amount recoverable and unbilled revenue	Life time expected credit loss or fully provided for

Based on business environment in which the Group 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.

		₹ in million	
Credit rating	Particulars	March 31, 2019	March 31, 2018
A: Low credit risk	Cash and cash equivalents, bank deposit, margin money deposits, interest accrued and other financial assets except security deposits	1,156.20	2,538.88
B: High credit risk	Trade receivables, security deposits, amount recoverable and unbilled revenue	5,789.97	4,199.20

Concentration of trade receivables

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

Credit risk exposure

Provision for expected credit losses

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

Expected credit loss for trade receivables under simplified approach.

For the purpose of computation of expected credit loss, the Group 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 Group does not have any historical provision) and provision for doubtful debtors created against those sales. As per this methodology, the Group has determined the expected credit loss at approximately 5% for customers of subscription and carriage.

Expected credit loss for trade receivables under simplified approach

As at March 31, 2019

₹ in million

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	7,489.85	(3,589.94)	3,899.91
Security deposits	164.36	-	164.36
Amounts recoverable	1,259.79	-	1,259.79
Unbilled revenues	465.91	-	465.91

As at March 31, 2018

₹ in million

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	6,333.70	(2,646.08)	3,687.62
Security deposits	110.41	-	110.41
Amounts recoverable	401.17	-	401.17
Unbilled revenues	572.04	-	572.04

Reconciliation of loss allowance provision – Trade receivable

Particulars	₹ in million
Loss allowance on March 31, 2017	(2,425.99)
Changes in loss allowance	(220.09)
Loss allowance on March 31, 2018	(2,646.08)
Changes in loss allowance	(943.86)
Loss allowance on March 31, 2019	(3,589.94)

B. Liquidity risk

Liquidity risk is the risk that suitable sources of funding for the Group'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 Group'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, employee dues and other current payables 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 balance sheet date, the Group's liabilities having contractual maturities (including interest payments where applicable) are summarised as follows:

Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows.

	₹ in million		
Contractual maturities of financial liabilities	Less than one year	One to two years	More than two years
March 31, 2019			
Non-derivatives			
Borrowings (non-current, financial liabilities) and interest on borrowings	6,407.57	3,752.86	4,311.89
Borrowings (current, financial liabilities) and interest on borrowings	1,686.98	-	-
Payables for purchase of property, plant and equipments	1,093.87	-	930.60
Security deposits received from customers (non-current, financial liabilities)	-	-	78.76
Book overdraft	139.92	-	-
Trade payables	6,580.88	-	-
Others (including redeemable preference shares and finance lease obligation)	2.74	-	-
Total non-derivative liabilities	15,911.95	3,752.86	5,321.25
March 31, 2018			
Non-derivatives			
Borrowings (non-current, financial liabilities) and interest on borrowings	7,725.31	3,515.76	3,057.98
Interest accrued and not due on borrowings	1,613.65	-	-
Payables for purchase of property, plant and equipments	1,249.02	-	1,955.16
Security deposits received from customers (non-current, financial liabilities)	-	-	37.49
Book overdraft	132.78	-	-
Trade payables	5,255.95	-	-
Total non-derivative liabilities	15,976.71	3,515.76	5,050.63

C. Market Risk

During the previous year, the Group had foreign currency borrowings in the form of buyers credit and is exposed to change in the exchange rates. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (₹). The risk is measured through a forecast of highly probable foreign currency cash flows.

(i) Foreign currency risk

Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows

	₹ in million	
	March 31, 2019	March 31, 2018
Financial assets (A)	61.07	55.65
Trade receivables	24.60	51.75
Advance to vendors	36.47	3.90
Financial liabilities (B)	1,096.20	6,739.97
Buyer's credit	-	4,387.14
Payable to vendors for property, plant and equipment	1,096.20	2,352.83
Net exposure (B-A)	1,035.13	6,684.32

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

₹ in million

	Impact on loss after tax	
	March 31, 2019	March 31, 2018
(₹)/USD and (₹)/EURO increased by 5% (previous year (₹)/USD and (₹)/EURO increased by 5%)	(51.76)	(334.22)
(₹)/USD and (₹)/EURO decreased by 5% (previous year (₹)/USD and (₹)/EURO decreased by 5%)	51.76	334.22

(ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. The Group is exposed to changes in market interest rates through bank borrowings at variable interest rates

₹ in million

	March 31, 2019	March 31, 2018
Variable rate borrowings	14,378.90	14,481.74
Total borrowings	14,378.90	14,481.74

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

₹ in million

	Impact on loss after tax	
	March 31, 2019	March 31, 2018
Interest rates – increase by 100 basis points (March 31, 2018 100 bps)	143.79	144.82
Interest rates – decrease by 100 basis points (March 31, 2018 100bps)	(143.79)	(144.82)

