



**Agarwal K & Co. LLP**

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**INDEPENDENT AUDITOR'S REPORT**

To  
The Members of  
**SITI MAURYA CABLE NET PRIVATE LIMITED**

**Report on the Audit of the Standalone Financial Statements**

**Qualified Opinion**

We have audited the accompanying standalone financial statements of **SITI MAURYA CABLE NET PRIVATE LIMITED** ('the Company'), which comprise the Balance Sheet as at 31st March 2020, 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 (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, 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 31st March 2020, 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 Qualified Opinion**

The Company's 'Revenue from Operations' include broadcasters' share in subscription income from pay channels, which has correspondingly been presented as an expense which is not in accordance with the requirements of Ind AS-115, 'Revenue from contract with customers'. Had the Management disclosed the same on net basis, the 'Revenue from Operations' and the 'Pay Channel, carriage sharing and related cost' each would have been lower by Rs 2,789.99 lakhs for the year ended 31st March 2020 and the loss would have remained the same as currently reported.

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 Standalone 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 standalone 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 qualified opinion.





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## Key Audit Matters

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

In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

### 1. Key audit matter

#### *Provisioning for Expected Credit Loss (ECL)*

Trade receivables comprise a significant portion of the current financial assets of the Company. As at March 31, 2020 trade receivables aggregate Rs 1,146.37 lakhs (net of provision for expected credit losses of Rs 1,112.88 lakhs).

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

Since the Company has revenue streams which are dissimilar, the management has identified different classes of trade receivables basis the customer profile and nature of service provided or item sold. The management regularly assesses each class of trade receivables for recoverability. Provision for ECL is created by the management 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.

Estimation of the rates at which provision for ECL is to be created for each revenue stream, involve significant degree of judgment and estimate.

#### **How our audit addressed the key audit matter**

We have performed the following procedures for assessment of sufficiency of the provisioning for ECL:

- Obtained the ageing of trade receivables and discussed the key receivable balances, considering if any correspondence is available to establish the management's assessment of recoverability of such dues.
- Analysis of the methodology used to determine the provision amount for the current year.
- Assessing key ratios which include collection periods and days outstanding.
- Tested subsequent settlement of trade receivables after the balance date on a sample basis.

### 2. Key audit matter

#### *Evaluation of uncertain tax positions*

The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome.

Refer Note No 40 to the Standalone Financial Statements.





## How our audit addressed the key audit matter

We obtained details of completed assessment and demands received during the financial year from management. We also obtained the opinion of legal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcomes. The legal experts considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally we considered the effect of new information in respect of uncertain tax positions as at April 1, 2019 to evaluate whether any change was required to management's position on these uncertainties.

## Information other than the Standalone Financial Statements and Auditor's Report thereon

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.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management for the Standalone Financial Statements

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), 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.

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

  
26/06/2020



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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.

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

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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.

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

- Identify and assess the risks of material misstatement of the standalone 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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Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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

1. 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.
2. 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 A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. Further to our comments in Annexure B, as required by section 143(3) of the Act, we report that:
  - a) We have sought and except for the effect of the matter described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) Except for the effect of the matter described in the Basis for Qualified Opinion section, 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;



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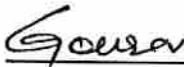
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- d) Except for the effect of the matter described in the Basis for Qualified Opinion section, in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 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 31st March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 25<sup>th</sup> day of June 2020 as per **Annexure B** expressed an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- 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:
- the Company, as detailed in **Note No 45** to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31st March 2020;
  - the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2020;
  - there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2020;

**For Agarwal K & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: E300016



**Gourav Gupta**

Partner

Membership Number 064579

UDIN: 20064579AAAABG1503



**Place:** Kolkata

**Date:** 26th day of June 2020



**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditor's Report to the Members of **SITI MAURYA CABLE NET PRIVATE LIMITED** of even date)

1. (a) According to the information and explanations given to us, the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) The company has a regular program of physical verification of its fixed assets (other than set top boxes installed at subscribers' premises and those in transit or lying with the distributors/cable operators and distribution equipments comprising overhead and underground cables and other equipments, physical verification of which is not feasible due the nature and location of these assets), under which, fixed assets are verified in a phased manner, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. The discrepancies noticed on physical verification of fixed assets as compared to book records were not material and properly recorded in the financial statements. According to the information and explanations given to us, the existence of set top boxes installed at subscriber premises is considered on the basis of the 'active user' status of the set top box.  
  
(c) The company does not own any immovable properties and hence no title deeds are held in the name of the company.
2. (a) The physical verification of inventory except Set Top Boxes including smart cards with local cable operators and Direct Subscribers has been conducted by the Management at reasonable intervals during the year.  
  
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
  
(c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. No material discrepancies were noticed in the physical stock as compared with the book records.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the Order are not applicable to the Company.

Suresh  
26/06/20



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- 4 In our opinion according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of loans and investment made, and guarantees provided by it, as applicable.
- 5 The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- 6 To the best of our knowledge and as explained, the maintenance of cost records has been prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of products and services of the Company. We have broadly reviewed the books of accounts maintained by the Company in this connection and are of the opinion that, prima facie, the records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 7 (a) According to the records of the Company examined by us and information and explanations given to us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Goods and Service Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the company examined by us the details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Entertainment Tax, Goods and Service Tax and Value Added Tax which have not been deposited as on 31st March, 2020 on account of disputes are given below:

Name of the Statute	Nature of the dues	Amount (Rs in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	4.43	A.Y. 2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	9.47	A.Y. 2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	3.16	A.Y. 2016-17	Deputy Commissioner of Income Tax

- 8 According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institutions or bank. The Company does not have any loans from Government. Further, the Company has not issued any debenture.
- 9 The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

26/06/2020

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- 10 During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we had neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the Management.
- 11 The Company has not paid/provided for managerial remunerations during the year. Therefore the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- 12 As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it; the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- 13 The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 & 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with relevant rules.
- 14 The company has not made any preferential allotment of shares or fully or partly paid convertible debenture during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- 15 In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him/her. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- 16 The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For Agarwal K & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: E300016

  
**Gourav Gupta**

Partner

Membership Number 064579

UDIN: 20064579AAAABG1503

Place: Kolkata

Date: 26th day of June 2020

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## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditor's Report to the Members of SITI MAURYA CABLE NET PRIVATE LIMITED of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of SITI MAURYA CABLE NET PRIVATE LIMITED ("the Company") as of March 31, 2020 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

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. 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 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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013. 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 were established and maintained and if such controls operated effectively in all material respects.

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 includes 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.

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.

21/06/2020

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## Meaning of Internal Financial Controls Over Financial Reporting

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

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.

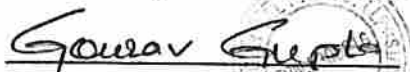
## Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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 March 31, 2020, 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 Agarwal K & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: E300016



**Gourav Gupta**

Partner

Membership Number 064579

UDIN: 20064579AAAABG1503

**Place:** Kolkata

**Date:** 26th day of June 2020



**Siti Maurya Cable Net Private Limited**  
CIN: U93000WB2012PTC184542  
**Statement of Profit & Loss for the year ended March 31, 2020**

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
		( ₹ thousands)	( ₹ thousands)
<b>Revenue</b>			
<b>I</b> Revenue from operations	24	566,082	530,164
<b>II</b> Other income	25	2,244	21,074
<b>III Total revenue (I+II)</b>		<b>568,326</b>	<b>551,237</b>
<b>IV Expenses</b>			
Purchases of traded goods	26	745	4,426
Decrease/(Increase) in inventories of traded goods	27	(532)	635
Carriage sharing, pay channel and related costs	28	363,490	351,120
Employee benefits expense	29	24,483	23,468
Finance costs	30	7,110	11,387
Depreciation and amortisation expenses	31	117,178	86,581
Other expenses	32	47,643	59,731
<b>Total expenses</b>		<b>560,117</b>	<b>537,348</b>
<b>V Profit/(Loss) before exceptional items and tax</b>		<b>8,209</b>	<b>13,889</b>
<b>VI</b> Exceptional Items		30,000	-
<b>VII Profit/(Loss) before tax</b>		<b>(21,791)</b>	<b>13,889</b>
<b>VIII</b> Tax Expenses		<b>(3,472)</b>	<b>5,491</b>
(a) Current Tax		5,445	14,459
Less Mat Credit Entitlement		-	-
(b) Deffered Tax		(9,157)	(8,968)
(c) Short / (Excess) Provision for earlier years		239	
<b>IX Profit/(Loss) for the period ended</b>		<b>(18,319)</b>	<b>8,397</b>
<b>X Other Comprehensive Income</b>		(197)	12
<b>Total Comprehensive Income for the Year</b>		<b>(18,516)</b>	<b>8,410</b>
Earning Per Share	34		
Basic		(2.03)	0.93
Diluted		(2.03)	0.93

