



AAAM & CO LLP

(LLPIN: AAT - 1669)

CHARTERED ACCOUNTANTS

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Independent Auditor's Report

To The Members of
Siti Faction Digital Private Limited
Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **Siti Faction Digital Private Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2021, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matter(s)

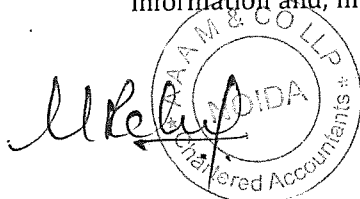
4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined that there are no key audit matters to communicate in our report.

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

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 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

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for 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.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

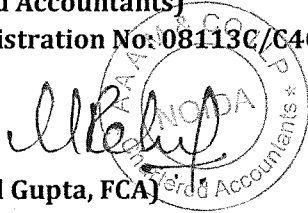
Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
17. Further to our comments in Annexure I, as required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
 - c) the standalone financial statements dealt with by this report are in agreement with the books of account;



- d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
- f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date as per Annexure I expressed unmodified;
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigation on its financial position as at 31 March 2021;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For A A A M & CO LLP
(Formerly Known as A A A M & CO.
Chartered Accountants)
Firm Registration No: 08113C/C400292



(CA Rahul Gupta, FCA)
Partner
Membership No. 419625
UDIN: 21419625AAAAIB7569

Place: NOIDA
Date: 28.05.2021

Annexure 1 to the Independent Auditor's Report of even date to the members of Siti Faction Digital Private Limited, on the standalone financial statements for the year ended 31 March 2021

Annexure 1

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the standalone financial statements of **Siti Faction Digital Private Limited** ("the Company") as of and for the year ended 31 March 2021, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR



Annexure 1 to the Independent Auditor's Report of even date to the members of Siti Faction Digital Private Limited, on the standalone financial statements for the year ended 31 March 2021

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


Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2021, based on Internal control over financial reporting criteria established by the respective company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

For A A A M & CO LLP
(Formerly Known as A A A M & CO.
Chartered Accountants)
Firm Registration No: 08113C/C400292


(CA Rahul Gupta, FCA)
Partner
Membership No. 419625
UDIN: 21419625AAAAIB7569

Place: NOIDA
Date: 28.05.2021

SITI FACTION DIGITAL PVT. LTD.
 Balance sheet as at March 31, 2021
 CIN - U64200DL2012PTC244184

₹ in million

	Notes	As at	
		March 31, 2021	March 31, 2020
ASSETS			
Non-current assets			
a) Property, plant and equipment	3	14.31	21.29
b) Capital work-in-progress		19.07	19.07
		<u>33.39</u>	<u>40.36</u>
Current assets			
a) Inventories			
b) Financial assets			
i) Trade receivables	4	105.16	105.16
ii) Cash and cash equivalents	5	1.54	1.54
c) Other current assets	6	10.09	9.22
		<u>116.80</u>	<u>115.92</u>
Total assets		<u><u>150.18</u></u>	<u><u>156.28</u></u>
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	7 (a)	0.10	0.10
b) Other equity	7 (b)	(41.96)	(33.67)
		<u>(41.86)</u>	<u>(33.57)</u>
LIABILITIES			
Non-current liabilities			
a) Financial liabilities			
b) Provisions			
c) Other non-current liabilities	8	-	-
Current liabilities			
a) Financial liabilities			
i) Borrowings			
ii) Trade payables			
Total Outstanding dues of micro enterprises and small enterprises			
Total Outstanding dues of creditors other than micro enterprises and small enterprises	9	191.87	189.68
iii) Other financial liabilities			
b) Provisions	10	0.17	0.17
c) Other current liabilities	11		
		<u>192.04</u>	<u>189.85</u>
Total equity and liabilities		<u><u>150.18</u></u>	<u><u>156.28</u></u>
Summary of significant accounting policies	1-2.		
The accompanying notes are an integral part of these financial statements.			