39. RELATED PARTY TRANSACTIONS

- (i) **Promoter and Promoter Group****
Dr. Subhash Chandra
Direct Media Solutions LLP
- (ii) **Enterprises owned or significantly influenced by Promoter/Promoter Group****
Zee Entertainment Enterprises Limited
Zee Media Corporation Limited
Zee Turner Limited
- (iii) **Associate companies**
Siti Chhattisgarh Multimedia Private Limited (Associate of Siti Bhatia Network Entertainment Private Limited) (till June 14, 2018)
Voice Snap Services Private Limited w.e.f. September 19, 2016 (Associate of Variety Entertainment Private Limited)
C&S Medianet Private Limited w.e.f. November 01, 2018
- (iv) **Joint ventures**
C&S Medianet Private Limited (till October 31, 2018)
Wire and Wireless Tisai Satellite Limited

(v) Key Management Personnel (KMP)

Mr .V.D. Wadhwa, Executive Director and Chief Executive Officer (till June 05, 2017)
 Mr. Sidharth Balakrishna, Whole Time Director w.e.f. July 01, 2017
 Mr. Anil Jain, Head - Finance and Accounts (till September 09, 2017)
 Mr. Sanjay Berry, Chief Financial Officer (resigned on April 28, 2017, has been re-appointed w.e.f. September 01, 2017)
 Mr. Sureshkumar Agarwal, Independent Director (till October 26, 2017)
 Mr. B.K. Syngal, Independent Director (till March 31, 2019)
 Mr. Vinod Kumar Bakshi, Independent Director (till March 31, 2019)
 Ms. Kavita Kapahi, Independent Director
 Mr. Sandeep Khurana, Independent Director (till November 03, 2017)
 Prof. Sunil Kumar Maheshwari, Independent Director w.e.f. November 03, 2017
 Mr. Suresh Arora, Non Executive Director w.e.f. March 29, 2019

(vi) Relatives of KMP**

Mrs. Shiela Wadhwa
 Mrs. Renu Wadhwa

(vii) Enterprises owned or significantly influenced by KMP or their relatives**

All India Digital Cable Federation (till June 05, 2017)
 Insight Financial Services Private Limited (till November 03, 2017)

** With whom the Group has transactions during the current year and previous year.

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

a) Sale of goods and services during the year
Enterprises owned or significantly influenced by Promoter/Promoter Group

	₹ in million	
	March 31, 2019	March 31, 2018
Zee Entertainment Enterprises Limited	252.47	263.30
Zee Media Corporation Limited	80.02	95.18

b) Purchase of goods and services during the year
Enterprises owned or significantly influenced by Promoter/Promoter Group

	₹ in million	
	March 31, 2019	March 31, 2018
Zee Entertainment Enterprises Limited	924.34	639.61
Zee Media Corporation Limited	3.44	-
Enterprises owned or significantly influenced by KMP or their relatives		
All India Digital Cable Federation	-	2.01
Insight Financial Services Private Limited	-	4.20
C&S Medianet Private Limited	13.90	-

c) Balance (payable)/receivable (net of provision created) at the end of the year
Jointly ventures

	₹ in million	
	March 31, 2019	March 31, 2018
Jointly ventures		
Wire and Wireless Tisai Satellite Limited	-	37.96
Enterprises owned or significantly influenced by Promoter/Promoter Group		
Trade receivables		
Zee Entertainment Enterprises Limited	86.74	133.83
Zee Media Corporation Limited	79.04	45.00
Trade payables		
Zee Entertainment Enterprises Limited	1,154.56	601.73
Zee Turner Limited	10.00	293.66
Zee Media Corporation Limited	3.66	15.96

₹ in million

	March 31, 2019	March 31, 2018
Enterprises owned or significantly influenced by KMP or their relatives		
C&S Medianet Private Limited	1.92	-
Security deposit given		
Zee Turner Limited	12.72	12.72

d) Expenditure paid by the Company on behalf of others, concession received and expenditure paid by others on behalf of the Group:

₹ in million

	Expenditure paid by the Company on behalf of the others and concession received		Expenditure paid by others on behalf of the Company	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Jointly ventures				
Wire and Wireless Tisai Satellite Limited	0.04	0.13	-	-
Enterprises owned or significantly influenced by Promoter/Promoter Group				
Zee Entertainment Enterprises Limited	275.60	0.12	12.80	7.14

e) Advances given and repayment thereof

₹ in million

	Advances given	Repayment/ Adjustments	Balance owed by related parties
Enterprises owned or significantly influenced by KMP or their relatives			
All India Digital Cable Federation	March 31, 2019	-	-
	March 31, 2018	-	0.63

f) Remuneration to KMP

₹ in million

	March 31, 2019	March 31, 2018
Mr. V.D. Wadhwa	-	1.95
Mr. Siddhartha Balakrishna	5.77	3.63
Mr. Anil Jain	-	5.03
Mr. Sanjay Berry	10.74	6.59

g) Compensated absences

₹ in million

	March 31, 2019	March 31, 2018
Mr. V.D. Wadhwa	-	1.80
Mr. Siddhartha Balakrishna	0.20	0.20
Mr. Anil Jain	-	0.42
Mr. Sanjay Berry	0.01	0.08

h) Director sitting fees

₹ in million

	March 31, 2019	March 31, 2018
Mr. B.K. Syngal	0.26	0.42
Mr. Vinod Kumar Bakshi	0.34	0.48
Ms. Kavita Kapahi	0.16	0.24
Mr. Sureshkumar Agarwal	-	0.20
Prof. Sunil Kumar Maheshwari	0.08	0.06

i) Purchase of services

	₹ in million	
	March 31, 2019	March 31, 2018
Relatives of KMP	-	2.69

j) Corporate guarantee given by

	₹ in million	
	March 31, 2019	March 31, 2018
Zee Entertainment Enterprises Limited	976.00	867.00

- k)** Direct Media Solutions LLP (formerly known as Direct Media Solutions Private Limited), a stakeholder of the Company, has provided financial support as is necessary to enable the Company to fulfil all its obligations incurred in foreseeable future, atleast upto and including March 31, 2021, to enable it to continue as a going concern until such time period.