Summary of significant accounting policies

2

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

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

For **Agarwal K & Co LLP**

Chartered Accountants

ICAI Firm Registration No.: E300016

For and on behalf of the Board of Directors of

**SITI Maurya Cable Net Private Limited**

Sd-

Sd-

Sd-

Gourav Gupta

Partner

Membership Number: 064579

Surendra Kumar Agarwal

Director

DIN: 00569816

Muno Kumar

Director

DIN: 03449709

Place - Kolkata

Date - 26th of June' 2020

Sd-

Krishna Kumar

Sr. Manager (F&A)

**Siti Maurya Cable Net Private Limited**

CIN: U93000WB2012PTC184542

**Cash Flow Statement for Year ended 31st March, 2020**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	( ₹ thousands)	( ₹ thousands)
<b><u>A. Cash Flow from operating activities:</u></b>		
Net Profit before taxation, exceptional item & prior period items	8,209	13,889
Adjustment for :-		
Depreciation	117,178	86,581
Provision for Retirement Benefit	670	484
Unrealised forex (gain )/ loss	12	-
Interest Paid & Borrowing cost	7,110	11,387
Bad Debts	40,705	21,008
Provision for doubtful debts & Advances	(26,254)	(4,811)
Excess provisions written back	(1,016)	(20,910)
Deferred Activation Income	-	51,469
Change in Provision for Current Tax	-	(6,574)
Interest on Fixed Deposit / Income Tax Refund/Others	1,228	164
<b>Operating profit before working capital changes</b>	<b>147,842</b>	<b>152,687</b>
<b>Change in working capital</b>		
Increase/(Decrease) in Trade payables	(84,175)	70,903
Increase/(Decrease) in other Non current financial liabilities	(65,460)	(53,351)
Increase/(Decrease) in other Non current liabilities	172	(54,016)
Increase/(Decrease) in Other current financial liabilities	(6,212)	12,587
Increase/(Decrease) in Other current liabilities	(2,120)	7,006
Decrease/ ( Increase) in Trade receivable	106,848	(84,865)
Decrease/ ( Increase) in Inventories	(532)	635
Decrease/ ( Increase) in Long-term loans and advances given	(10)	(48)
Decrease/ ( Increase) in Short-term loans and advances given	(5,760)	2,870
Decrease/ ( Increase) in Other current financial assets	1,835	(2,767)
Decrease/ ( Increase) in Other current assets	23,808	(17,178)
Decrease/ ( Increase) in Other non- current assets	-	-
<b>Cash Generation from Operating Activities before exceptional item</b>	<b>116,235</b>	<b>34,464</b>
Exceptional Items	(30,000)	-
<b>Cash Generation from operating activities after exceptional item</b>	<b>86,235</b>	<b>34,464</b>
Net Prior Period Adjustment	-	-
<b>Cash Generation from Operating Activities after Prior Period Item</b>	<b>86,235</b>	<b>34,464</b>
Income Tax Paid ( including TDS)	23,029	(1,875)
<b>Net Cash Generation from operating activities</b>	<b>63,206</b>	<b>36,340</b>
<b><u>B. Cashflow From Investing Activities:</u></b>		
Purchase of Fixed Assets/ Capital work in Progress	(12,732)	(33,286)
Interest on Fixed Deposit / Income Tax	(1,228)	(164)
<b>Net Cash deployed in Investing Activities</b>	<b>(13,961)</b>	<b>(33,450)</b>
<b><u>C- Cashflow From Financing Activities:</u></b>		
Interest Paid	(7,110)	(11,387)
Long Term Borrowings Taken / Repayment	(144)	(176)
Principial Repayment of Lease liability	(27,386)	-
Short Term Borrowings Taken / Repayment	(9,996)	(9,989)
<b>Net Cash Generation from Financing Activities</b>	<b>(44,636)</b>	<b>(21,552)</b>
<b>Net Increase/(decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>4,610</b>	<b>(18,662)</b>
<b>Cash &amp; Cash Equivalent at the beginning of the year</b>	<b>21,725</b>	<b>40,388</b>
<b>Cash &amp; Cash Equivalent at the end of the year</b>	<b>26,335</b>	<b>21,725</b>
<b>Cash &amp; Cash Equivalent include</b>	<b>( ₹ thousands)</b>	<b>( ₹ thousands)</b>
Cash Balance	1,606	1,286
Bank Balance	23,072	3,784
Cheque in Hand	1,657	16,655
Cash & Cash Equivalent Reported	<b>26,335</b>	<b>21,726</b>

For Agarwal K & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No.: E300016

Sd-  
  
Gourav Gupta  
Partner  
Membership Number: 064579

Place - Kolkata  
Date - 26th of June' 2020

For and on behalf of the Board of Directors of  
**SITI Maurya Cable Net Private Limited**

Sd-  
  
Sd-  
Surenra Kumar Agarwal Muno Kumar  
Director Director  
DIN: 00569816 DIN: 03449709

Sd-  
Krishna Kumar  
Sr. Manager (F&A)

**Siti Maurya Cable Net Private Limited**  
**Notes to financial statements for the year ended 31st March 2020**

**Company Overview**

1 SITI Maurya Cable Net Private Limited ("the Company") was incorporated under the provisions of the Companies Act, 1956. The Company is Multi System Operator (MSO) engaged in the distribution of television channels through digital cable distribution network, broadband services and other related services. The Company is a subsidiary of Indian Cable Network Company Limited which is subsidiary of Siti Network Limited and hence Siti Network Limited is the ultimate holding company.

**2 Summary of Significant Accounting Policies**

**a) Basis of preparation**

**Statement of Compliance**

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS ) as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with relevant rules of the Companies (Accounts) Rules, 2014 read with companies (Indian Accounting Standard) Rules, 2015 and the provisions of the Act (to the extent notified).

**Basis of Measurement**

The financial statements have been prepared on historical cost basis, except for following :

- a) Financial assets and liabilities (including derivative instruments) that is measured at Fair value/ Amortised cost;
- b) Non-current assets held for sale – measured at the lower of the carrying amounts and fair value less cost to sell;
- c) Defined benefit plans – plan assets measured at fair value

**Current Vs non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

**An asset is classified as current when it is :**

- a) Expected to be realized or intended to sold or consumed in normal operating cycle;
- b) Held primarily for the purpose of trading;
- c) Expected to be realized within twelve months after the reporting period
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- e) All the other assets are classified as non-current.

**A liability is current when :**

- a) It is expected to be settled in normal operating cycle;
- b) It is held primarily for the purpose of trading;
- c) It is due to be settled within twelve months after the reporting period; or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

**Functional and Presentation Currency**

The Financial Statements have been presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in INR has been rounded off to the nearest thousand as per the requirements of Schedule III, unless otherwise stated.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, unless otherwise mentioned, and are explained below-

**b) Use of Estimate**

The preparation of financial statements in conformity with Indian Accounting Standard (Ind AS) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities on the date of the financial statements and reported amounts of Income and Expenses during the period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current or future periods. The most significant techniques for estimation are described in the accounting policies below. Critical accounting judgments and the key sources of estimation or uncertainty in applying the Company's accounting policies arise in relation to the following and also in relation to other accounting policies as stated elsewhere.