This is the balance sheet referred to in our report of even date.
 For A A A M & Co LLP
 (Formerly Known as A A A M & Co. Chartered Accountants)
 FRN: 08113C/C400292

(CA RAHUL GUPTA, FCA)
 PARTNER
 M.No-419625
 UDIN - 21419625AAAAIB7569
 Date: 28/05/2021
 PLACE: NOIDA

For and on behalf of the Board of Directors of
 SITI FACTION DIGITAL PVT. LTD.

RAHUL GUPTA
 DIRECTOR
 DIN 03408514

PUSHINDER SINGH CHANA
 (DIRECTOR)
 DIN-08066877

SITI FACTION DIGITAL PVT. LTD.

Statement of profit and loss for the year ended March 31, 2021

CIN: U64200DL2012PTC244184

	Notes	March 31, 2021	March 31, 2020
₹ in million			
Income			
Revenue from operations			
Other income	12	0.44	0.66
Total income	13	<u>2.42</u>	<u>0.66</u>
Expenses			
Cost of materials consumed			
Purchase of traded goods			
Carriage sharing, pay channel and related costs			
Employee benefits expense			
Finance costs			
Depreciation and amortisation of non-financial assets	14	8.91	8.67
Other expenses	15	2.24	0.11
Total expenses		<u>11.15</u>	<u>8.78</u>
Loss before exceptional item and tax		<u>(8.29)</u>	<u>(8.12)</u>
Exceptional item			
Loss before tax		<u>(8.29)</u>	<u>(8.12)</u>
Tax expense			
Deferred tax			
Current tax			
Loss for the year		<u>(8.29)</u>	<u>(8.12)</u>
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurement of defined benefit liability			
Total comprehensive income		<u>(8.29)</u>	<u>(8.12)</u>
Earnings (loss) per share			
Basic (loss) per share	16	(829.03)	(811.93)
Diluted (loss) per share	16	(829.03)	(811.93)

Summary of significant accounting policies

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

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

For A A A M & Co LLP

(Formerly Known as A A A M & Co. Chartered Accountants)

FRN: 08113C/C400292

(CA RAHUL GUPTA, FCA)

PARTNER

M.No-419625

UDIN - 21419625AAAAIB7569

Date: 28/05/2021

PLACE: NOIDA

For and on behalf of the Board of Directors of
SITI FACTION DIGITAL PVT. LTD.

RAHUL DABAS
DIRECTOR
DIN 03408514

PUSHPINDER SINGH CHAHAL
(DIRECTOR)
DIN-08066877

SITI FACTION DIGITAL PVT. LTD.

Cash flow statement for the year ended March 31, 2021

CIN - U64200DL2012PTC244184

	₹ in million	
	March 31, 2021	March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax		
Adjustment for:	(8.29)	(8.12)
Depreciation and amortisation of non-financial assets	8.91	8.67
Operating profit before working capital changes	<u>0.62</u>	<u>0.55</u>
Adjustments for changes in:		
Increase in trade receivables	(0.00)	(0.66)
(Increase)/decrease in other current and non-current assets	(0.88)	(0.45)
Increase in other current and non-current liabilities	(0.00)	(0.06)
Increase/(decrease) in trade payables	2.19	3.03
Cash (used in)/generated from operations	<u>1.93</u>	<u>2.41</u>
Income taxes paid	1.93	2.41
Net cash flow (used in)/generated from operating activities	<u>1.93</u>	<u>2.41</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangibles assets	(1.93)	(2.42)
Net cash used in investing activities	<u>(1.93)</u>	<u>(2.42)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net cash flow generated from financing activities	-	-
Net decrease in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the period	(0.00)	(0.01)
Cash and cash equivalents at close of the year	<u>1.54</u>	<u>1.55</u>
a. Cash and cash equivalents include :		
Cash on hand	0.00	0.00
Balances with banks - current accounts	1.54	1.54
Deposits with maturity of upto three months	1.54	1.54

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

For A A A M & Co LLP
(Formerly Known as A A A M & Co. Chartered Accountants)
FRN: 08113C/C400292

(CA RAHUL GUPTA, FCA)
PARTNER
M.No-419625 21419625AAAAIB7569
UDIN -
DATE: 28/05/2021
PLACE: NOIDA

For and on behalf of the Board of Directors of
SITI FACTION DIGITAL PVT. LTD.