Further, the stakeholder has indemnified the Company against certain advances and receivables, if such are not adjusted/recovered in near future. The aforementioned indemnity shall also cover any amounts further advanced and receivable from such parties.

40. CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed and not provided for (net of advances) amounting to ₹ 415.15 million (Previous year ₹ 210.54 million).

- 41.** Previous year's amounts have been regrouped wherever deemed appropriate.

42. CONTINGENT LIABILITIES AND LITIGATIONS

- i) Claims against the Group not acknowledged as debts ₹ 205.74 million* (Previous year ₹ 223.11 million).
- ii) Demands raised by the statutory authorities being contested by the Group:

	₹ in million	
	March 31, 2019	March 31, 2018
Service tax matters*	136.35	129.70
VAT/ Sales tax matters*	160.02	124.48
Other statutory matters*	87.00	78.54
	383.37	332.72

* excludes pending cases/litigations including ones with business associates, statutory authorities, Subscribers and other parties where based on the legal advice of in-house legal team, the management believes that no material liability will devolve on the Group or where amount of liability is not presently ascertainable.

During the financial ended March 31, 2018, the Directorate of Revenue Intelligence (DRI), Bangalore, u/s 108 of the Custom Act, 1962, had inquired about the classification of viewing cards for applicability of customs duty. The Holding Company had, suo-moto, paid ₹ 20 million under protest. Further, during the current financial year, the Holding Company has received a show cause notice with a demand for ₹ 1,011.22 million. The Holding Company is confident that the demand will not sustain, therefore no provision has been made in these consolidated financial statements and the amount demanded has been considered as contingent liability.

- iii) In case of ICNCL, counter bank guarantees in respect of outstanding bank guarantees and fixed deposit pledged ₹ 34.63 million (Previous year ₹ 21.88 million).

- iv) The Hon'ble Supreme Court in its recent ruling had ruled that various allowances like conveyance allowance, special allowance, education allowance, medical allowance etc., paid uniformly and universally by an employer to its employees would form part of basic wages for computing the provident fund ('PF' or 'the fund') contribution and thereby, has laid down principles to exclude (or include) a particular allowance or payments from 'basic wage' for the purpose of computing PF contribution. The Group pays certain allowances to its employees as a part of compensation structure, which have not been included in the basic wages for the purpose of computing the PF.

As this ruling has not prescribed any clarification w.r.t to its application the Group, based on legal advice and management assessment has applied the aforesaid ruling prospectively. Management believe that this will not result in any material liability on the group.

43. UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars of unhedged foreign currency exposure as at reporting date:

	March 31, 2019			March 31, 2018		
	EURO million	USD million	₹ in million	EURO million	USD million	₹ in million
Trade receivables for carriage income	-	0.35	24.60	-	0.80	51.75
Advance to vendor	0.11	0.40	36.47	-	0.06	3.90
Payables for purchase of property, plant and equipment	6.76	8.23	1,096.20	7.71	26.61	2,352.83
Buyers' credit (Secured loan)	-	-	-	0.76	66.51	4,387.14

* Closing rate as at March 31, 2019: 1 USD = ₹ 69.32 (previous year: 1 USD = ₹ 65.04); 1 EURO = ₹ 77.75 (previous year: 1 EURO = ₹ 80.62)

44. UTILISATION OF PROCEEDS FROM PREFERENTIAL ALLOTMENT

The Holding Company had issued 142,857,142 warrants at ₹ 35 per warrant during the year 2015-16.

	₹ in million	
	March 31, 2019	March 31, 2018
Unutilised amount at the beginning of the year	-	477.16
Less: Amount utilised during the year	-	-
Repayments of debts of the Company	-	477.16
Unutilised amount at the end of the year	-	-

Since the money is fungible, utilisation had been linked with the payment made from a common bank account post transfer of fund from the bank account separately maintained for the receipt of preferential allotment proceeds.

45. CAPITAL MANAGEMENT

Risk Management

The Group'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 Group's overall strategy remains unchanged from previous year. The Group 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 Group's policy is to use current and non-current borrowings to meet anticipated funding requirements. The Group monitors capital on the basis of the gearing ratio which is net debt divided by total capital (equity plus net debt). The Group 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.