**c) Fixed Assets and Depreciation**

**Tangible Assets**

(i) Tangible assets are stated at their cost of acquisition including financing and associated costs and incidental expenses less accumulated depreciation and impairment losses, if any. Cost comprises of purchase price, non refundable taxes and all expenses incurred in bringing the assets to its present location and condition for its intended use and includes installation and commissioning expenses. Such indirect expenditure incurred during the pre-commencement period is allocated proportionately over the cost of the relevant assets.

(ii) Set Top Boxes (STBs) lying in the godown at the year-end are included in Capital Work in Progress. On installation, such devices are capitalized.

**Intangible Assets**

(i) Intangible assets comprises of VC Card, Cable Television Franchise, Bandwidth Rights and Softwares. Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

#### **Depreciation and Amortisation**

- i) Depreciation on tangible assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The cost of STBs & devices at the customer location are depreciated on straight-line method over a period of eight years. Intangible assets are amortised over their respective individual estimated useful lives on straight line basis, commencing from the date the asset is available to the company for its use.
- ii) Since it is not possible to transfer the STB into Fixed Assets on daily basis, hence it was capitalized on different intervals as decided by management and hence the depreciation has also been calculated on that basis.

#### **d) Leases**

##### Where the company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a monthly basis as per the lease term.

##### Where the company is the lessor

Leases in which the company does not transfer substantially all the risk and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on monthly rental basis, wherever applicable over the lease term.

#### **e) Impairment of Assets**

The Carrying amount of the fixed assets are reviewed at each balance sheet date in accordance with Indian Accounting Standard-36 on "Impairment of Assets" prescribed by the Companies (Indian Accounting Standard) rules, 2015, to determine whether there is any indication of impairment. Impairment test is performed for an individual asset, unless asset does not generate cash flows that are largely independent. Otherwise the assets are tested for Cash Generating Units (CGUs). An Impairment loss is recognised in the Statement of Profit and Loss if the assets or CGU's carrying amount exceeds the greater of Fair value less cost or Value in use. Reversal of Impairment are recognised (except Goodwill) through Statement of Profit and Loss except those routed through reserves.

#### **f) Borrowing Cost**

Interest and other costs incurred by the Company in connection with the borrowing of funds are recognized as an expense in the period in which they are incurred, unless the borrowings are used for acquiring qualifying assets and activities that are necessary to prepare the qualifying assets for its intended use.

#### **g) Inventories**

Inventories are valued as follows-

Stock in trade & Stores and spares valued at cost on weighted average method 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.

#### **h) Revenue Recognition**

Revenue is recognized to the extent the company considers it realizable and financial benefit of the same shall flow to the company. The itemwise significant accounting policies for recognition of revenue are as under:

##### **(i) Subscription Income**

Subscription Income from Cable Services (Net of applicable taxes and duties) are recognised on accrual basis from the date of commencement of supply at the signal injection point of the customer. The company follows billing to LCO on count basis net of commission, if any, on its best estimates.

##### **(ii) Carriage Income**

Carriage Income is recognized on accrual basis over the terms of related agreement/ negotiations provided that there is no significant uncertainty regarding the realisable amount of consideration.

##### **(iii) Income From Activation of Services**

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". In pursuance of the same, Income from activation of digital cable services is recognised as revenue over the initial contract period.



**(iv) Income From Broadband Services**

Income from broadband services (net of applicable taxes and duties) is recognised on time proportion basis. **(Refer note 37)**

**(v) Advertisement Income**

Advertisement Income is recognised on accrual basis from the date(s) of insertion of advertisements based on the terms specified in the release orders.

**(vi) Other Services**

Income from dark fiber leasing is recognized on accrual basis as per terms of the respective contracts. **(Refer Note 38)**

**(vii) Sales of Goods**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales taxes, value added taxes and Goods & Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

**(viii) Tax on Revenue**

The Company collects all indirect taxes including Goods & Service Tax (GST) on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

**i) Foreign Currency Transaction**

Transaction in foreign currency is recorded at the rate of exchange prevailing on the transaction date (s). Transaction remaining unsettled, is translated at the rate prevailing at the end of the financial year. The exchange rate difference arising there-from are adjusted in the Statement of Profit & Loss.

Effective April 01, 2018 the company has adopted Appendix B to Ind AS-21- Foreign currency transaction and advance consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in foreign currency. The effect on account of adoption of this amendment was booked.

**j) Taxation**

Tax expense comprises current and deferred tax. Current Income Tax expense is determined and provided in the accounts at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act 1961.

Deferred tax is recognized subject to the consideration of prudence, on timing difference, being the difference between taxable incomes and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets in respect of un-absorbed depreciation and carry forward losses are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**k) Earnings Per Share**

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except where the results would be anti dilutive.

**l) Retirement and other employee benefits**

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme. For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognised immediately in other comprehensive income. The service cost, net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

**m) Provisions**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**n) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

**o) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand, cheque in hand and short-term investments with an original maturity of three months or less.

**p) Segment Reporting Policies**

The company is a Multi System Operator providing Cable Television Network Services, Broadband Services and allied services which is considered as the only reportable segment. The company's operations are currently based only in the State of Bihar & West Bengal.

**q) Recent Amendment in Indian Accounting Standards (Ind AS)**

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

**Ind AS 116 – Leases**

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

With effect from April 1, 2019, the Company has recognised new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases has changed from lease rent in previous periods to (a) amortization change for the right-to-use asset, and (b) interest accrued on lease liability. Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. As a lessor, sublease shall be classified as an operating lease if the head lease is classified as a short term lease. In all other cases, the sublease shall be classified as a finance lease.

The Company does not expect any significant impact of the amendment on its financial statements.

**Ind AS 12 – Income taxes (amendments relating to income tax consequences of uncertainty over income tax treatments)**

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following:

(i) The entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty.

(ii) The entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount.

(iii) Entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

The Company does not expect any significant impact of the amendment on its financial statements.

**Ind AS 109 – Prepayment Features with Negative Compensation**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

**Ind AS 19 – Plan Amendment, Curtailment or Settlement**

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

**Ind AS 23 – Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

**Ind AS 28 – Long-term Interests in Associates and Joint Ventures**

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

**Siti Maurya Cable Net Private Limited****Notes to financial statements for the year ended 31st March 2020****Note 3 : Property, Plant & Equipment****( ₹ thousands)**

Particulars	Plant and equipment	Right to Use Assets	Computers	Office equipment	Furniture and fixtures	Vehicles	Set top boxes	Total	Capital Work in Progress
<b>Year ended 31 March 2019</b>									
Gross Carrying Amount as at 01 April 2018	116,307	-	2,209	2,593	6,722	1,069	478,727	607,627	28,436
Additions	2,871	-	197	213	365	389	44,669	48,703	39,430
Disposals								-	55,557
<b>Closing Gross Carrying Amount as on 31.3.2019</b>	<b>119,179</b>	<b>-</b>	<b>2,406</b>	<b>2,806</b>	<b>7,087</b>	<b>1,458</b>	<b>523,395</b>	<b>656,331</b>	<b>12,308</b>
<b>Accumulated Depreciation</b>									
Opening Accumulated Depreciation	48,807	-	1,303	842	1,749	295	123,792	176,788	
Depreciation charge during the year	15,483	-	411	485	668	149	59,930	77,126	
<b>Closing Accumulated Depreciation</b>	<b>64,290</b>	<b>-</b>	<b>1,714</b>	<b>1,327</b>	<b>2,417</b>	<b>444</b>	<b>183,722</b>	<b>253,914</b>	<b>-</b>
<b>Net Carrying Amount as on 31.03.2019</b>	<b>54,889</b>	<b>-</b>	<b>691</b>	<b>1,479</b>	<b>4,670</b>	<b>1,014</b>	<b>339,674</b>	<b>402,417</b>	<b>12,308</b>
<b>Year ended 31 March 2020</b>									
Gross Carrying Amount as at 01 April 2019									
Opening Gross Carrying Amount	119,179	-	2,406	2,806	7,087	1,458	523,395	656,331	12,308
Additions	2,009	42,093	95	173	-	-	12,386	56,756	11,429
Disposals								-	13,809
<b>Closing Gross Carrying Amount as on 31.03.2020</b>	<b>121,187</b>	<b>42,093</b>	<b>2,500</b>	<b>2,980</b>	<b>7,087</b>	<b>1,458</b>	<b>535,781</b>	<b>713,086</b>	<b>9,928</b>
<b>Accumulated Depreciation and Impairment</b>									
Opening Accumulated Depreciation	64,290	-	1,714	1,327	2,417	444	183,722	253,914	
Depreciation change during the year	15,054	28,062	350	481	698	177	62,964	107,786	
<b>Closing Accumulated Depreciation and Impairment</b>	<b>79,344</b>	<b>28,062</b>	<b>2,064</b>	<b>1,808</b>	<b>3,115</b>	<b>621</b>	<b>246,686</b>	<b>361,700</b>	<b>-</b>
<b>Net Carrying Amount as on 31.03.2020</b>	<b>41,843</b>	<b>14,031</b>	<b>437</b>	<b>1,171</b>	<b>3,972</b>	<b>837</b>	<b>289,095</b>	<b>351,386</b>	<b>9,928</b>

