Subhash C. Gupta & Co.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SITI JIND DIGITAL MEDIA COMMUNICATION PVT. LTD.

Report on the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

Responsibilities of Management for the Standalone Financial Statements

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

SUBHASH GUPTA & CO. NEW DELHI Chartered Accountants internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

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

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

i. The Company has disclosed the impact, if any, of pending litigations as at 31st March 2019 on its financial position in its standalone financial statements – Refer Note no. 1.2. c – of the notes to the financial statements;

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

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

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

Lokesh Gupta
(Partner)
Membership No.: 503853

Place : New Delhi
Date : 23/05/2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of SITI JIND DIGITAL MEDIA COMMUNICATION PVT. LTD.on the standalone financial statements for the year ended 31st March 2019.

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

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

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

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

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

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

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

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

SUBHASH C. GUPTA & CO. NEW DELHI Chartered Accountants

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

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

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

Name of Statute	**Nature of Dues**	**Amount Involved Rs.**	**Forum/ period where the dispute is pending**
Haryana Value Added Tax Act, 2003	VAT	42,31,394/-	Appeal pending in VAT department, Haryana/courts

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

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

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

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

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

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

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

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

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

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

Lokesh Gupta
(Partner)
Membership No.: 503853

Place : New Delhi
Date : 23/05/2019

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 (f) of the Independent Auditors' Report of even date to the members of SITI JIND DIGITAL MEDIA COMMUNICATION PVT. LTD.on the standalone financial statements for the year ended 31st March 2019.

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

Lokesh Gupta
(Partner)
Membership No.: 503853

Place : New Delhi
Date : 23/05/2019

SITI JIND DIGITAL MEDIA COMMUNICATION PVT LTD

Balance sheet as at March 31, 2019

Rs. In million

	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
a) Property, plant and equipment	2	94.00	101.20
b) Capital work-in-progress	2	0.44	7.22
c) Deffered Tax Assets	3	0.19	1.77
		94.63	**110.19**
Current assets			
b) Financial assets			
i) Trade receivables	4	22.06	21.32
ii) Cash and cash equivalents	5	1.98	4.31
iv) Others	6	0.18	0.71
c) Other current assets	7	15.54	24.50
		39.77	**50.83**
Total assets		**134.39**	**161.02**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	8	2.00	2.00
b) Other equity	9	1.36	(9.86)
		3.36	**(7.86)**
LIABILITIES			
Non-current liabilities			
b) Deffered Tax Liability	10	-	-
c) Other non-current liabilities	11	0.01	9.85
		0.01	**9.85**
Current liabilities			
a) Financial liabilities			
ii) Trade payables	12		
- Total outstanding dues of micro enterprises and small enterprises; and			
- Total outstanding dues of creditors other than micro enterprises and small enterprises		125.62	142.50
b) Provisions	13	-	-
c) Other current liabilities	14	5.40	16.52
		131.02	**159.03**
Total equity and liabilities		**134.39**	**161.02**

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

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

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

SUBHASH C. GUPTA & CO. NEW DELHI Chartered Accountants

Lokesh Gupta
Partner
M.No. 503853

For and on behalf of the Board of Directors of
SITI JIND DIGITAL MEDIA COMMUNICATION PVT. LTD.

Director
RAM PHOOL PHOUR
DIN - 03312309

Director
SANJAY ARYA
DIN - 07197362

Place : New Delhi
Date : 23 MAY 2019

SITI JIND DIGITAL MEDIA COMMUNICATION PVT LTD
Statement of Profit and Loss for the year ended March 31, 2019

Rs. In million

	Note	March 31, 2019	March 31, 2018
Income			
Revenue from operations	15	63.90	77.23
Other income	16	0.04	0.02
Total income		**63.95**	**77.25**
Expenses			
Carriage sharing, pay channel and related costs		34.32	34.41
Employee benefits expense	17	0.96	0.24
Finance costs	18	0.20	0.19
Depreciation and amortisation of non-financial assets	19	17.20	13.94
Other expenses	20	14.83	32.52
Total expenses		**67.50**	**81.30**
Loss before exceptional item and tax		**(3.55)**	**(4.04)**
Exceptional item			
Loss before tax		**(3.55)**	**(4.04)**
Tax expense			
Current tax		0.00	0.00
Deffered Tax		1.58	-2.97
Loss for the year		**(5.13)**	**(1.08)**
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurement of defined benefit liability			
Total comprehensive income		**(5.13)**	**(1.08)**
Earnings (loss) per share			
Basic (loss) per share	21	(25.64)	(5.38)
Diluted (loss) per share	21	(25.64)	(5.38)