Particulars	₹ in million	
	March 31, 2019	March 31, 2018
Cash and cash equivalents (refer note 12)	715.67	935.31
Bank balances other than cash and cash equivalents above (refer note 13)	65.40	325.52
Margin money deposit (refer note 8)	345.49	676.28
Total cash (A)	1,126.56	1,937.11
Borrowings (non-current, financial liabilities) (refer note 17)	7,190.93	5,714.95
Borrowings (current, financial liabilities) (refer note 22)	1,603.46	1,533.03
Current maturities of long-term borrowings (refer note 24)	5,353.16	6,929.14
Current maturities of finance lease obligations (refer note 24)	1.15	14.60
Total borrowing (B)	14,148.70	14,191.72
Net debt (C=B-A)	13,022.14	12,254.61
Total equity (refer note 16 (a) and 16 (b))	1,980.17	3,429.96
Total capital (equity + net debts) (D)	15,002.31	15,684.57
Gearing ratio (C/D)	0.87	0.78

46. ASSETS PLEDGED AS SECURITY

The carrying amount of assets pledged as security are:

	₹ in million	
	March 31, 2019	March 31, 2018
Current assets		
a) Inventories	17.37	143.96
b) Financial assets		
i) Trade receivables	3,828.38	6,068.68
ii) Cash and cash equivalents	114.17	600.07
iii) Bank balances other than cash and cash equivalents above	40.00	-
iv) Others	1,731.72	-
c) Other current assets	1,175.71	-
	6,907.35	6,812.71
Non-current assets		
a) Property, plant and equipment	10,963.66	12,477.12
b) Capital work-in-progress	396.91	818.25
c) Investment property	658.53	669.21
d) Other intangible assets	1,413.02	1,376.03
e) Intangible assets under development	46.47	73.37
f) Financial assets		
i) Margin money deposit (pledged)	324.38	655.07
	13,802.97	16,069.05
Total assets	20,710.32	22,881.76

47. INFORMATION UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013

There are no investments or loan given or guarantee provided or security given by the Group other than the investments and loans in these consolidated financial statements, which have been made predominantly for the purpose of business.

48. Additional information, as required to Consolidated Financial Statements pursuant to Schedule III to the Companies Act, 2013.

For the financial year ended March 31, 2019

Name of the entity	Net assets i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of TCI	Amount
SITI Networks Limited	6%	187.44	139.91%	(3,724.28)	69.13%	(1.51)	140%	(3,725.79)
Subsidiaries								
Indian Cable Net Company Limited (consolidated)	143%	4,337.71	-1.98%	52.77	32.04%	(0.70)	-2%	52.07
Central Bombay Cable Network Limited (consolidated)	2%	52.35	0.18%	(4.80)	-3.32%	0.07	0%	(4.72)
Siticable Broadband South Limited	-1%	(17.98)	0.00%	(0.11)	0.00%	-	0%	(0.11)
Siti Vision Digital Media Private Limited	2%	45.73	-2.11%	56.05	0.00%	-	-2%	56.05
Siti Jind Digital Media Communications Private Limited	0%	3.35	0.19%	(5.13)	0.00%	-	0%	(5.13)
Siti Jai Maa Durgee Communications Private Limited	-2%	(73.26)	0.03%	(0.83)	0.00%	-	0%	(0.83)
Siti Bhatia Network Entertainment Private Limited	0%	-	0.05%	(1.27)	0.00%	-	0%	(1.27)
Siti Jony Digital Cable Network Private Limited	0%	(3.66)	0.13%	(3.39)	0.00%	-	0%	(3.39)
Siti Krishna Digital Media Private Limited	0%	(2.71)	0.20%	(5.44)	0.00%	-	0%	(5.44)
Siti Faction Digital Private Limited	-1%	(25.45)	0.32%	(8.63)	0.00%	-	0%	(8.63)
Siti Guntur Digital Network Private Limited	1%	16.16	0.02%	(0.62)	0.00%	-	0%	(0.62)
Siti Karnal Digital Media Network Private Limited	-1%	(39.77)	1.02%	(27.04)	0.00%	-	1%	(27.04)
Siti Global Private Limited	0%	(10.62)	0.14%	(3.80)	0.00%	-	0%	(3.80)
Siti Siri Digital Network Private Limited	0%	10.39	-0.21%	5.61	2.16%	(0.05)	0%	5.56
Siti Broadband Services Private Limited	-11%	(324.61)	2.31%	(61.59)	0.00%	-	2%	(61.59)
Siti Prime Uttaranchal Communication Private Limited	1%	29.39	0.18%	(4.81)	0.00%	-	0%	(4.81)
Siti Sagar Digital Cable Network Private Limited	0%	(4.28)	0.20%	(5.24)	0.00%	-	0%	(5.24)
Siti Godaari Digital Services Private Limited	0%	(4.44)	0.00%	-	0.00%	-	0%	-
Siti Saistar Digital Media Private Limited	-6%	(188.44)	5.29%	(140.76)	0.00%	-	5%	(140.76)
Variety Entertainment Private Limited	-1%	(27.61)	0.61%	(16.22)	0.00%	-	1%	(16.22)
Siti Networks India LLP w.e.f. May 07, 2018	0%	0.01	0.00%	(0.09)	0.00%	-	0%	(0.09)
Minority interest in all subsidiaries	35%	1,047.06	-1.88%	49.93	0.00%	-	-2%	49.93
Intra-group eliminations	-65%	(1,979.53)	-44.62%	1,187.72	0.00%	-	-45%	1,187.72