RAHUL DABAS
DIRECTOR
DIN 03408514

PUSHPINDER SINGH CHAHAL
(DIRECTOR)

DIN-08066877

NOTE –1: SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDING 31st MARCH, 2021

1.1 CORPORATE INFORMATION:

SITI Faction Digital Private Limited (hereinafter referred to as the 'Company') is registered in New Delhi, India. The Company is a Multiple Service Operator (MSO) engaged in distribution of television channels through analogue and digital cable distribution network, primary internet and allied services.

1.2 BASIS OF PREPARATION:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The accounting policies have been consistently applied by the Company. All assets and liabilities have been classified as current and non- current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act. Based on the nature of business and the time between the acquisition of assets and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

1.3 USE OF ESTIMATES:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods.

Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

1.4 RECOGNITION OF REVENUE:

Revenue is recognized when it is probable that the economic benefits will flow to the Company and it can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable net of rebates and taxes. The Company applies the revenue recognition criteria to each separately identifiable component of the sales transaction. Subscription income is recognized on completion of services and when no significant uncertainty exists regarding the amount of consideration that will be derived. Carriage Income receivable from SCNL is not recognized as revenue and no effect of Carriage sharing, pay channel and related costs payable to SCNL is given in the books of accounts.

1.5 RECOGNITION OF INCOME AND EXPENSE:

Items of income and expenditure are recognized on accrual basis.



1.6 PLANT, PROPERTY AND EQUIPMENT

Plant, properties and equipments are carried at the cost of acquisition or construction less accumulated depreciation. The cost includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.

Depreciation / amortization on plant, properties and equipments is provided at rates computed on the basis of useful life of assets as specified in Schedule II of the Companies Act, 2013 except in case of intangible assets and leasehold improvements on which depreciation is provided at rate as mentioned below which in view of the management represents the useful life of assets. Assets costing less than Rs 5,000 each are depreciated in full excluding residual value as per Schedule II, in year of purchase.

Asset category Rate of depreciation/ amortization

Intangible assets	Straight Line Method
Leasehold improvements	Over the lease term or useful life whichever is lower

1.7 INVESTMENTS:

Non-current investments are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment.

1.8 INVENTORIES:

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

However, the company does not have any inventory during the current year.

1.9 INCOME TAXES:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

1.10 EVENTS OCCURRING AFTER BALANCE SHEET DATE:

Events occurring after balance sheet date which affect the financial position to a material extent are taken into cognizance, if any.



1.11 PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES:

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

Contingent liability is disclosed for:

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

Contingent Liabilities are generally not provided for in the accounts are shown separately under notes to the accounts if any.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

Recent accounting pronouncements (standards issued but not yet effective)

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

a) Ind AS 116, Leases:

Ind AS 116 supersedes Ind AS 17, Leases. Under Ind AS 116, a lessee will recognise a liability to make lease payments (i.e., in the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right of use asset) at the commencement date of lease. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the right of use asset. Lessor accounting under Ind AS 116 remains substantially unchanged from accounting under Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. The Company is evaluating the requirements of the standard and the effect on the financial statements.

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

The Appendix clarifies how to apply the recognition and measurement principles while recognizing current tax, deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatments under Ind AS 12. As per the Appendix, the Company needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings.

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



c) Amendment to Ind AS 12, Income Taxes:

The Amendment clarifies that an entity shall recognize income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. The Company will apply these amendments for annual reporting periods beginning on or after April 01, 2019. The impact on the Financial Statements, as assessed by the Company, is expected to be not material.