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

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

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

SUBHASH C. GUPTA & CO. NEW DELHI Chartered Accountants

Lokesh Gupta
Partner
M.No. 503853

For and on behalf of the Board of Directors of
SITI JIND DIGITAL MEDIA COMMUNICATION PVT. LTD.

Director
RAM PHOOL PHOUR
DIN - 03312309

Director
SANJAY ARYA
DIN - 07197362

Place : New Delhi
Date : 23 MAY 2019

SITI JIND DIGITAL MEDIA COMMUNICATION PVT. LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

	31-Mar-19	31-Mar-18
		Rs. In Millions
PARTICULARS		**AMOUNT IN (Rs.)**
A. Cash Flow from Operating Activities		
Net Profit, before taxation, after exceptional items	(5.13)	(1.08)
Adjustments for :		
Depreciation	17.20	13.94
Deffered Activtion revenue transferred to other equity	16.35	-
Provision for doubtful debts	0	4.85
Provision for taxation	1.58	(2.97)
Operating expenses before working capital changes	**29.99**	**14.74**
Adjustments for :		
Increase in Current assets /loans & advances/trade receivables	8.74	(4.28)
Increase in trade and other payables	(37.84)	47.98
Cash generated from operations	**0.89**	**58.44**
Taxes Paid/Refund		
Net Cash Flow from Operating Activities	**0.89**	**58.44**
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets/CWIP (net)	(3.22)	(62.11)
Net Cash Flow from Investing Activities	**(3.22)**	**(62.11)**
C. Cash Flow from Financing Activities		
Net Proceeds from Long Term Borrowings	-	-
Increase in Share Capital	-	-
Net Cash Flow from Financing Activities	-	-
Net Cash Flow during the year	(2.33)	(3.67)
Cash and Cash Equivalents at the beginning of the year	4.31	7.97
Cash and Cash Equivalents at the end of the year	**1.98**	**4.31**

Cash and Cash Equivalents consists of balance with Banks.
Previous year figures have been regrouped/recast wherever necessary.

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

Lokesh Gupta
Partner
M.No. 503853

For and on behalf of the Board of Directors of
SITI JIND DIGITAL MEDIA COMMUNICATION PVT. LTD.

Director
RAM PHOOL PHOUR
DIN - 03312309

Director
SANJAY ARYA
DIN - 07197362

Place : New Delhi
Date : 23 MAY 2019

SITI JIND DIGITAL MEDIA COMMUNICATION PVT LTD.

Statement of changes in Equity

Rs. In Millions

(I) Equity Share Capital

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Balance at the beginning of the year	2.00	2.00
Changes in equity share capital during the year		
Balance at the end of the year	**2.00**	**2.00**

(II) Other equity

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Retained Earnings		
Balance at the beginning of the year	(4.63)	(3.55)
Add: Prior Period Adjustment		
Profit /Loss for the year	(5.13)	(1.08)
Transfer from Deffered Activation revenue	16.35	
Balances as at the end of the year (A)	**6.59**	**(4.63)**
Others		
Equity portion of OCD conversion	-	-
Balances as at the end of the year (B)	-	-
Other Comprehensive income		
Other comprehensive income recognised directly in retained earnings	(5.23)	(5.23)
Balances as at the end of the year (C)	**(5.23)**	**(5.23)**
Other Equity Balances as at the end of the year (A+B+C)	**1.36**	**(9.86)**
Total Equity Balances as at the end of the year (I+II)	**3.36**	**(7.86)**

