

# Subhash C. Gupta & Co.

## CHARTERED ACCOUNTANTS

B-3/1, First Floor, Rajouri Garden, New Delhi-110027  
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lokesh@scgco.in

### INDEPENDENT AUDITOR'S REPORT

#### TO THE MEMBERS OF SITI SIRI DIGITAL NETWORK PVT. LTD. Report on the Standalone Financial Statements

#### Qualified Opinion

1. We have audited the accompanying standalone financial statements of **SITI SIRI DIGITAL NETWORK PVT. LTD.** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matters described in Basis of 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 31 March 2021, 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

3. The Company's 'Revenue from Operations' includes 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 contracts 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.987.8 millions for the year ended 31 March 2021, while there would have been no impact on the net loss for the year ended 31 March 2021.

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

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

5. 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**

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

7. 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.

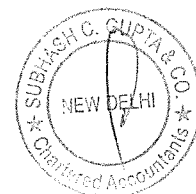
8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

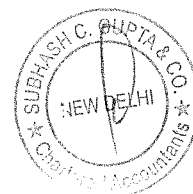
### **Report on Other Legal and Regulatory Requirements**

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

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

(a) We have sought and {except for the effects of the matters 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 purposes of our audit.

(b) {except for the effects 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 Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account.

(d) {except for the effects of the matters described in the Basis for Qualified Opinion section} in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder.

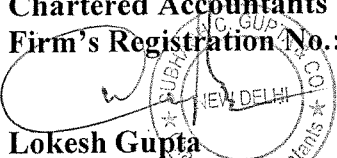
(e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

- i. The Company has disclosed the impact, if any, of pending litigations as at 31<sup>st</sup> March 2021 on its financial position in its standalone financial statements – Refer Note no. 1.3. c – of the notes to the financial statements;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

  
**Lokesh Gupta**  
**(Partner)**  
**Membership No.: 503853**

**Place : New Delhi**  
**Date : 22.06.2021**

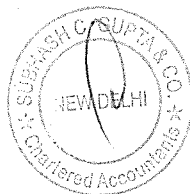
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## Annexure A to Independent Auditors' Report

**Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of SITI SIRI DIGITAL NETWORK PVT. LTD. on the standalone financial statements for the year ended 31st March 2021.**

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets *except for Set Top Boxes capitalized/installed at customer premises.*
- (b) According to the information and explanations given to us the fixed assets (*other than Set top boxes installed at customer premises and those in transit or lying with the distributors/cable operators and distribution equipment comprising overhead and underground cables physical verification of which is infeasible owing to the nature and location of these assets*) have been physically verified by the management during the year in a phased periodical manner which, in our opinion, is reasonable, having regard to the size of the Company and nature of the assets. No material discrepancies were noticed on such verification.
- (c) Since the company does not own any immovable properties the provisions of the said clause of the Order are not applicable.
- (ii) The company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) a) The Company has granted unsecured loan/advance of Rs. 3 crores (previous year Nil) to one party listed in the register maintained under Section 189 of the Act.  
b) In our opinion and according to information given to us the terms and conditions of such loans are not prima facie prejudicial to the interests of the Company.  
c) No repayment schedule have been fixed for the advance given by the company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans & advances made.
- (v) To the best of our knowledge & according to the information and explanations given to us the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.



(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of the Section 148 of the Act in respect of company's services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

Name of Statute	Nature of Dues	Amount Involved Rs.	Period
Service Tax	Service Tax, Ed. Cess and SBC	9,30,926	Since 2017

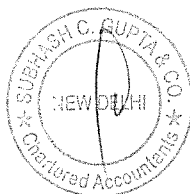
(b) There are no dues in respect of income-tax, sales-tax, wealth tax, service tax, GST, duty of customs, duty of excise, value added tax and cess that have not been deposited with the appropriate authorities on account of any dispute except for:-

Name of Statute	Nature of Dues	Amount Involved Rs.	Forum/ where the dispute is pending
AP-VAT	VAT	4,69,19,520	Tribunal, VAT Department, Vizag, Ap
AP-VAT	VAT Penalty	1,17,29,880	Tribunal, VAT Department, Vizag, Ap
AP-VAT	VAT	31,88,219	Appellate Deputy Commissioner (ADC), Telangana.
AP-VAT	VAT	2,25,80,273	High Court
AP-VAT	VAT Penalty	56,45,068	High Court

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

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

(x) Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statement and as per the information and explanations



given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

- (xi) Managerial remuneration has been paid or provided by the company during the year in accordance with the requisite approvals mandate by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- (xii) Since the company is not a Nidhi company the provisions of clause 3(xii) of the order are not applicable.
- (xiii) As per the information and explanation provided to us, all the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment/private placement of shares or convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable.
- (xv) According to the information and explanation provided to us the company has not entered into any non-cash transactions with directors or persons connected with him during the year accordingly the provisions of clause 3(xv) of the order are not applicable.
- (xvi) In our opinion and according to the information and explanation provided to us the company is not required to be registered u/s 45-IA of the Reserve Bank of India Act, 1934.