NOTE – 2: EXPLANATORY/ CLARIFICATORY NOTES:

- 2.1 No dividend has been proposed by the Directors of the Company due to nominal profits of the company.
- 2.2 Balances of sundry creditors and debtors are subject to confirmation from the respective parties.
- 2.3 In the opinion of the Board, current assets, loans & advances have a value in the ordinary course of business at least equal to that stated in Balance Sheet.
- 2.4 **Auditors Remuneration: 2020-21**

<u>SL. NO.</u>	<u>PARTICULARS</u>	<u>F/Y 2020-21</u>	<u>F/Y 2019-20</u>
1.	AUDIT FEES	Rs. 60,000/-	Rs. 60,000/-

2.5 RELATED PARTY DISCLOSURES:-

Names of related parties:

SUBSIDIARY OF SNL:

<u>SL. NO.</u>	<u>COMPANY</u>	<u>REMARKS</u>
1	INDIAN CABLE NET COMPANY LIMITED (ICNCL)	SUBSIDIARY OF SNL
2	SITI MAURYA CABLE NET PRIVATE LIMITED	SUBSIDIARY OF SNL - ICNCL HOLDS SHARES OF SITI MAURYA
3	INDINET SERVICE PRIVATE LIMITED	SUBSIDIARY OF SNL - ICNCL HOLDS SHARES OF INDINET
4	MASTER CHANNEL COMMUNITY NETWORK PVT LTD	SUBSIDIARY OF SNL - CBCNL HOLDS SHARES OF MASTER CHANNEL
5	SITI VISION DIGITAL MEDIA PRIVATE LIMITED	SUBSIDIARY OF SNL
6	SITI SIRI DIGITAL NETWORK PRIVATE LIMITED	SUBSIDIARY OF SNL
7	SITI GUNTUR DIGITAL NETWORK PRIVATE LIMITED	SUBSIDIARY OF SNL
8	SITI GLOBAL PRIVATE LIMITED	SUBSIDIARY OF SNL
9	SITI SAGAR DIGITAL CABLE NETWORK PRIVATE LIMITED	SUBSIDIARY OF SNL
10	SITI SAISTAR DIGITAL MEDIA PRIVATE LIMITED	SUBSIDIARY OF SNL
11	SITI PRIME UTTARANCHAL COMMUNICATION PRIVATE LIMITED	SUBSIDIARY OF SNL

M. P. Singh
DIRECTOR
SITI FACTION DIGITAL PRIVATE LIMITED

SITI FACTION DIGITAL PRIVATE LIMITED
CIN – U64200DL2012PTC244184

12	VARIETY ENTERTAINMENT PRIVATE LIMITED (VEPL)	SUBSIDIARY OF SNL
13	CENTRAL BOMBAY CABLE NETWORK LIMITED (CBCNL)	SUBSIDIARY OF SNL
14	SITICABLE BROADBAND SOUTH LIMITED	SUBSIDIARY OF SNL
15	WIRE AND WIRELESS TISAI SATELLITE LIMITED	SUBSIDIARY OF SNL
16	SITI BROADBAND SERVICES PRIVATE LIMITED (SBSPL)	SUBSIDIARY OF SNL
17	SITI JIND DIGITAL MEDIA COMMUNICATIONS PRIVATE LIMITED	SUBSIDIARY OF SNL
18	SITI JAI MAA DURGEE COMMUNICATIONS PRIVATE LIMITED	SUBSIDIARY OF SNL
19	SITI KARNAL DIGITAL MEDIA NETWORK PRIVATE LIMITED	SUBSIDIARY OF SNL
20	FACTION DIGITAL PRIVATE LIMITED	SUBSIDIARY OF SNL
21	SITI JONY DIGITAL CABLE NETWORK PRIVATE LIMITED	SUBSIDIARY OF SNL
22	SITI KRISHNA DIGITAL MEDIA PRIVATE LIMITED	SUBSIDIARY OF SNL
23	E-NET ENTERTAINMENT PRIVATE LIMITED	SUBSIDIARY OF SNL - SBSPL HOLDS SHARES OF E-NET ENTERTAINMENT