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

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

For Subhash C. Gupta & Co.
Chartered Accountants
Firm Regn NO. 004103N

SUBHASH C. GUPTA & CO. NEW DELHI Chartered Accountants

Lokesh Gupta
Partner
M.No. 503853

For and on behalf of the Board of Directors of
SITI JIND DIGITAL MEDIA COMMUNICATIONS PVT LTD

Director
RAM PHOOL PHOUR
DIN - 03312309

Director
SANJAY ARYA
DIN - 07197362

Place : New Delhi
Date : 23 MAY 2019

SITI JIND DIGITAL MEDIA COMMUNICATIONS PVT LTD

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

2 Property, plant and equipment

Rs. In Millions

	Plant and equipment	Set top boxes	Total
Gross carrying amount			
Balance as at April 01, 2017	3.10	66.54	69.64
Additions	0.01	58.44	58.45
Disposals			-
Balance as at March 31, 2018	3.11	124.98	128.09
Gross carrying amount			
Balance as at April 01, 2018	3.11	124.98	128.09
Additions	6.43	3.56	9.99
Disposals			
Balance as at March 31, 2019	9.54	128.54	138.08
Accumulated depreciation			
Balance as at April 01, 2017	1.66	11.28	12.95
Charge for the year	0.48	13.46	13.94
Disposals			-
Balance as at March 31, 2018	2.14	24.75	26.89
Accumulated depreciation			
Balance as at April 01, 2018	2.14	24.75	26.89
Charge for the year	1.26	15.94	17.20
Balance as at March 31, 2019	3.40	40.69	44.09
Net carrying amount as at March 31, 2018	0.97	100.23	101.20
Net carrying amount as at March 31, 2019	6.14	87.85	94.00

	As at 31-Mar-19	As at 31-Mar-18
Capital Work in Progess	0.44	7.22

Note:- I Capital work-in-progress include set top boxes, viewing cards (softwares) amounting to Rs.437159/- and (previous year Rs.7216343/-) which are yet to be installed.

SUBHASH C. GUPTA & CO. NEW DELHI Chartered Accountants

SITI JIND DIGITAL MEDIA COMMUNICATIONS PVT LTD

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

Rs. In million

		As at 31-Mar-19	As at 31-Mar-18
3	**Others (non-current, non- financial assets)**		
	Unsecured, considered good		
	Deffered Tax Assets	0.19	1.77
		0.19	**1.77**

		As at 31-Mar-19	As at 31-Mar-18
4	**Trade receivables**		
	Unsecured, considered good		
	Receivables, credit impaired	27.36	26.62
	Less: Allowance for expected credit losses	(5.30)	(5.30)
		22.06	**21.32**
	Classified as:		
	Non-current trade receivables		
	Current trade receivables	**22.06**	**21.32**
		22.06	**21.32**

		As at 31-Mar-19	As at 31-Mar-18
5	**Cash and cash equivalents**		
	Cash on hand	0.44	0.08
	Balances with banks	1.54	4.23
	on current accounts		
		1.98	**4.31**

		As at 31-Mar-19	As at 31-Mar-18
6	**Others (current, financial assets)**		
	Unsecured, considered good		
	Unbilled revenues	-	0.54
	Security deposits	0.18	0.17
		0.18	**0.71**

		As at 31-Mar-19	As at 31-Mar-18
7	**Other current assets**		
	Unsecured, considered good unless otherwise stated		
	Balances with Government authorities	14.16	22.71
	MAT Credit	1.37	1.47
	Prepaid expenses	-	0.33
		15.54	**24.50**

		As at 31-Mar-19	As at 31-Mar-18
8	**Share capital**		
	Authorised share capital		
	200000 (Previous year: 200000) equity shares of Rs.10 each	2.00	2.00
	Total authorised capital	**2.00**	**2.00**
	Issued share capital		
	200000 (Previous year: 200000) equity shares of Rs.10 each	2.00	2.00
	Total issued capital	**2.00**	**2.00**
	Subscribed and fully paid up capital		
	200000 (Previous year: 200000) equity shares of Rs.10 each	2.00	2.00
	Total paid up capital	**2.00**	**2.00**
		2.00	**2.00**