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

**Lokesh Gupta**  
**(Partner)**

**Membership No.: 503853**



**Place : New Delhi**  
**Date : 22.06.2021**

## **Annexure B to Independent Auditors' Report**

**Referred to in paragraph 15 (f) of the Independent Auditors' Report of even date to the members of SITI SIRI DIGITAL NETWORK PVT. LTD. on the standalone financial statements for the year ended 31st March 2021.**

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

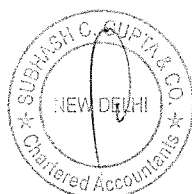
1. We have audited the internal financial controls over financial reporting of SITI SIRI DIGITAL NETWORK PVT. LTD. ("the Company") as of 31<sup>st</sup> March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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





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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

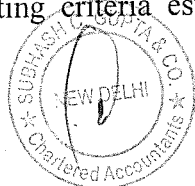
### **Qualified Opinion**

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at 31 March 2021:

The Company's internal financial controls over preparation of financial statements with respect to presentation and disclosure of 'Revenue from operations' in accordance with the requirement of IndAS 115 'Revenue from contracts with customers', were not operating effectively which has resulted in a material misstatement in the amounts recognised as 'Revenue from operations' and 'Paychannel, carriage sharing and related costs' including the relevant disclosures in the standalone financial statements, while there is no impact on the net profit for the year ended 31 March 2021.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

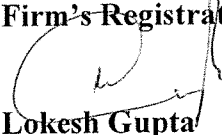
10. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the



essential components of internal control stated in the Guidance Note issued by the ICAI and *except for the effects of the material weakness described above* on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as at 31 March 2021.

11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2021, and the material weakness as mentioned in para 8 above, has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

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

  
**Lokesh Gupta**  
**(Partner)**

**Membership No.: 503853**



**Place : New Delhi**

**Date : 22.06.2021**

**SITI SIRI DIGITAL NETWORK PVT LTD.,**  
Balance sheet as at Mar 31, 2021

	Notes	Mar 31, 2021 Rs.	March 31, 2020 Rs.
<b>A. Assets</b>			
<b>1. Non-current assets</b>			
<b>Fixed assets</b>			
(a) Property, plant and equipment	2	72,18,22,557	86,29,14,223
(b) Capital work-in-progress		6,14,29,856	5,43,27,642
(c) Deferred Tax Asset	12	1,84,97,172	-
<b>(c) Financial assets</b>			
(i) Investments		-	-
(i) Loans & Advances	3	8,67,940	8,67,940
<b>Sub-total of Non-current assets</b>		<b>80,26,17,526</b>	<b>91,81,09,805</b>
<b>2. Current assets</b>			
<b>(a) Financial assets</b>			
(i) Trade receivables	4	16,93,69,192	21,96,06,108
(ii) Investments		-	-
(ii) Cash and bank balances	5	20,53,24,524	22,19,38,178
(iii) Others Financial Assets	6	3,22,87,667	5,95,11,252
<b>(b) Current tax assets</b>			
(b) Other current assets	7	13,22,09,649	13,91,13,218
<b>Sub-total of Current assets</b>		<b>53,91,91,032</b>	<b>64,01,68,756</b>
<b>Total assets</b>		<b>1,34,18,08,558</b>	<b>1,55,82,78,561</b>
<b>B. Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	8	1,00,000	1,00,000
(b) Other equity	9	2,70,05,275	3,75,93,267
<b>Sub-total - Equity</b>		<b>2,71,05,275</b>	<b>3,76,93,267</b>
<b>Liabilities</b>			
<b>1. Non-current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Long-term borrowings	10	74,49,00,000	74,49,00,000
(b) Provisions	11	9,90,817	8,64,286
(c) Deferred tax liability (net)	12	-	7,98,773
(d) Other non-current liabilities	13	-	-
<b>Sub-total - Non-current liabilities</b>		<b>74,58,90,817</b>	<b>74,65,63,059</b>
<b>2. Current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Trade payables	14	48,89,56,320	68,53,75,123
(b) Other current liabilities	15	6,57,92,436	7,73,77,533
(c) Provisions	16	1,40,63,711	1,12,69,579
<b>Sub-total of current liabilities</b>		<b>56,88,12,466</b>	<b>77,40,22,235</b>
<b>Total equity and liabilities</b>		<b>1,34,18,08,558</b>	<b>1,55,82,78,561</b>