ASSOCIATE OF SNL

SL. NO.	COMPANY	REMARKS
1	C&S MEDIANET PRIVATE LIMITED	ASSOCIATES OF SNL
2	PARAMOUNT DIGITAL MEDIA SERVICES PRIVATE LIMITED	ASSOCIATES OF SNL - VEPL HOLDS SHARES OF PARAMOUNT DIGITAL

LLP OF SNL

SL. NO.	COMPANY	REMARKS
1	SITI NETWORKS INDIA LLP	WHOLLY OWNED LLP OF SNL

Other Related Parties:

Mr. Yogesh Sharma	-	Director
Mr. Rahul Dabas	-	Director
Ms. Amarjeet Dabas	-	Director
Mr. Abhishek Tiwari	-	Director
Mr. Adarsh Mittal	-	Director
Mr. Arihant Kumar Jain	-	Director



2.6 Transactions entered into by the Company with its holding company during the relevant Financial Year are as under:

- Sale/ purchase of goods and services

	Year ended	Amount Received	Amount Paid	Amount owed by related parties	Amount owed to related parties
Holding Company					
Siti Networks Limited	March 31, 2021	31,98,975	23,73,526	-	12,86,32,575
	March 31, 2020	30,69,099	97,185	-	12,78,07,126

2.7 The basic earnings per share (“EPS”) is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year.

Particulars	31-March-2021	31-March-2020
Profit/(Loss) after Tax	(82,90,272)	(81,19,266)
Number of Equity Shares	10,000	10,000
Nominal Value of Equity Shares	10	10
Basic Earnings per Share	(829.03)	(811.93)



2.8 Other disclosures are made as under :

i. Value of Import on CIF Basis	-	NIL
ii. Expenses in Foreign Currency	-	NIL
iii. Amount remitted in Foreign Currency	-	NIL
iv. Earnings in Foreign Currency	-	NIL

For AAA M & Co LLP,
(Formerly Known as A A A M & Co.
CHARTERED ACCOUNTANTS)
FRN: 08113C/C400292


(CA RAHUL GUPTA, FCA)
PARTNER
M.No.419625
UDIN: 21419625AAAIB7569

For & on the Behalf of Board of Directors of
SITI FACTION DIGITAL PRIVATE LIMITED

 
PUSHPINDER SINGH CHahal RAHUL DABAS
DIRECTOR DIRECTOR
DIN No. 08066877 DIN No. 03408514

Date: 28/05/2021
Place: NOIDA

SITI FACTION DIGITAL PVT. LTD.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021

3 Property, plant and equipment

	₹ in million					
	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Set top boxes	Total
Gross carrying amount						
Balance as at April 01, 2018				0.45	68.04	83.21
Additions	14.72					
Disposals	0.19				0.62	0.81
Balance as at March 31, 2019	14.91	-	-	0.45	68.66	84.02
Gross carrying amount						
Balance as at March 31, 2019	14.91			0.45	68.66	84.02
Additions	0.06				2.36	2.42
Balance as at March 31, 2020	14.96	-	-	0.45	71.02	86.44
Gross carrying amount						
Balance as at March 31, 2020	14.96			0.45	71.02	86.44
Additions	0.14				1.80	1.93
Balance as at March 31, 2021	15.10	-	-	0.45	72.82	88.37
Accumulated depreciation						
Balance as at April 01, 2018	7.32			0.19	40.39	47.90
Charge for the year	1.33			0.02	7.23	8.58
Disposals						
Balance as at March 31, 2019	8.65	-	-	0.21	47.62	56.48
Accumulated depreciation						
Balance as at March 31, 2019	8.65			0.21	47.62	56.48
Charge for the year	1.33			0.02	7.31	8.67
Balance as at March 31, 2020	9.98	-	-	0.24	54.93	65.15
Accumulated depreciation						
Balance as at March 31, 2020	9.98			0.24	54.93	65.15
Charge for the year	1.55			0.02	7.33	8.91
Balance as at March 31, 2021	11.54	-	-	0.26	62.26	74.06
Net carrying amount as at April 01, 2018	7.40	-	-	0.26	27.65	35.31
Net carrying amount as at March 31, 2019	6.26	-	-	0.24	21.04	27.54
Net carrying amount as at March 31, 2020	4.98	-	-	0.21	16.10	21.29
Net carrying amount as at March 31, 2021	3.56	-	-	0.19	10.56	14.31