For the financial year ended March 31, 2018

Name of the entity	Net assets i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of TCI	Amount
SITI Networks Limited (formerly SITI Cable Network limited)	70%	3,194.15	121.00%	(2,055.77)	44.18%	1.73	121%	(2,054.04)
Subsidiaries								
Indian Cable Net Company Limited (consolidated)	88%	4,019.10	-13.51%	229.53	38.64%	1.51	-14%	231.04
Central Bombay Cable Network Limited (consolidated)	0%	15.74	-0.33%	5.67	8.01%	0.31	0%	5.98
Siticable Broadband South Limited	0%	(17.87)	0.09%	(1.57)	0.00%	-	0%	(1.57)
Siti Vision Digital Media Private Limited	-1%	(34.86)	-3.87%	65.83	0.00%	-	-4%	65.83
Siti Jind Digital Media Communications Private Limited	0%	(7.86)	0.04%	(0.62)	0.00%	-	0%	(0.62)
Siti Jai Maa Durgee Communications Private Limited	-2%	(72.43)	0.01%	(0.16)	0.00%	-	0%	(0.16)
Siti Bhatia Network Entertainment Private Limited	-1%	(36.75)	-0.25%	4.25	0.00%	-	0%	4.25
Siti Jony Digital Cable Network Private Limited	0%	(1.12)	0.00%	(0.06)	0.00%	-	0%	(0.06)
Siti Krishna Digital Media Private Limited	0%	2.81	-0.01%	0.13	0.00%	-	0%	0.13
Siti Faction Digital Private Limited	0%	(16.81)	0.12%	(1.98)	0.00%	-	0%	(1.98)
Siti Guntur Digital Network Private Limited	0%	16.78	0.07%	(1.15)	0.00%	-	0%	(1.15)
Siti Karnal Digital Media Network Private Limited	-1%	(23.35)	0.09%	(1.49)	0.00%	-	0%	(1.49)
Siti Global Private Limited	0%	(6.81)	0.00%	(0.01)	0.00%	-	0%	(0.01)
Siti Siri Digital Network Private Limited (formerly Siri Digital Network Private Limited)	-1%	(62.89)	-0.15%	2.47	1.76%	0.07	0%	2.54
Siti Broadband Services Private Limited	-6%	(263.02)	13.44%	(228.31)	0.00%	-	13%	(228.31)
Siti Prime Uttaranchal Communication Private Limited	0%	19.26	-0.01%	0.19	0.00%	-	0%	0.19
Siti Sagar Digital Cable Network Private Limited (formerly Panchsheel Digital Communication Network Private Limited)	0%	(2.97)	-0.06%	0.95	0.00%	-	0%	0.95
Siti Godaari Digital Services Private Limited (formerly Bargachh Digital Communication Network Private Limited)	0%	(4.89)	0.18%	(3.07)	0.00%	-	0%	(3.07)
Siti Saistar Digital Media Private Limited (formerly Saistar Digitalmedia Private Limited)	-1%	(59.99)	2.06%	(34.93)	0.00%	-	2%	(34.93)
Variety Entertainment Private Limited	0%	(11.50)	-0.42%	7.13	0.00%	-	0%	7.13
Minority interest in all subsidiaries	25%	1,160.33	-14.10%	239.60	7.42%	0.29	-14%	239.89
Intra-group eliminations	-70%	(3,214.76)	-4.38%	74.40	0.00%	-	-4%	74.40

49. INVESTMENT IN JOINT VENTURE AND ASSOCIATE

₹ in million

Summarised balance sheet	WWTSL	C&S Medianet Private Limited*	Voice Snap Services Private Limited	WWTSL*	C&S Medianet Private Limited	Voice Snap Services Private Limited
	March 31, 2019			March 31, 2018		
Current assets						
Cash and cash equivalents	-	4.18	17.29	-	0.21	1.49
Other assets	-	10.86	25.77	-	2.90	23.42
	-	15.04	43.06	-	3.11	24.91
Non-current assets	3.36	0.11	33.27	3.36	-	44.04
Current liabilities						
Financial liabilities (excluding trade payables and provisions)	-	-	18.80	-	-	16.18
Other liabilities	0.03	16.36		0.03	3.79	7.00
	0.03	16.36	18.80	0.03	3.79	23.18
Non-Current liabilities						
Financial liabilities (excluding trade payables and provisions)	-	-	-	102.62	-	-
Other liabilities	-	-	-	-	-	6.21
	-	-	-	102.62	-	6.21
Net assets	3.33	(1.21)	57.53	(99.29)	(0.68)	39.56
Ownership interest	51.00%	48.00%	40.00%	51.00%	48.00%	35.26%
Carrying amount of interest	1.70	-	23.01	-	-	39.82
Proportionate share in net assets less securities premium	1.70	-	23.01	-	-	(9.13)
Add securities premium	-	-	-	-	-	48.95
Carrying amount of interest	1.70	-	23.01	-	-	39.82

*The carrying amount of interest has been restricted to ₹ Nil million on account of losses.