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SITI JIND DIGITAL MEDIA COMMUNICATIONS PVT LTD
Summary of significant accounting policies and other explanatory information for the year ended March, 2019

		As at 31-Mar-19	As at 31-Mar-18
9	**Other Equity**		
	Retained Earnings		
	Balance at the beginning of the year	(9.86)	(8.78)
	Add: Prior period adjustment	-	-
	Add: Profit/Loss for the year	(5.13)	(1.08)
	Adjustment due to change in useful life of assets	-	-
	Transferred from Deferred Activation Revenue	16.35	-
	Balances as at the end of the year (A)	**1.36**	**(9.86)**
	Others		
	Transfer from OCD	-	-
	Balances as at the end of the year (B)		
	Other Comprehensive income		
	Other comprehensive income recognised directly in retained earnings	-	-
	Balances as at the end of the year (C)		
	Balances as at the end of the year (A+B+C)	**1.36**	**(9.86)**

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SITI JIND DIGITAL MEDIA COMMUNICATIONS PVT LTD
Summary of significant accounting policies and other explanatory information for the year ended March 31, 2019

Rs. In millions

	As at 31-Mar-19	As at 31-Mar-18
10 Deffered Tax Liability		
Deffered Tax Liability	-	-
	-	-

	As at 31-Mar-19	As at 31-Mar-18
11 Other (non-current, non-financial liabilities)		
Deferred revenue (refer note 3(d))	-	9.85
Security Deposit	0.01	
	0.01	**9.85**

	As at 31-Mar-19	As at 31-Mar-18
12 Trade payables		
- Total outstanding dues of micro enterprises and small enterprises; and	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	125.62	142.50
	125.62	**142.50**

	As at 31-Mar-19	As at 31-Mar-18
13 Provisions (current)		
Expenses payable	-	-
	-	-

	As at 31-Mar-19	As at 31-Mar-18
14 Other (current, non-financial liabilities)		
Deferred revenue	-	10.08
Statutory dues payable	1.41	4.26
Advance from customers	2.36	2.19
Revenue received in Advance	1.63	-
	5.40	**16.52**

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SITI JIND DIGITAL MEDIA COMMUNICATIONS PVT LTD

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

12 **Tangible assets**

Rs. In million

Gross block	Plant and equipment	Set top boxes	CWIP Plant & Equipments	CWIP STB	Total
Balance as at April 1, 2018	0.97	100.23	6.10	1.11	101.20
Additions During Q1 2018-19	6.22	1.65	-	1.14	7.87
Disposal During Q1 2018-19	0.31	3.96	6.10	1.65	4.27
Balance as at June 30, 2018	**6.88**	**97.92**	**-**	**0.60**	**104.80**
Additions During Q2 2018-19	-	0.16			0.16
Disposal During Q2 2018-19	0.32	3.99		0.16	4.31
Balance as at September 30, 2018	**6.56**	**94.08**		**0.45**	**100.64**
Additions During Q3 2018-19	-	1.51		2.04	3.55
Disposal During Q3 2018-19	0.32	4.02		1.51	4.34
Balance as at December 31, 2018	**6.24**	**91.57**		**0.98**	**97.82**
Additions During Q4 2018-19	0.21	0.24		-	0.45
Disposal During Q4 2018-19	0.31	3.96		0.54	4.27
Balance as at March 31, 2019	**6.14**	**87.85**		**0.44**	**94.00**
Accumulated depreciation	1.26	15.94			17.20
Net block					
Balance as at June 30, 2018	**6.88**	**97.92**			**104.80**
Balance as at September 30, 2018	**6.56**	**94.08**	**-**	**0.45**	**100.64**
Balance as at December 31, 2018	**6.24**	**91.57**	**-**	**0.98**	**97.82**
Note:- **Balance as at March 31, 2019**	**6.14**	**87.85**	**-**	**0.44**	**94.00**

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SITI JIND DIGITAL MEDIA COMMUNICATION PVT LTD

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

Rs. In millions

		31-Mar-19	31-Mar-18
15	**Revenue from operations**		
	Sale of services		
	Subscription income	59.03	48.26
	Advertisement income	2.63	3.05
	Carriage income	-	0.05
	Activation and Set top boxes pairing charges	2.24	25.87
		63.90	**77.23**