**Siti Maurya Cable Net Private Limited**  
**Notes to financial statements for the year ended 31st March 2020**

<b>Note 4 : Intangible Assets</b>	<b>( ₹ thousands)</b>
<b>Particulars</b>	<b>Software &amp; VC Cards</b>
<b>Year ended 31 March 2019</b>	
<b>Gross Carrying Amount as at 01 April 2018</b>	56,709
Additions	710
<b>Closing</b>	
<b>Gross Carrying Amount as on 31st March'19</b>	57,419
<b>Accumulated Depreciation</b>	22,152
Amortisation for the year	9,455
<b>Closing Accumulated Amortisation</b>	31,607
<b>Closing Net Carrying Amount as on 31 st March'19</b>	25,812
<b>Year ended 31 March 2020</b>	
<b>Gross Carrying Amount</b>	
<b>Opening Gross Carrying Amount as on 01 April 2019</b>	57,419
Additions	450
<b>Closing Gross Carrying Amount as on 31st March'20</b>	57,869
<b>Opening Accumulated Amortisation</b>	31,607
Amortisation charge for the year	9,392
<b>Closing Accumulated Amortisation and Impairment</b>	40,999
<b>Closing Net Carrying Amount as on 31st March'20</b>	16,870

**Siti Maurya Cable Net Private Limited**  
**Notes to financial statements for the year ended 31st March, 2020**

**5 Loans**

**Security deposits**

Unsecured, considered good

As at March 31, 2020 (₹ thousands)	As at March 31, 2019 (₹ thousands)
3,387	3,377
<b>3,387</b>	<b>3,377</b>

**6 Deferred Tax Assets / (Liabilities)**

**Deferred tax liability**

Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting

**Gross deferred tax liability**

**Deferred tax asset**

Impact of Lease liability against Right to Use

Impact of expenditure charged to the statement of profit and loss in earlier year but allowed for tax purposes in instalments

Provision for doubtful debts and advances

Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis

Mat Credit Entitlement

**Gross deferred tax asset**

**Net deferred tax asset/ (liabilities)**

As at March 31, 2020 (₹ thousands)	As at March 31, 2019 (₹ thousands)
2,446	10,175
<b>2,446</b>	<b>10,175</b>
170	-
-	-
28,009	26,940
870	681
-	-
29,049	27,622
<b>26,604</b>	<b>17,447</b>

**7 Inventories**

Stores and spares

(Valued at lower of cost or net realisable value)

As at March 31, 2020 (₹ thousands)	As at March 31, 2019 (₹ thousands)
1,144	612
<b>1,144</b>	<b>612</b>

**8 Trade receivables**

**Trade receivables outstanding for a period exceeding six months from the date they are due for payment**

Unsecured, considered good

Unsecured, considered doubtful

Less: Provision for Expected Credit Loss

As at March 31, 2020 (₹ thousands)	As at March 31, 2019 (₹ thousands)
114,637	235,937
111,288	96,837
225,926	332,774
111,288	96,837
114,637	235,937
<b>114,637</b>	<b>235,937</b>

**9 Cash and bank balances**

**Cash and cash equivalents**

Cash on hand

Cheques on hand

**Balances with banks**

On current accounts

As at March 31, 2020 (₹ thousands)	As at March 31, 2019 (₹ thousands)
1,606	1,286
1,657	16,655
23,072	3,784
<b>26,335</b>	<b>21,726</b>

**10 Loans and advances**

Unsecured, considered good

Other advances

As at March 31, 2020 (₹ thousands)	As at March 31, 2019 (₹ thousands)
8,099	2,339
<b>8,099</b>	<b>2,339</b>

**Siti Maurya Cable Net Private Limited**  
**Notes to financial statements for the year ended 31st March, 2020**

**11 Others - unbilled revenue and interest accrued on fixed deposits**

	As at March 31, 2020 (₹ thousands)	As at March 31, 2019 (₹ thousands)
Unbilled revenue	9,702	11,537
	<b>9,702</b>	<b>11,537</b>

**12 Other loans and advances (Unsecured, considered good)**

	As at March 31, 2020 (₹ thousands)	As at March 31, 2019 (₹ thousands)
Prepaid expenses	214	1,530
Advance tax	19,801	31,637
Balances with statutory authorities	32,060	54,552
	<b>52,075</b>	<b>87,719</b>

**13 Share capital**

	As at March 31, 2020 (₹ thousands)	As at March 31, 2019 (₹ thousands)
<b>Authorised share capital</b>		
90,30,000 (90,30,000) Equity Shares of Rs.10/- each	90,300	90,300
<b>Total authorised capital</b>	<b>90,300</b>	<b>90,300</b>
<b>Issued share capital</b>		
90,27,976 (90,27,976) Equity Shares of Rs. 10/- each	90,280	90,280
<b>Total issued capital</b>	<b>90,280</b>	<b>90,280</b>
<b>Subscribed and fully paid up capital</b>		
90,27,976 (90,27,976) Equity Shares of Rs. 10/- each	90,280	90,280
<b>Total paid up capital</b>	<b>90,280</b>	<b>90,280</b>

**Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule III to the Companies Act, 2013**

**(i) Equity Shares**

Particulars	31-Mar-20		31-Mar-19	
	No. of Shares held	Amount (Rs.)	No. of Shares held	Amount (Rs.)
Outstanding at the beginning of the year	9,027,976	90,279,760	9,027,976	90,279,760
Issued during the year	-	-	-	-
Bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>9,027,976</b>	<b>90,279,760</b>	<b>9,027,976</b>	<b>90,279,760</b>

**Disclosure pursuant to Note no. 6(A)(e) of Part I of Schedule III to the Companies Act, 2013**

Terms & rights attached to equity shares

The company has only one class of equity shares having par value of Rs 10 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.

**Disclosure pursuant to Note no. 6(A)(f) of Part I of Schedule III to the Companies Act, 2013**

Out of Equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

Particulars	31-Mar-20		31-Mar-19	
	No. of Shares held	Amount (₹)	No. of Shares held	Amount (₹)
<b>Equity Shares</b>				
Indian Cable Net Company Limited, the holding company	4,523,016	45,230,160	4,523,016	45,230,160
45,23,016 (45,23,016) Equity Shares of Rs. 10 each fully paid				

Indian Cable Net Company Limited is subsidiary of Siti Network Limited and hence Siti Network Limited is ultimate holding company. Siti Network Limited do not hold any shareholding in the company.

**Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule III to the Companies Act, 2013 (if more than 5%)**

Name of Shareholder	Equity Shares			
	As at 31st Dec' 2020		As at 31 <sup>st</sup> Mar 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Maury Dignet Pvt. Ltd.	4,504,960	49.90%	4,504,960	49.90%
Indian Cable Net Co Ltd.	4,523,016	50.10%	4,523,016	50.10%

**Siti Maurya Cable Net Private Limited**  
**Notes to financial statements for the year ended 31st March, 2020**

**14 Other Equity**

**Securities premium account**

	As at March 31, 2020 (₹ thousands)	As at March 31, 2019 (₹ thousands)
Balance at the beginning of the year	70,000	70,000
Balance at the end of the year	<b>70,000</b>	<b>70,000</b>

**Deficit in the Statement of profit and loss**

Balance at the beginning of the year	123,364	78,406
Add/(less): Ind AS Adjustment-OCI		-
Change in Provision for Current Tax	-	(6,574)
Deffered Activation Income	-	51,469
Change in Provision for Deffered Tax	-	(4,916)
Change in MAT Credit Entitlement	-	(3,430)
Add: Profit / (Loss) for the year	(18,516)	8,410
Balance at the end of the year	<b>104,849</b>	<b>123,364</b>

**174,849**      **193,364**

**15 Long-term borrowings**

**(a) Term loans from banks (Secured)**

	As at March 31, 2020 (₹ thousands)	As at March 31, 2019 (₹ thousands)
Term loans	144	320
	<b>144</b>	<b>320</b>

**The above amount includes**

Secured borrowings	144	320
Amount disclosed under the head "other current liabilities" (Note 21)	(144)	(176)

**Net amount**

**(0)**      **144**

**16 Other financial liabilities**

	As at March 31, 2020 (₹ thousands)	As at March 31, 2019 (₹ thousands)
Creditors for capital goods	0	65,460
	<b>-</b>	<b>65,460</b>

**17 Provisions**

**Provision for employee benefits (Refer Note 23)**

	As at March 31, 2020 (₹ thousands)	As at March 31, 2019 (₹ thousands)
Provision for gratuity	1,638	915
Provision for compensated absences	769	601
	<b>2,407</b>	<b>1,516</b>

**18 Other liabilities**

	As at March 31, 2020 (₹ thousands)	As at March 31, 2019 (₹ thousands)
Interest free deposits from customers	25,191	25,020
Deferred Income	-	-
	<b>25,191</b>	<b>25,020</b>

**19 Short-term borrowings**

	As at March 31, 2020 (₹ thousands)	As at March 31, 2019 (₹ thousands)
Loans and Advances From Related Parties		
Maurya Dignet Pvt. Ltd.	6,625	16,621
(Repayable on demand)	<b>6,625</b>	<b>16,621</b>

**20 Trade payables**

	As at March 31, 2020 (₹ thousands)	As at March 31, 2019 (₹ thousands)
- Total outstanding dues of micro enterprises and small enterprises; and	-	-
- Total outstanding dues of creditors other than micro, small and medium enterprises	227,804	312,983
	<b>227,804</b>	<b>312,983</b>

**Siti Maurya Cable Net Private Limited**  
**Notes to financial statements for the year ended 31st March, 2020**

**21 Other financial liabilities**

	As at March 31, 2020 (₹ thousands)	As at March 31, 2019 (₹ thousands)
Lease Liability	14,707	-
Current maturities of finance lease obligations (Refer note 15)	144	176
Interest accrued but not due on borrowings	-	-
Book overdraft	-	20,100
Creditors for capital goods	13,920	-
	<b>28,771</b>	<b>20,276</b>

**22 Other Current Liabilities**

	As at March 31, 2020 (₹ thousands)	As at March 31, 2019 (₹ thousands)
Unearned Income	18,932	14,333
Advances from customers	5,848	5,848
Payable for statutory liabilities	19,428	26,570
Payable for Contractual Liabilities	905	481
	<b>45,112</b>	<b>47,232</b>

**23 Provisions**

	As at March 31, 2020 (₹ thousands)	As at March 31, 2019 (₹ thousands)
Provision for Taxation	19,017	48,264
<b>Provision for employee benefits (Refer Note 17)</b>		
Provision for gratuity	59	25
Provision for compensated absences	54	46
	<b>19,130</b>	<b>48,335</b>



**Siti Maurya Cable Net Private Limited**  
**Notes to financial statements for the year ended 31st March, 2020**

	<b>As at March 31, 2020</b>	<b>Year Ended March 31, 2019</b>
	(₹ thousands)	(₹ thousands)
<b>24 Revenue from operations</b>		
<b>Sale of services</b>		
Subscription income	408,752	364,700
Advertisement income	38,366	6,769
Carriage income	110,789	133,753
Activation and Set top boxes Repairing charges	1,939	20,358
<b>Other operating revenue</b>		
Sale of traded goods*	401	4,583
Other networking and management income	5,835	-
	<b>566,082</b>	<b>530,164</b>
<b>* Details of sale of traded goods</b>		
Sale of STB & VC Cards	61	3,972
Store and spares	340	612
	<b>401</b>	<b>4,583</b>
<b>25 Other income</b>		
Interest income on		
Bank deposits	1,228	164
Excess provisions written back	1,016	20,910
	<b>2,244</b>	<b>21,074</b>
<b>26 Purchases of traded goods</b>		
Spare Parts & Accessories	730	575
Card less STB with Clients	15	3,852
	<b>745</b>	<b>4,426</b>
<b>27 (Increase)/ decrease in inventories</b>		
Inventories at the beginning of the year - Traded goods	612	1,248
Inventories at the end of the year - Traded goods	1,144	612
(Increase)/Decrease	<b>(532)</b>	<b>635</b>
<b>28 Carriage sharing, pay channel and related costs</b>		
Pay Channel Expenses	278,999	224,313
Lease Rental of Set Top Boxes	-	30,002
Management Charges	30,000	30,000
Commission Charges and Incentives	11,742	15,182
Lease Rental & Right to Usage Charge	22,137	29,262
VC Card Licence/Software Fees	14,615	17,287
Other operational cost	5,996	5,074
	<b>363,490</b>	<b>351,120</b>

**Siti Maurya Cable Net Private Limited**  
**Notes to financial statements for the year ended 31st March, 2020**

**29 Employee benefits expense**

	As at March 31, 2020 (₹ thousands)	Year Ended March 31, 2019 (₹ thousands)
Salaries, allowances and bonus	20,196	19,557
Contributions to provident and other funds	1,831	1,826
Gratuity Fund Contributions	457	309
Staff welfare expenses	2,000	1,776
	<b>24,483</b>	<b>23,468</b>

**30 Finance costs**

	As at March 31, 2020 (₹ thousands)	Year Ended March 31, 2019 (₹ thousands)
Interest on Lease Liability	2,616	-
Interest	4,082	11,047
Interest On Statutory Dues	343	54
Bank charges	44	245
Other Borrowing Costs	24	41
	<b>7,110</b>	<b>11,387</b>

**31 Depreciation and amortisation expenses**

	As at March 31, 2020 (₹ thousands)	Year Ended March 31, 2019 (₹ thousands)
Depreciation of tangible assets (Refer note 3)	107,786	77,126
Amortisation of intangible assets (Refer note 4)	9,392	9,455
	<b>117,178</b>	<b>86,581</b>

**32 Other expenses**

	As at March 31, 2020 (₹ thousands)	Year Ended March 31, 2019 (₹ thousands)
Rent	5,129	5,173
Rates and taxes	3,691	576
Communication expenses	598	566
Repairs and maintenance		
- Network	922	1,239
- Building	22	-
- Others	275	167
Electricity and water charges	3,040	2,854
Legal, professional and consultancy charges	895	1,139
Printing and stationery	88	283
Service charges	125	384
Travelling and conveyance expenses	3,235	3,136
Auditors' remuneration*	441	368
Vehicle expenses	136	146
Corporate Social Responsibility	373	833
Insurance expenses	31	190
Provision for doubtful debts	25,156	37,206
Advertisement and publicity expenses	263	602
Rebate & Discounts	885	2,242
Bad Debts	40,705	-
Less : Adjusted with Provision for Doubtful Debt	(40,705)	-
Business and sales promotion	371	574
Exchange fluctuation loss (net)	12	-
Miscellaneous expenses	1,954	2,054
	<b>47,643</b>	<b>59,731</b>

\*Auditors' remuneration

as an auditor	300	242
Limited review fees	141	126
	<b>441</b>	<b>368</b>

**33 Exceptional item**

Provision for Doubtful Debtors	30,000	-
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**34 Earnings per share**

	As at March 31, 2020 (₹ thousands)	Year Ended March 31, 2019 (₹ thousands)
Profit attributable to equity shareholders	(18,319)	8,397
Number of weighted average equity shares	9,028	9,028
Basic	(2.03)	2.73
Diluted	(2.03)	2.73

**Siti Maurya Cable Net Private Limited**

Notes to financial statements for the year ended 31st March 2020

**35 Fair value measurements**

There have been no transfers among Level 1, Level 2 and Level 3 during the period. The Company does not have any investments, derivative financial assets and liabilities. Hence, Level 1 and Level 2 hierarchy is not applicable.

**Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2019:

**A. Financial instruments by category (₹ thousands)**

	31-Mar-20			31-Mar-19		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets (Non Current &amp; Current)</b>						
Amount recoverable	-	-	8,099	-	-	2,339
Security deposits	-	-	3,387	-	-	3,377
Unbilled revenues	-	-	9,702	-	-	11,537
Trade receivables	-	-	114,637	-	-	235,937
Cash and cash equivalents	-	-	26,335	-	-	21,726
<b>Total financial assets</b>	-	-	<b>162,161</b>	-	-	<b>274,916</b>
<b>Financial liabilities (Non Current &amp; Current)</b>						
Borrowings (non-current,financial liabilities)	-	-	(0)	-	-	144
Borrowings (current,financial liabilities)	-	-	6,769	-	-	16,797
Security deposits received from customer	-	-	25,191	-	-	25,020
Trade payables	-	-	227,804	-	-	312,983
Other financial liabilities (current)	-	-	-	-	-	20,100
<b>Total financial liabilities</b>	-	-	<b>259,764</b>	-	-	<b>375,044</b>

\*\*The Company has not disclosed the fair values for financial instruments such as cash & cash equivalents, short term trade receivables, short term trade payables because their carrying amounts are a reasonable approximation of fair value.

**Financial risk management objectives and policies**

**Financial risk management**

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

**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 and other financial assets except Trade Receivable, security deposits and amount recoverable	Life time expected credit loss or fully provided for
High credit risk	Trade receivables, security deposits and amount recoverable	Life time expected credit loss or fully provided for

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

Credit rating	Particulars	( ₹ thousands)	
		31-Mar-20	31-Mar-19
Low credit risk	Cash and cash equivalents and other financial assets except Trade Receivable, security deposits and amount recoverable	36,037	33,263
High credit risk	Trade receivables, security deposits and amount recoverable	126,124	241,653

#### Concentration of trade receivables

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

#### Credit risk exposure

##### Provision for expected credit losses

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

For the purpose of computation of expected credit loss, the Company has analysed the trend of provisions for doubtful debts created in earlier years. The average rate of provision has been computed based on the adjusted sales (excluding those where the Company does not have any historical provision) and provision for doubtful debtors created against those sales.

Expected credit loss for trade receivables, security deposit and amounts recoverable under simplified approach

as at March 31, 2020

Ageing	( ₹ thousands)		
	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	225,926	111,288	114,637
Security Deposit	3,387	-	3,387
Amounts recoverable	8,099	-	8,099

as at March 31, 2019

Ageing	( ₹ thousands)		
	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	332,774	96,837	235,937
Security Deposit	3,377	-	3,377
Amounts recoverable	2,339	-	2,339

Reconciliation of loss allowance provision – Trade receivables

	( ₹ thousands)
Loss allowance on March 31, 2019	96,837
Changes in loss allowance	14,451
Loss allowance on March 31, 2020	111,288

#### B.Liquidity risk

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

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

##### (ii) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	31-Mar-20			31-Mar-19		
	Less than one year	One to two years	More than two years	Less than one year	One to two years	More than two years
<b>Non-derivatives</b>						
Borrowings (non-current, financial liabilities)	200	150	-	200	200	150
Borrowings (current, financial liabilities)	6,625	-	-	16,621	-	-
Other financial liabilities	25,191	-	-	45,120	-	-
Trade payables	227,804	-	-	312,983	-	-
<b>Total non-derivative liabilities</b>	<b>259,820</b>	<b>150</b>	<b>-</b>	<b>374,924</b>	<b>200</b>	<b>150</b>

### C. Market Risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company is not exposed to such risk as Company does not have any borrowings, foreign currency transactions and does not have any derivative transactions.

### 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.

Particulars	( ₹ thousands)	
	31-Mar-20	31-Mar-19
Cash and cash equivalents	26,335	21,726
<b>Total cash (A)</b>	<b>26,335</b>	<b>21,726</b>
Borrowings (non current, financial liabilities)	(0)	144
Borrowings (current, financial liabilities)	6,625	16,621
Current maturities of long-term borrowings	144	176
<b>Total borrowing (B)</b>	<b>6,769</b>	<b>16,941</b>
<b>Net debt (C=B-A)</b>	<b>(19,567)</b>	<b>(4,785)</b>
Total equity	265,128	283,644
<b>Total capital (equity + net debts) (D)</b>	<b>245,562</b>	<b>278,859</b>
<b>Gearing ratio (C/D)</b>	<b>-8%</b>	<b>-2%</b>

## Siti Maurya Cable Net Private Limited

Notes to financial statements for the year ended 31<sup>st</sup> March 2020

### Note 36: Tax Expenses

The major components of Income Tax for the year are as under:

( ₹ thousands)

	Mar-20	Mar-19
Income tax related to items recognised directly in the statement of profit and loss		
Current tax - current year	5,445	14,459
-earlier years	239	-
Deferred tax charge / (benefit)	(9,157)	(8,968)
Total	<b>(3,472)</b>	<b>5,491</b>
Effective tax rate	25.17%	27.82%

A reconciliation of the income tax expense applicable to the profit before income tax at statutory rate to the income tax expense at the Company's effective income tax rate for the year ended 31 March, 2020 and 31 March, 2019 is as follows:

( ₹ thousands)

	Mar-20	Mar-19
Profit before tax	(21,791)	13,889
<b>Income tax</b>		
Statutory income tax on profit	(5,484)	3,864
Tax effect on non-deductible expenses	44,527	36,497
Additional allowances for tax purposes	(33,597)	(25,905)
Others / Deferred Tax effect	(9,157)	(8,968)
Tax effect for earlier years	239	-
Tax expense recognised in the statement of profit and loss	<b>(3,472)</b>	<b>5,488</b>

Deferred tax recognised in statement of other comprehensive income

( ₹ thousands)

For the year ended 31 March	Mar-20	Mar-19
Employee retirement benefits obligation	189	139

The applicable tax rate is the standard effective corporate income tax rate in India. The tax rate is 25.17% (27.82%) for the year ended 31 March, 2020. Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. For analysis of the deferred tax balances (after offset) for financial reporting purposes.

The Company does not have any temporary differences in respect of unutilised tax losses.

Deferred tax recognised in statement of profit and loss

( ₹ thousands)

For the year ended 31 March	Mar-20	Mar-19
Employee retirement benefits obligation	189	139
Allowances for credit losses	-	-
Depreciation and amortisation	(7,729)	(4,107)
Other disallowances	(1,446)	(84)
Total	<b>(8,986)</b>	<b>(4,051)</b>

( ₹ thousands)

Reconciliation of deferred tax assets / (liabilities) net:	Mar-20	Mar-19
Opening balance	17,447	13,396
Deferred tax (charge)/credit recognised in		
-Statement of profit and loss	8,986	4,051
-Recognised in other comprehensive income	-	-
Total	<b>26,434</b>	<b>17,447</b>

## Siti Maurya Cable Net Private Limited

### Notes to financial statements for the year ended 31st March 2020

#### 37 Details of dues to micro and small enterprises as defined under the MSMED Act 2006.

The Company has received intimation from some vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006. The disclosures relating to amount unpaid of vendors registered under the Micro, Small and Medium Enterprises Development Act 2006 as on 31st Mar 2020 together with interest paid or payable under this Act is NIL.