₹ in million

Summarised statement of profit and loss	WWTSL*	C&S Medianet Private Limited*	Voice Snap Services Private Limited*	WWTSL*	C&S Medianet Private Limited	Voice Snap Services Private Limited
	March 31, 2019			March 31, 2018		
Summarised statement of profit and loss						
Revenue	-	68.58	130.52	-	3.00	88.27
Other income	-	0.02	0.58	-	-	0.18
Depreciation and amortisation	-	0.02	11.95	0.82	-	4.22
Finance cost	-	-	0.01	-	-	0.01
Other expenses	0.08	69.20	123.46	0.10	3.73	97.30
Income tax expense or income	-	-	-	-	-	0.19
Loss from operations	(0.08)	(0.62)	(4.32)	(0.92)	(0.73)	(13.27)
Post tax loss from operations	(0.08)	(0.62)	(4.32)	(0.92)	(0.73)	(13.27)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	(0.08)	(0.62)	(4.32)	(0.92)	(0.73)	(13.27)
Ownership interest	51.00%	48.00%	40.00%	51%	48.00%	35.26%

*The carrying amount of interest has been restricted to ₹ Nil million on account of losses.

50. TAX EXPENSE

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

	₹ in million	
	March 31, 2019	March 31, 2018
Income tax related to items recognised directly in the statement of profit and loss		
Current tax - current year	139.50	72.78
Deferred tax charge	(39.10)	44.99
Total	100.40	117.77
Effective tax rate	34.61%	34.61%
A reconciliation of the income tax expense applicable to the profit before income tax at statutory rate to the income tax expense at the Group's effective income tax rate for the year ended March 31, 2019 and March 31, 2018 is as follows:		
Loss before tax	(2,542.45)	(1,581.20)
Effective tax rate	34.61%	34.61%
Tax at statutory income tax rate	(879.94)	(547.25)
Tax effect on non-deductible expenses	395.38	353.60
Additional allowances for tax purposes	(353.56)	(428.91)
Effect of tax on group companies incurring losses	(919.26)	(682.80)
Effect of tax rate difference of subsidiaries	4.21	14.53
Other permanent difference	15.05	43.00
Tax expense recognised in the statement of profit and loss	100.40	117.77

51. The Group predominantly operates in a single business segment of cable distribution in India only. Hence there are no separately reportable business or geographical segments as per Indian Accounting Standard ('Ind AS') 108 on Operating Segments. Further the Holding Company, its subsidiaries, its associates and its joint venture also predominantly operate in a single business segment of cable and broadband distribution in India only. Hence the Group has no separately reportable business or geographical segments as per Ind AS 108. The aforesaid is in line with the way operating results are reviewed and viewed by the chief operating decision maker(s).

52. Pursuant to the applicability of CSR (Corporate Social Responsibility) Provisions of the Companies Act, 2013 the company has made the requisite expenditure towards CSR as per the details below:

	₹ in million	
	March 31, 2019	March 31, 2018
a) Gross amount required to be spent by the subsidiary company during the year	6.20	4.10
b) Amount spent during the year on the following		
1. Construction / Acquisition of any asset	-	-
2. On purpose other than 1 above	6.20	4.10

53. Exceptional items in the consolidated financial results include the following:

During the year ended March 31, 2019

The Company had divested its 51% shareholding (10,409 shares of face value ₹ 10 each) in a subsidiary company namely, Siti Bhatia Networks Entertainment Private Limited ('Siti Bhatia') for a consideration of ₹ 1.1 million pursuant to which, the Group has realised profit on disposal of the investment amounting to ₹ 38.02 million which has been disclosed as exceptional item in consolidated financial statements. Thereby, from the date of closure of this divestment and settlement arrangement, Siti Bhatia and Siti Chhattisgarh Multimedia Private Limited (associate of Siti Bhatia) ceased to be part of the Group.

The exceptional items in the consolidated financial statements for the year ended March 31, 2019 also consists of write off of the amount recoverable from Siti Bhatia amounting to ₹ 63.09 million, pursuant to aforementioned divestment and settlement arrangement. Further during the year ended March 31, 2019, the Tariff Order 2017 notified by the TRAI resulted into changes in pricing mechanism and certain arrangements with the customers. The management, based on its review, and in terms of ongoing negotiations with the customers, has provided for certain trade receivables and advances amounting to ₹ 6,79.8 million in consolidated financial statements. The exceptional items in the consolidated financial statements also include one time provision towards certain recoverable amounts and other settlements aggregating ₹ 37.79 million.

During the year ended March 31, 2018

Exceptional item for the year ended March 31, 2018 represents amount incurred towards settlement as a one time cost towards restructuring of the operations to improve efficiencies.

Further, the Group had recognised certain receivables in prior years pertaining to billings done on estimation (net) basis. The Group had reached further negotiations with the customers and had accordingly written off such old receivables based on management's best estimates, which have been disclosed as exceptional items in the consolidated financial statements for the year ended March 31, 2018.