		31-Mar-19	31-Mar-18
16	**Other income**		
	Interest income on		
	Bank deposits		
	Others	0.04	0.02
	Excess provisions written back		-
		0.04	**0.02**

		31-Mar-19	31-Mar-18
17	**Employee benefits expense**		
	Director Remuneration	0.96	0.24
		0.96	**0.24**

		31-Mar-19	31-Mar-18
18	**Finance costs**		
	Interest/ late fee on service tax/TDS	0.20	0.18
	Bank charges	0.00	0.00
		0.20	**0.19**

		31-Mar-19	31-Mar-18
19	**Depreciation and amortisation of non-financial assets**		
	Depreciation of property, plant and equipment	17.20	13.94
		17.20	**13.94**

		31-Mar-19	31-Mar-18
20	**Other expenses**		
	Rent	0.36	0.36
	Digital Headend Feed Charges	0.26	2.05
	Repairs and maintenance		
	- Others	0.64	0.19
	Legal, professional and consultancy charges	0.22	0.16
	Auditors' remuneration*	0.08	0.08
	Provision for doubtful debts	-	4.85
	Sundry Balances written off	0.55	1.32
	Other operational cost	3.48	3.46
	Management Service Charges	4.00	20.00
	Income Tax/Service tax paid	0.32	-
	Commision paid	0.08	-
	Network Service Charges	4.84	-
	Miscellaneous expenses	-	0.06
		14.83	**32.52**

	31-Mar-19	31-Mar-18
*Auditors' remuneration		
as an auditor	0.08	0.08
for other services (certifications)		
for reimbursement of expenses		
	0.08	**0.08**

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SITI JIND DIGITAL MEDIA COMMUNICATION PVT LTD

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

		31-Mar-19	31-Mar-18
21	**Earnings (loss) per share**		
	Loss attributable to equity shareholders	(5.13)	(1.08)
	Weighted average number of equity shares outstanding during the year (nos.)	2,00,000	2,00,000
	Weighted average number of equity shares outstanding during the year for calculating basic and diluted earnings per share (nos.)	**2,00,000**	**2,00,000**
	Nominal value of per equity share (Rs.)	10	10
	Loss per share (Rs.)		
	Basic	(25.64)	(5.38)
	Diluted	(25.64)	(5.38)

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SITI JIND DIGITAL MEDIA COMMUNICATION PVT. LTD.

Note: 1 Company Overview and Significant Accounting Policies

1.1 Company Overview

a. SITI Jind Digital Media Communication Pvt. Limited (hereinafter referred to as the 'Company' or 'SNL') was incorporated in the state of Delhi, 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.

b. Accounting Convention

Basis of preparation

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

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

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.2 Summary of Accounting Policies

a. Use of estimate

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

b. Critical accounting estimates

(i) Contingencies and commitments

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that have a low probability of crystallising or are very difficult to quantify reliably, are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. There can be no assurance regarding the final outcome of the contingent liabilities.

(ii) Useful lives and residual values

The Company reviews the useful lives and residual values of property, plant and equipment, and intangible assets at each financial year end.

(iii) Fair value measurement

A number of company's accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
-Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of a fair value hierarchy, then the fair value measurement is categorized in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The company recognizes transfers between levels of the fair value hierarchy at the end of reporting year during which the change has occurred.

d. Property, Plant and Equipment

Recognition and initial measurement

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

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

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

e. Subsequent measurement (depreciation and useful lives)

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

Type of assets	(Years)
Plant & Machinary	8.00
Set Top Boxes	8.00

De-recognition

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

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Impairment of non-financial Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss.

If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the Statement of Comprehensive Income.

f. Taxation on Income

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.
Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method.
Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are generally recognised in full, although IAS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the Company does not recognise deferred tax on temporary differences relating to goodwill, or to its investments in subsidiaries.

g. Revenue recognition

i.) Revenue is recognised when it is probable that the economic benefits will flow to the Company and it can be reliably measured.
ii.) Revenue is measured at the fair value of the consideration received/receivable net of rebates and taxes. The Company applies the revenue recognition criteria to each separately identifiable component of the sales transaction as set out below.