38 The company is providing the broadband services / internet services to the subscribers through Indinet Service Pvt. Ltd. ("ISPL") which is wholly owned subsidiary of Indian Cable Net Company Limited ("ICNCL"). All the revenue and expenses w.r.t. internet services are collected/incurred by ISPL itself. It has been mutually agreed that a portion of income from internet services (net of expenses) would be paid to the company for which billing is done by the company to ICNCL. The agreement for sharing of above has not been executed and the Management is of the view that the necessary agreement for internet services shall be completed shortly. In the current financial year the income from internet services is less than the expenses incurred and hence no billing is done by the company and no revenue from the broadband services has been recognised during the financial year 2019-20.

39 As per Section 135 of Companies Act 2013, a CSR Committee had been formed by the Company. The funds are utilised in the activities which are specified in Schedule VII of the Act. The utilisation is done by way of contribution towards various activities.

(a) Average net profit as prescribed under section 135 of the Companies Act 2013: ₹ 18681 Thousands

(b) Amount ₹ 1207 Thousands donated during the financial year to "Prime Minister Cares Fund"  
 ₹ 833 Thousand for F.Y. 2018-19 and  
 ₹ 374 Thousand for F.Y. 2019-20

#### 40 Contingent liabilities (to the extent not provided for)

Claims against the Company not acknowledged as debts ₹104,991 Thousands (Previous Year ₹ 101,897 Thousands).

#### 41 Gratuity and other employment benefit plans

##### Defined contribution plan

Contribution to defined contribution plan, recognised as expense for the year are as under :-

##### Defined benefit plan

(i) The detail of employee benefit for the period in respect of gratuity which is funded defined benefit plan is as under:

a. Present value of obligations

(₹ thousands)

PARTICULARS	As on 31st March 2020	As on 31st Mar 2019
Present Value of Obligation at the beginning of the period	940	652
Interest Cost	66	51
Current Service Cost	391	259
Benefits paid (if any)	(25)	-
Actuarial (gains)/loss	325	(22)
Present Value of Obligation at the end of the period	1,697	940

b. Net Asset / (Liability) recognized in the balance sheet

(₹ thousands)

PARTICULARS	As on 31st March 2020	As on 31st Mar 2019
Present Value of Obligation at the end of the period	1,697	940
Fair Value of plan assets at the end of the period	-	-
Net Liability/(assets) recognised in Balance Sheet and	1,697	940
Funded Status	(1,697)	(940)
Best estimate for contribution during next period	461	323

c. Expense Recognised in the statement of profit & loss account

(₹ thousands)

PARTICULARS	As on 31st March 2020	As on 31st Mar 2019
Interest Cost	66	51
Current Service Cost	391	259
Expected return on Plan Assets	-	-
Expenses to be recognised in the Profit & loss Account	457	309

d. Other comprehensive (income)/expenses(Re-measurement)

(₹ thousands)

PARTICULARS	As on 31st March 2020	As on 31st Mar 2019
Cumulative unrecognized actuarial (gain)/loss opening.	(40)	(18)
Actuarial (gain)/loss-obligation	325	(22)
Actuarial (gain)/loss-plan assets	-	-
Total Actuarial (gain)/loss	325	(22)
Cumulative total actuarial (gain)/loss. C/F	286	(40)

e. Liability

(₹ thousands)

Period	As on 31st March 2020	As on 31st Mar 2019
Current Liability	59	25
Non Current Liability	1,638	915
Total Liability	1,697	940

f. The assumptions employed by actuary for the calculations are tabulated:

Period	As on 31st March 2020	As on 31st Mar 2019
Discount rate	7.00% p.a.	7.75% p.a.
Salary Growth Rate	5.00% p.a.	5.00% p.a.
Mortality	IALM 2012-14	IALM 2006-08 Ultimate
Expected rate of return	-	-
Withdrawal rate ( Per Annum)	5.00% p.a.	5.00% p.a.

(ii) The detail of employee benefit for the period in respect of leave encashment which is funded defined benefit plan is as under:

a. Present value of obligations (₹ thousands)

PARTICULARS	As on 31st March 2020	As on 31st Mar 2019
Present Value of Obligation at the beginning of the	647	468
Interest Cost	45	36
Current Service Cost	224	193
Benefits paid (if any)	(31)	(55)
Actuarial (gains)/loss	(62)	4
Present Value of Obligation at the end of the period	823	647

b. Net Asset / (Liability) recognized in the balance sheet (₹ thousands)

PARTICULARS	As on 31st March 2020	As on 31st Mar 2019
Present Value of Obligation at the end of the period	823	647
Fair Value of plan assets at the end of the period	-	-
Net Liability/(assets) recognised in Balance Sheet and	823	647
Funded Status	(823)	647
Best estimate for contribution during next period	-	-

c. Expense Recognised in the statement of profit & loss account (₹ thousands)

PARTICULARS	As on 31st March 2020	As on 31st Mar 2019
Interest Cost	45	36
Current Service Cost	224	193
Expected return on Plan Assets	-	-
Expenses to be recognised in the Profit & loss Account	269	230

d. Other comprehensive (income)/expenses(Re-measurement) (₹ thousands)

PARTICULARS	As on 31st March 2020	As on 31st Mar 2019
Cumulative unrecognized actuarial (gain)/loss opening.	(6)	(10)
Actuarial (gain)/loss-obligation	(62)	4
Actuarial (gain)/loss-plan assets	-	-
Total Actuarial (gain)/loss	(62)	4
Cumulative total actuarial (gain)/loss. C/F	(68)	(6)

e. Liability (₹ thousands)

Period	As on 31st March 2020	As on 31st Mar 2019
Current Liability	54	46
Non Current Liability	769	601
Total Liability	823	647

f. The assumptions employed by actuary for the calculations are tabulated:

Period	As on 31st March 2020	As on 31st Mar 2019
Discount rate	7.00% p.a.	7.75% p.a.
Salary Growth Rate	5.00% p.a.	5.00% p.a.
Mortality	IALM 2012-14	IALM 2006-08 Ultimate
Expected rate of return	-	-
Withdrawal rate ( Per Annum)	5.00% p.a.	5.00% p.a.

a. Discount Rate is based on the prevailing market yield of Indian Government Securities' as the balance sheet as date for expected term of obligation.

b. Salary Escalation rate is based on estimates of future salary increases taking into consideration of inflation, seniority, promotion and other relevant factors.

Payment to Auditors (accrued) (₹ thousands)

42

PARTICULARS	31-Mar-20	31-Mar-19
Audit Fees	200	160
Tax Audit Fees	100	83
Limited Review Fees	141	126
<b>TOTAL</b>	<b>441</b>	<b>368</b>

43

Operating Leases (As Lessee):

With effect from April 1, 2019, the Company has recognised new assets and liabilities for its operating leases and Net right to use Assets is ₹ 420,93 Thousand and Net Lease liability is ₹ 147,07 Thousand.

44

Details of Pending Litigations:

(a) The company has filed appeal with Commissioner of Income Tax (Appeal) against demand of ₹ 521 thousands towards income tax for the AY 2014-15. These demands are raised regarding dispute in rate of depreciation considered on Viewing Cards. However, the Company has paid ₹ 78 thousands as an advance for Stay of Demand.



b) The company has filed appeal with Commissioner of Income Tax (Appeal) against demand of ₹ 1184 thousands towards income tax for the AY 2015-16. These demands are raised regarding dispute in rate of depreciation considered on Viewing Cards. However, the Company has paid ₹ 237 thousands as an advance for Stay of Demand.