54. Disclosure of revenue pursuant to Ind AS 115 'Revenue from Contracts with Customers':

A. Reconciliation of revenue from sale of services and other operating revenue with contracted price

	₹ in million	
	March 31, 2019	March 31, 2018
Contracted price	14,421.34	14,104.01

B. Disaggregation of revenue

	₹ in million	
	March 31, 2019	March 31, 2018
Revenue from operations		
Sale of services		
Subscription income	10,444.36	9,007.02
Advertisement income	261.85	185.36
Carriage income	3,003.48	3,037.55
Activation and Set top boxes pairing charges	557.29	1,750.14
Other operating revenue		
Sale of traded goods	15.61	20.06
Management charges and other networking income	135.74	103.58
Scrap sales	3.01	0.30
	14,421.34	14,104.01

The Group has disaggregated the revenue from contracts with customers on the basis of nature of services. The Group believes that the disaggregation of revenue on the basis of nature of services has no impact on the nature, amount, timing and uncertainty of revenue and cash flows.

C. Contract balances

The following table provides information about receivables and contract liabilities from contract with customers.

	₹ in million	
	March 31, 2019	March 31, 2018
Contract liabilities		
Advance from customers (including deferred revenue)	543.33	1,926.08
	543.33	1,926.08
Contract assets		
Trade receivable	7,489.85	6,333.70
Less: Allowance for expected credit loss	(3,589.94)	(2,646.08)
	3,899.91	3,687.62

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance.

D. Significant changes in the contract liabilities balances during the year are as follows:

	₹ in million	
	March 31, 2019	March 31, 2018
Opening balance	1,926.08	1,646.02
Revenue recognised (net of additions)	(1,382.75)	280.06
Closing balance	543.33	1,926.08

E. The Group has applied Ind AS 115 with modified retrospective approach from April 1, 2018 and the adoption of this standard has the following impact:

Particulars	₹ in million	
	For the year ended March 31, 2019	
	Amount as per Ind AS 115	Amount as per Ind AS 18
Revenue from operations	14,421.34	14,777.27

Impact of adoption of Ind AS 115 on retained earning has been separately disclosed in note 16 (b).

55. The new tariff order of Telecom Regulatory Authority of India ('TRAI') was implemented from February 1, 2019, as per the extended timelines. TRAI had further extended the timeline for subscribers to select channels till March 31, 2019. Owing to the initial delays in implementation of new tariff order, all the distribution platform operators ('DPO') are in transition from previous regime to new regime and are in the process of implementation of contracts with the broadcasters and customers.

56. POST REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between March 31, 2019 and the date of authorisation of these consolidated financial statements.

This is the Summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sumit Mahajan
Partner
Membership No.: 504822

Place : Gurugram
Date : May 30, 2019

For and on behalf of the Board of Directors of
SITI Networks Limited

Suresh Arora
Non Executive Director
DIN: 00299232

Sanjay Berry
Chief Financial Officer

Kavita Kapahi
Independent Director
DIN: 02330706

Suresh Kumar
Company Secretary
Membership No: ACS 14390



SITI NETWORKS LIMITED

Regd. Office: Unit No. 38, 1st Floor, Madhu Industrial Estate, Pandurang Budhkar Marg, Worli, Mumbai- 400013
Tel. : +91 22 43605555 Email : csandlegal@siti.esselgroup.com
CIN : L64200MH2006PLC160733 Website : www.sitinetworks.com

ATTENDANCE SLIP

13th Annual General Meeting

I/We hereby record my/our presence at the 13th Annual General Meeting of the Company at
'Hall of Harmony', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400018
on Saturday, the 28th day of September, 2019 at 3:00 p.m.

Name of Shareholder/ Proxy: (IN BLOCK LETTERS)