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SITI FACTION DIGITAL PVT. LTD.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021

		₹ in million	
		As at	As at
		31-Mar-21	31-Mar-20
4	Trade receivables		
	Unsecured, considered good	105.16	105.16
		<u>105.16</u>	<u>105.16</u>
5	Cash and cash equivalents		
	Cash on hand		
	Balances with banks		
	on current accounts	0.00	0.00
	Cheques and drafts on hand		
	Other balances with banks	0.00	0.00
	Deposits with maturity of upto three months	1.54	1.54
		<u>1.54</u>	<u>1.54</u>
6	Other current assets		
	Unsecured, considered good unless otherwise stated		
	Balances with Government authorities	5.82	5.79
	Amounts recoverable (considered good)	4.28	3.43
		<u>10.09</u>	<u>9.22</u>



SITI FACTION DIGITAL PVT. LTD.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2020

7 (a) Equity share capital

	₹ in million	
	As at 31-Mar-21	As at 31-Mar-20
Authorised share capital 10,000 (Previous year: 10,000) equity shares of Rs. 10/- each	0.10	0.10
Total authorised capital	<u>0.10</u>	<u>0.10</u>
Issued share capital 10,000 (Previous year: 10,000) equity shares of Rs. 10/- each	0.10	0.10
Total issued capital	<u>0.10</u>	<u>0.10</u>
Subscribed and fully paid up capital 10,000 (Previous year: 10,000) equity shares of Rs. 10/- each	0.10	0.10
Total paid up capital	<u>0.10</u>	<u>0.10</u>

7(b) Other reserve

	₹ in million	
	As at 31-Mar-21	As at 31-Mar-20
Securities premium reserve		
Retained earnings	(41.96)	(33.67)

Particulars

1 Securities premium reserve

Opening balance
Closing balance

	₹ in million	
	As at 31-Mar-21	As at 31-Mar-20

2 Retained earnings

Opening balance
Addition during the year
Closing balance

	(33.67)	(25.55)
	(8.29)	(8.12)
	<u>(41.96)</u>	<u>(33.67)</u>

SITI FACTION DIGITAL PVT. LTD.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021

8 Other (non-current, non-financial liabilities)

Deferred revenue (refer note 3(d))

₹ in million	
As at 31-Mar-21	As at 31-Mar-20
-	-
-	-

9 Trade payables

Total outstanding dues of micro enterprises and small enterprises; and
Total outstanding dues of creditors other than micro enterprises and small enterprises

₹ in million	
As at 31-Mar-21	As at 31-Mar-20
191.87	189.68
191.87	189.68

10 Provisions (current)

Provision for gratuity
Provision for compensated absences

₹ in million	
As at 31-Mar-21	As at 31-Mar-20
0.17	0.17
0.17	0.17

11 Other (current, non-financial liabilities)

Deferred revenue
Statutory dues payable
Advance from customers

₹ in million	
As at 31-Mar-21	As at 31-Mar-20
-	-
-	-



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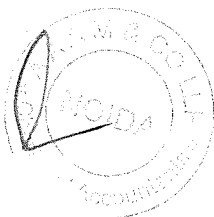
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SITI FACTION DIGITAL PVT. LTD.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021