**45 Future Minimum Lease Payments and their Present Values are given below:**

**Minimum lease payments due**

Lease payments	150,111	-		150,111
Finance charges	6,068	-		6,068
Net present value	144,043	-	-	144,043

March 31, 2019	Within 1 year	1 to 5 years	after 5 years	Total
Lease payments	200,148	350,259		550,407
Finance charges	24,086	30,154		54,240
Net present value	176,062	320,105	-	496,167

46 Net balances of Loans & Advances, Trade Receivables, Trade Payables, and other assets & liabilities are subject to confirmation.

**47 Related Party Disclosure**

List of parties where control Exists

**a Ultimate Holding Company**

Siti Network Limited

**b Holding Company**

Indian Cable Net Company Limited

**c Fellow Subsidiaries of Holding Company**

- Siticable Broadband South Limited
- Central Bombay Cable Network Limited
- Wire & Wireless Tisai Satellite Pvt Ltd
- Master Channel Community Network Pvt. Ltd
- Siti Jai Maa Durge Communications Pvt. Ltd
- Siti Krishna Digital Media Pvt. Ltd.
- Siti Jony Digital Cable Network Pvt. Ltd.
- Siti Guntur Digital Network Pvt. Ltd.
- Siti Faction Digital Pvt.Ltd.
- Siti Jind Digital Media Pvt. Ltd
- Siti Global Pvt. Ltd.
- Siti Broadband Services Pvt. Ltd.
- Siti Kranal Digital Media Network Pvt. Ltd.
- Siti Vision Digital Media Private Limited
- Siti Prime Uttaranchal Communication Private Limited
- Siti SaiStar Digital Media Private Limited
- Variety Entertainment Private Limited
- Siti Sagar Digital Private Limited
- Siti Network Limited LLP
- Siti Siri Digital Network Pvt. Ltd.

**d Fellow Subsidiary Companies**

- Indinet Service Pvt. Ltd
- Axom Communication & Cable Pvt. Ltd.

**e Entities with Significant Influence**

- Maury Diginet Private Limited

**f Entities in which Directors Interested**

- Smart Vinimay Private Limited
- Calcutta Communication LLP
- Purvi Communications LLP
- Statt Solution Private Limited
- Gurukripa Comlink Private Limited
- Haridwar Traders Private Limited
- Maxpro Tracon Private Limited
- Maa Laxmi Network
- Global Cable Network
- IT Agency
- Rai Cable Network
- Raja Cable
- New Raja Cable
- R.R. Cable Network
- Puja Cable
- Baba Bhole Digital Network
- Mahavir Star Network
- Nice Network
- Maa Vaishnav Settlite Vision
- Maa Vaishnav Services
- Maa Vaishnav Vision
- Shiva Vision

**g Key Managerial Personnel**

· Mr. Sunil Nihalani	Director
· Mr. Abhijit Dey	Director
· Mr. Rajnish Kumar Dixit	Director
· Mr. Niraj Kumar Sinha	Director
· Mr. Madanjeet Kumar	Director
· Mr. Binod Kumar Rai	Director
· Mr. Muno Kumar	Director
· Mr. Nawal Kumar	Director
· Mr. Atul Kumar Singh	Director
· Mr. Jai Praksh Jindal	Director
· Mr. Suresh Kumar Sethiya	Director
· Mr. Surendra Kumar Agarwala	Director

**Transactions with related parties**

(₹ thousands)

Particulars	Indian Cable	Maury	Siti Networks	Binod Kr.	Madanjeet	Muno Kumar	Nawal Kumar	Niraj Sinha	Rajnish Kr.
<b>Balance as at 01-04-2019</b>	(128,856)	(53,374)	18,981	2,697	1,921	2,522	3,489	983	558
Expense paid by			0.60						
Expenses paid on behalf of									
Expenses Reimbursed to									
Expenses reimbursed by									
Equity Contribution in Cash									
Issue of Equity Shares									
Payment for purchase of material and services	124,518	41,624							
Purchase of material & Services	(64,748)	(35,400)	138						
Interest Accrued by	(3,502)	(1,115)							
Sale of service and materials				8,370	7,429	7,408	6,525	2,441	2,185
Rebate & Discount Provided									
Payment Received for sale of services/other recoveries				(8,464)	(7,465)	(7,498)	(6,704)	(2,280)	(2,163)
Repayment of Advance	-	11,112	-	-	-	-	-	-	-
<b>Balance as at 31-03-2020</b>	<b>(72,587)</b>	<b>(37,155)</b>	<b>19,119</b>	<b>2,603</b>	<b>1,884</b>	<b>2,432</b>	<b>3,310</b>	<b>1,144</b>	<b>579</b>

**48 Value of Imports calculated on CIF Basis**

(₹ thousands)

Particulars	31-Mar-20	31-Mar-19
Capital Goods	-	138
	<b>-</b>	<b>138</b>

**49 Expenditure in foreign currency**

(₹ thousands)

Spare Parts	-	-
Annual Maintenance Charges	842	857
	<b>842</b>	<b>857</b>

50 Previous years figures have been regrouped and/or rearranged wherever necessary.

Notes to account referred to in our report of even date is annexed.

For **Agarwal K & Co LLP**  
Chartered Accountants  
ICAI Firm Registration No.: E300016

For and on behalf of the Board of Directors of  
**SITI Maurya Cable Net Private**

Sd-  
Gourav Gupta  
Partner  
Membership Number: 064579

Sd-  
Surendra Kumar Agarwala  
Director  
DIN: 00569816

Sd-  
Muno Kumar  
Director  
DIN: 03449709

Place - Kolkata  
Date - 26th of June' 2020

Sd-  
Krishna Kumar  
Sr. Manager (F&A)

**Siti Maurya Cable Net Private Limited****Notes to financial statements for the year ended 31st March 2020****Note No. 51****( ₹ thousands)**

<b>OTHER COMPREHENSIVE INCOME</b>	<b>FY 19-20</b>	<b>FY 18-19</b>
A (i) Items that will not be reclassified to Profit or Loss		
<b>Remeasurements of the net defined benefit plans as under</b>	(263.19)	17.08
Remeasurement of employee benefit obligations		
(ii) Income Tax relating to items that will not be reclassified to profit or loss	66.24	(4.75)
B (i) Items that will be reclassified to profit or loss	-	-
(ii) Income Tax relating to items that will be reclassified to profit or loss	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(196.95)</b>	<b>12.33</b>

**Siti Maurya Cable Net Private Limited**  
**Statement of Change in Equity for the year ended 31st March 2020**

(₹ thousands)

	Attributable to owners of SITI Maurya Cable Net Private Limited				
	Equity Share Capital	Reserves and Surplus			Total
		Securities Premium Reserve	Retained Earnings	Total Other Equity	
<b>Balance at 1 April 2018</b>	<b>90,280</b>	70,000	78,407	148,407	<b>238,686</b>
<b>Issued / Changes in Equity Share Capital</b>					
<b>Changes as IND AS Adjustments</b>					
Profit for the year			36,549	36,549	<b>36,549</b>
Other Comprehensive Income			8,397	8,397	<b>8,397</b>
Total Comprehensive Income for the year	-	-	12	12	<b>12</b>
Change in Provision for Deffered Tax			8,410	8,410	<b>8,410</b>
		-	-	-	-
<b>Balance at March 2019</b>	<b>90,280</b>	<b>70,000</b>	<b>123,365</b>	<b>193,365</b>	<b>283,645</b>
<b>Balance at 1 April 2019</b>	<b>90,280</b>	70,000	123,365	193,365	<b>283,645</b>
<b>Issued / Changes in Equity Share Capital</b>				-	-
<b>Changes as IND AS Adjustments</b>				-	-
Profit for the year			(18,319)	(18,319)	<b>(18,319)</b>
Other Comprehensive Income			(197)	(197)	<b>(197)</b>
Total Comprehensive Income for the year	-	-	(18,516)	(18,516)	<b>(18,516)</b>
Change in Provision for Deffered Tax				-	-
<b>Transations with owners in their capacity as owners :</b>					
Transfer In/Out Securities Premium Account		-		-	-
<b>Balance at 31 March 2020</b>	<b>90,280</b>	<b>70,000</b>	<b>104,849</b>	<b>174,849</b>	<b>265,129</b>