Signature of Shareholder/Proxy

Folio No. _____

Client ID# _____

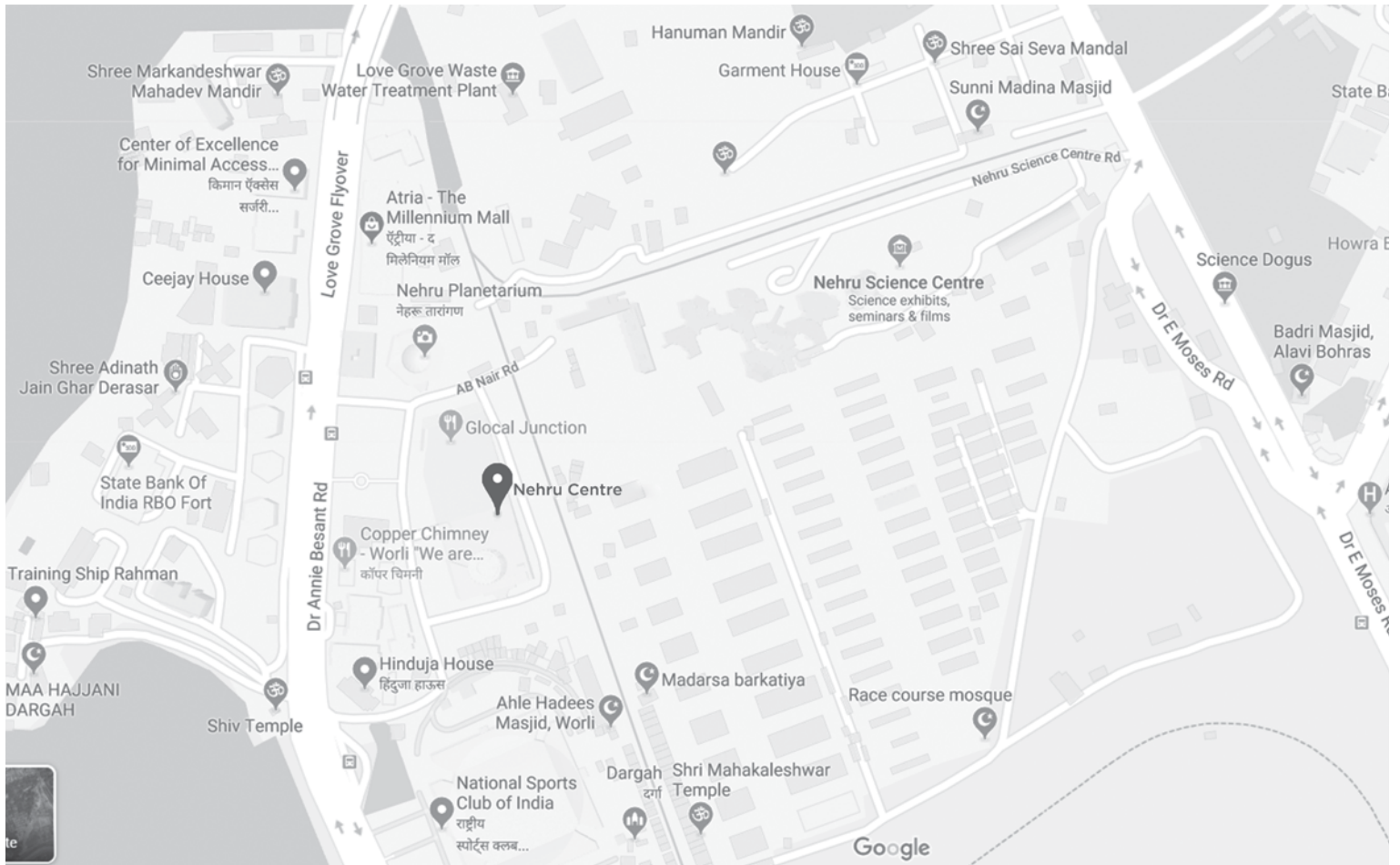
D.P.I.D. _____

No. of Shares: _____

(Applicable for shareholders holding shares in dematerialized form)

ROUTE MAP TO THE VENUE OF THE 13th ANNUAL GENERAL MEETING OF SITI NETWORKS LIMITED

'Hall of Harmony', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400018





SITI NETWORKS LIMITED

Regd. Office: Unit No. 38, 1st Floor, Madhu Industrial Estate, Pandurang Budhkar Marg, Worli, Mumbai- 400013
Tel. : +91 22 43605555 E-mail : csandlegal@siti.esselgroup.com
CIN : L64200MH2006PLC160733 Website : www.sitinetworks.com

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management Administration) Rules, 2014)

13th Annual General Meeting

Name of Member(s) :

Registered address :

E-mail :

Folio No./DP ID No./ Client ID No.:

I/We, being the member(s) holding:.....Equity Shares of Siti Networks Limited, hereby appoint

1. Name:.....E-mail Id:.....
Address:.....
Signature:.....or failing him

2. Name:.....E-mail Id:.....
Address:.....
Signature:.....or failing him

3. Name:.....E-mail Id:.....
Address:.....
Signature:.....or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 13th Annual General Meeting of the Company to be held on Saturday, the 28th day of September, 2019 at 3:00 p.m. at 'Hall of Harmony', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400018 and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

I wish my above proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
Ordinary Business		
1. Adoption of Audited Financial Statements of the Company prepared on a standalone and consolidated basis, for the financial year ended March 31, 2019 including the Balance Sheet, the Statement of Profit & Loss for the financial year ended on that date, and the Reports of the Auditors and Directors thereon.		
Special Business		
2. Appointment of Mr. Deepak Mittal as an Independent Director of the Company.		
3. Appointment of Mr. Bhanu Pratap Singh as an Independent Director of the Company.		
4. Appointment of Mr. Suresh Arora as a Director of the Company, liable to retire by rotation.		
5. Appointment of Mr. Suresh Arora as a Whole Time Director of the Company, for a period of three years with effect from June 14, 2019.		
6. Ratification/approval of remuneration payable to Cost Auditor for FY 2019-20.		

Signed this _____ day of _____ 2019

Signature of Shareholder _____ Signature of Proxyholder(s) _____

Note: This form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Unit No. 38, 1st Floor, Madhu Industrial Estate, Pandurang Budhkar Marg, Worli, Mumbai 400013, not less than 48 hours before the commencement of the Meeting



SITI NETWORKS LIMITED

Unit No. 38, 1st Floor, A Wing, Madhu Industrial Estate,
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Phone No: +91- (022) 43605555
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