Revenue from rendering of Services

Subscription income is recognised on completion of services and when no significant uncertainty exists regarding the amount of consideration that will be derived.
Other networking and management income and carriage income are recognised on accrual basis over the terms of related agreements and when no significant uncertainty exists regarding the amount of consideration that will be derived. Carriage revenue recognition is done basis negotiations/formal agreement with broadcasters.
Advertisement income is recognised when the related advertisement gets telecasted and when no significant uncertainty exists regarding the amount of consideration that will be derived. Other advertisement revenue for slot sale is recognised on period basis.

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

Borrowing Costs

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

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

Investments and Other Financial Assets
Financial assets
Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.
Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

All other debt instruments are measured are Fair Value through other comprehensive income or Fair value through profit and loss based on Company's business model.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.
When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of Financial Assets

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

h. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date. Impairment of Assets is recognised when there is an indication of Impairment and on such indication the recoverable amount of the assets is estimated and if such estimation is less than its carrying amount, the carrying amount is reduced to its recoverable amount.

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i. Earning Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

j. Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets are disclosed when probable and recognised when realization of income is virtually certain.

Significant management judgement in applying accounting policies and estimation uncertainty

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

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

Significant Management Judgements

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

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

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

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

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

k. Standard issued but not yet effective

Ind AS 116:

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

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

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

Amendment to Ind AS 12, Income Taxes:

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

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

1.2 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS

a. Earning per share:

		31.03.2019	31.03.2018
a)	Profit/(Loss) after Tax	(51,28,438)	(10,76,050)
b)	Weighted average No. of Ordinary Shares		
	Basic	2,00,000	2,00,000
	Diluted	2,00,000	2,00,000
c)	Nominal Value of Ordinary Share	10	10
d)	Earning per Ordinary share considering:		
	Basic	(25.64)	(5.38)
	Diluted	(25.64)	(5.38)

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b. Auditor's Remuneration (Including Legal & professional Charges)

Particulars	2018-19	2017-18
Audit fees Rs.	76,000	76,000
Tax Audit Fees		
Other Matter	12,500	12,500
(Amount are exclusive of Service Tax)		

c. Additional information

Contingent Liabilities not provided for on account of:		
VAT department	42,31,394	42,31,394
Director Remuneration	-	-
Earning in Foreign Currency	-	-
Remittances in Foreign Currency	-	-
Expenditure in Foreign Currency	-	-
CIF Value of Import	-	-

d. Commitments

Future commitments towards capital contributions - NIL

e. Segment Reporting

The Company operates in single business segment of cable distribution in India only. Hence there are no separate reportable business or geographical segments as per Indian Accounting Standard (Ind AS-108) on Segment Reporting.

f. Related Parties Disclosure:

List of Parties where control exists

i Holding Company

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

ii Fellow Subsidiary Companies

Siticable Broadband South Ltd.
Wire & Wireless Tisai Satellite Ltd.
Indian Cable Net Company Ltd.
Central Bombay Cable Network Limited.
Master Channel Community Network Pvt. Ltd.
Siti Vision Digital Media Pvt. Ltd.
Siti Jai Maa Durge Communications Pvt. Ltd.
Siti Bhatia Network Entertainment Private Limited
Siti Krishna Digital Media Private Limited
Siti Jony Digital Cable Network Private Limited
Siti Guntur Digital Network Private Limited
Siti Faction Digital Private Limited
SITI GLOBAL PVT. LTD.
SITI BROADBAND SERVICES PRIVATE LIMITED
SITI PRIME UTTARANCHAL COMMUNICATION PRIVATE LIMITED
PANCHSHEEL DIGITAL COMMUNICATION NETWORK PRIVATE LIMITED
SAI STAR DIGITAL MEDIA PRIVATE LIMITED
BARGACHH DIGITAL COMMUNICATION NETWORK PRIVATE LIMITED
VARIETY ENTERTAINMENT PRIVATE LIMITED
Siti Siri Digital Network Pvt. Ltd.
SITI MAURYA CABLE NET PRIVATE LIMITED (Subsidiary of ICNCL)
INDINET SERVICE PRIVATE LIMITED (100% Subsidiary of ICNCL)
SITI KARNAL DIGITAL MEDIA NETWORK PRIVATE LIMITED

iii Key Managerial Personnel

Mr. Ram Phool -Managing Director
Mr. Sanjay Arya
Mr. Dheeraj Gupta

iv Other Related Parties

M/s. Digital Advanced Transmission 9

Transactions with:

Holding Company- Siti Networks Ltd.	2019	2018
Payment on account of Content cost	2,97,20,810	3,44,13,320
Management Charges	40,00,000	2,00,00,000
Digital Headend feed charges	-	19,40,021
SMS Usage Charges	-	-
Purchase of STB	13,45,850	5,94,51,322
STB repair charges/operation expenses	74,060	1,81,228
Reimbursement of expenses	13,600	19,822
Advance Received	-	91,93,949
Advance Paid		
With Key Managerial Personnel	**2019**	**2018**
Director Remuneration	9,60,000	2,40,000
Advance given/ recd	-	-
Advance received back	-	-
With other related parties		
Purchase of Assets	-	-
Carriage Income	-	-
Outstanding as on 31.3.2019		
Siti Networks Ltd.- Current Account (Cr)	8,32,81,340	13,57,85,596
Siti Networks Ltd.- provision for expenses	3,45,43,565	-

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g.

Reconciliation of Tax Expense			
The major components of income tax for the year are as under:			Rs. 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		-	-
Deferred tax charge / (benefit)		1.58	(2.97)
Total		**1.58**	**(2.97)**
Effective tax rate		-44.4%	73.4%
A reconciliation of the income tax expense applicable to the profit before income tax at statutory rate to the income tax expense at the Company's effective income tax rate for the year ended 31 March, 2019 and 31 March, 2018 is as follows:			
Profit/(Loss) before tax		(3.55)	(4.04)
Effective tax rate		-44.4%	73.4%
Tax at statutory income tax rate		-	-
Tax effect on non-deductible expenses			
Additional allowances for tax purposes			
Other difference		1.58	(2.97)
Tax expense recognised in the statement of profit and loss		**1.58**	**(2.97)**

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

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

a. Credit risk

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

Credit risk management

Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the 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	Provision for expected credit loss
Low credit risk	Investment, Cash and cash equivalents and other financial assets	12 month expected credit loss
High credit risk	Trade receivables, security deposits and amount recoverable	Based on estimates

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

		Rs. in million	
Credit rating	**Particulars**	**31-Mar-19**	**31-Mar-18**
A: Low credit risk	Investment, Cash and cash equivalents and other financial assets except security deposits and amount recoverable	17.70	29.51
B: High credit risk	Trade receivables, security deposits and amount recoverable	22.06	21.32

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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 expected credit losses for following financial assets based on certain estimates.

As at March 31, 2019 — Rs. in million

Particular	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	27.36	(5.30)	22.06
Security deposits	0.18	-	0.18
Advances recoverable	-	-	-

As at March 31, 2018 — Rs. in million

Particular	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	26.62	-5.30	21.32
Security deposits	0.17	-	0.17
Advances recoverable	-	-	-

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

Loss allowance on March 31, 2018	**(5.30)**
Changes in loss allowance	-
Loss allowance on March 31, 2019	**(5.30)**

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

(ii) Financial assets that are neither past due nor impaired
Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's assessment of credit risk about particular financial institution. None of the Company's cash equivalents, including term deposits (i.e., certificates of deposit) with banks, were past due or impaired as at 31 March 2019.

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

As at 31st March 2019 — Rs in Millions

Particulars	Less than 1 year	1-5 year	Total
Borrowings	-	-	0
Trade payables	125.62	-	125.62

As at 31st March 2018 — Rs in Millions

Particulars	Less than 1 year	1-5 year	Total
Borrowings	-	-	0
Trade payables	142.50	-	142.50

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

d. Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

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

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

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l. 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.