		₹ in million	
		31-Mar-21	31-Mar-20
12	Revenue from operations		
	Sale of services	0.44	0.66
	Others	0.44	0.66
13	Other Income		
	Other non-operating income	2.42	-
		2.42	-
14	Depreciation and amortisation of non-financial assets		
	Depreciation of property, plant and equipment	8.91	8.67
		8.91	8.67
15	Other expenses		
	Rates and taxes	0.02	0.03
	Legal, professional and consultancy charges	0.02	0.02
	Auditors' remuneration*	0.06	0.06
	Other operational cost	2.00	-
	Miscellaneous expenses	0.14	-
		2.24	0.11
		31-Mar-21	31-Mar-20
		0.06	0.06
		0.06	0.06
16	Earnings (loss) per share		
	Loss attributable to equity shareholders		
	Weighted average number of equity shares outstanding during the year (nos.)	(8.29)	(8.12)
	Weighted average number of equity shares to be issued on conversion of mandatorily convertible instruments (i.e. share and OFCD) (nos.)	10,000	10,000
	Weighted average number of equity shares outstanding during the year for calculating basic and diluted earnings per share (nos.)	10,000	10,000
	Effect of dilutive potential equity shares ~		
	Employee stock options (nos.)		
	Nominal value of per equity share (₹)	10	10
	Loss per share (₹)		
	Basic	(829.03)	(811.93)
	Diluted	(829.03)	(811.93)

-Effect of potential equity shares being anti-dilutive has not been considered while calculating diluted weighted average equity shares and diluted earnings per share.



SITI FACTION DIGITAL PVT. LTD.

A Equity share capital

	Notes	₹ in million Amount
Balance as at April 01, 2019		0.10
Issued on conversion of warrants		-
Issued on conversion of Optionally Fully Convertible Debentures (OFCD)	(a)	-
Balance as at March 31, 2020	(a)	0.10
Issued on conversion of warrants		-
Issued on conversion of OFCD	(a)	-
Issued on exercise of employee stock options	(a)	-
Balance as at March 31, 2021	(a)	0.10

B Other equity

	Reserves and surplus			Other Components of Equity			Total other equity	
	Securities premium reserve (refer note 15(c))	Retained earnings (refer note 15(c))	General reserve (refer note 15(c))	Optionally fully convertible debentures (refer note 15(b))	Money received against warrants	Other comprehensive Income (refer note 15(e))		Foreign currency monetary item translation difference account (FCMTDA) (refer note 15(c))
Balance as at April 01, 2020	-	(33.67)	-	-	-	-	-	-
Loss for the year	-	(8.29)	-	-	-	-	-	(8.29)
Re-measurement of defined benefit liability	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	(8.29)	-	-	-	-	-	(8.29)
Security premium on conversion of warrants and OFCDs into equity shares	-	-	-	-	-	-	-	-
Security premium on issue of shares against employee stock options	-	-	-	-	-	-	-	-
Conversion of OFCDs into equity shares	-	-	-	-	-	-	-	-
Money received against warrants issued	-	-	-	-	-	-	-	-
Conversion of warrants into equity shares	-	-	-	-	-	-	-	-
FCMTDA created during the year	-	-	-	-	-	-	-	-
FCMTDA amortised during the year	-	-	-	-	-	-	-	-
Employee shares based reserve created	-	-	-	-	-	-	-	-
Reversed on share options exercised during the year	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	-	(41.96)	-	-	-	-	-	(41.96)

** Transaction with owner in capacity as owners

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

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

For A A A M & Co LLP
(Formerly Known as A A A M & Co. Chartered Accountants)
FRN: 08113C/C400292

(CA RAHUL GUPTA, FCA)

PARTNER

M.No-419625

UDIN - 21419625AAAAIB7569

Date:

PLACE: NOIDA 28/05/2021

For and on behalf of the Board of Directors of
SITI FACTION DIGITAL PVT. LTD.

RAHUL DABAS
DIRECTOR
DIN 03408514

(PUSHPINDER SINGH
CHAHAL) (DIRECTOR)
DIN - 08066877