	Rs. in million	
Particular	**31-Mar-19**	**31-Mar-18**
Cash and cash equivalents (refer note 5)	1.98	4.31
Current investments	-	-
Margin money	-	-
Total cash (A)	**1.98**	**4.31**
Borrowings (non-current, financial liabilities)	-	-
Borrowings (current, financial liabilities)	-	-
Current maturities of long-term borrowings	-	-
Current maturities of finance lease obligations	-	-
Total borrowing (B)	-	-
Net debt (C=B-A)	**-1.98**	**-4.31**
Total equity		
m. **Total capital (equity + net debts) (D)**	**1.37**	**-12.17**
Gearing ratio (C/D)	**-1.44**	**0.35**

n. In view of mandatory digital addressable system (DAS) regulation announced by the Ministry of Information and Broadcasting, Government of India, digitalisation of cable network has been implemented in the cities notified for phase 3 & 4. The company has activated Set top boxes in Jind region under Digital Addressable cable TV System (DAS) in accordance with TRAI mandate for phase 3 cities. Owing to the inital delays in implementation of DAS in Jind, Haryana region and chalanges faced by all the MSO's during transition from analog business to DAS, the company is in the process of executing contracts with the subscribers and implementation of revenue sharing contracts entered into with the local cable operators. Accordingly company has invoiced and recognised subscription revenue on the basis of certain estimates under the new DAS regime for the year ended 31st March 2018 based on certain estimates derived from market trends and ongoing discussion with the LCOs.

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

p. Since there are no employees on the payroll of the company the company has not provided for long term and short term employee benefits as per Ind AS 19. Accordingly no provision has been made for gratuity and leave encashment during the year.

q. Note 1 to 21 form an integral part of the accounts and have been duly authenticated.

r. Fair value measurements
A. Financial instruments by category

	Rs. millions March 31, 2019		Rs. millions March 31, 2018	
	FVTPL	**Amortised cost**	**FVTPL**	**Amortised cost**
Financial assets				
Bank deposits	-	-		
Amount recoverable	-	-	-	-
Interest accrued and not due on fixed deposits	-	-	-	-
Security deposits	-	0.18	-	0.17
Unbilled revenues	-	-	-	0.54
Trade receivables	-	22.06	-	21.32
Investments (Current, financial assets)	-	-	-	-
Cash and cash equivalents	-	1.98	-	4.31
Total financial assets	-	**24.23**	-	**39.48**
Financial liabilities				
Borrowings (Non-current, financial liabilities)	-	-	-	-
Borrowings (Current, financial liabilities)	-	-	-	-
Payables for purchase of property, plant and equipment	-	-	-	-
Security deposits received from customer	-	-	-	-
Trade payables	-	125.62	-	142.50
Total financial liabilities	-	**125.62**	-	**142.50**

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

	March 31, 2019		Rs. in million March 31, 2018	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Bank deposits	-	-	-	-
Amount recoverable	-	-	-	-
Interest accrued and not due on fixed deposits	-	-	-	-
Security deposits	0.18	0.18	0.17	0.17
Unbilled revenue	-	-	-	-
Trade receivables	22.06	22.06	21.32	21.32
Cash and cash equivalents	1.98	1.98	4.31	4.31
Total financial assets	**24.23**	**24.23**	**25.79**	**25.79**
Financial liabilities				
Borrowings (non-current, financial liabilities)	-	-	-	-
Borrowings (current, financial liabilities)	-	-	-	-
Payables for purchase of property, plant and equipment	-	-	-	-
Security deposits	-	-	-	-
Trade payables	125.62	125.62	142.50	142.50
Other financial liabilities (current)	-	-	-	-
Total financial liabilities	**125.62**	**125.62**	**100.97**	**100.97**

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

Particulars	Rs. in million			
	Year ended 31.03.2019		Quarter ended 31.03.2019	
Financial results line item	Amount as per Ind AS 115	Amount as per Ind AS 18	Amount as per Ind AS 115	Amount as per Ind AS 18
Revenue from operations (including activation, subscription, advertisement and other revenue from operation)	2.24	7.96	0.18	1.59

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

Particulars	Rs. in million
Statement of Assets and Liabilities Line Item	Amount
Other Equity	16.35

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