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 **Subhash C. Gupta & Co.**  
Chartered Accountants

Firm Regn No-004103

**Lokesh Gupta**  
Partner  
M. No-503853

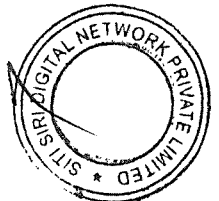
Place : New Delhi

Date : 22 JUN 2021

For and on behalf of the Board of Directors of  
Siti Siri Digital Network Pvt. Ltd.

Director  
DIN

Director  
DIN



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**SITI SIRI DIGITAL NETWORK PVT LTD.,**  
**Statement of profit and loss for the year ended Mar 31, 2021**

	Notes	Mar 31, 2021 Rs.	March 31, 2020 Rs.
<b>Revenue</b>			
Revenue from operations	17	1,56,02,40,693	1,37,37,61,676
Other income	18	2,36,20,959	4,29,56,929
<b>Total revenue</b>		<b>1,58,38,61,652</b>	<b>1,41,67,18,605</b>
<b>Expenses</b>			
Purchases of traded goods	19	4,28,23,138	47,35,124
Carriage sharing, pay channel and related costs	20	98,78,20,535	88,54,95,843
Employee benefits expense	21	1,39,31,630	1,22,74,903
Finance costs	22	95,842	98,39,152
Depreciation and amortisation expenses	23	20,42,60,826	19,77,36,691
Other expenses	24	35,11,07,650	29,38,06,098
<b>Total expenses</b>		<b>1,60,00,39,620</b>	<b>1,40,38,87,811</b>
<b>Profit before Exceptional items expenses</b>		<b>(1,61,77,968)</b>	<b>1,28,30,794</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>(1,61,77,968)</b>	<b>1,28,30,794</b>
<b>Tax Expenses</b>			
<b>Current Tax</b>		1,39,00,000	1,11,00,000
<b>Previous Year Tax</b>		2,97,312	-
<b>Deferred Tax</b>		(1,92,95,945)	(1,70,76,503)
<b>Total Profit/(Loss) for the period</b>		<b>(1,10,79,335)</b>	<b>1,88,07,297</b>
<b>Other Comprehensive income</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
(a) Remeasurement of the defined benefit (liabilities) / assets		(2,34,030)	67,980
<b>Total Comprehensive Income/(loss) for the year</b>		<b>(1,08,45,305)</b>	<b>1,87,39,317</b>
Profit/(Loss) per share after tax	25		
Basic		(1,108)	1,880.73
Diluted		(1,108)	1,880.73
Summary of significant accounting policies	1		

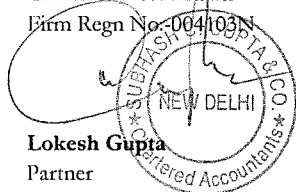
The accompanying notes are an integral part of these financial statements.

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

**For Subhash C. Gupta & Co.**

Chartered Accountants

Firm Regn No. 004103



**Lokesh Gupta**

Partner

M. No-503853

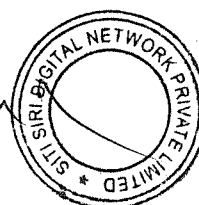
Place : New Delhi

Date : 22 JUN 2021

For and on behalf of the Board of Directors of

Siti Siri Digital Network Pvt. Ltd.

Director  
 DIN



Director  
 DIN

**SITI SIRI DIGITAL NETWORK PVT. LTD.**  
**FORMERLY KNOWN AS SIRI DIGITAL NETWORK PVT. LTD.**  
**CASH FLOW STATEMENT**

PARTICULARS	Year ended Mar 31, 2021	Year ended March 31, 2020
	Amount in Rs.	Amount in Rs.
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Income / ( Loss ) before Tax	(1,61,77,968)	1,28,30,794
Adjustments for :		
Depreciation	20,42,60,826	19,77,36,691
Loss(profit) on sale /disposal of assets	-	-
Provision for Doubtful Debts	(1,98,115)	23,20,444
Interest Expense	95,842	98,39,152
Profit/Loss on fair valuation of OCD	-	90,34,288
Income Tax paid	(40,000)	-
Provision for Taxation including Deferred Tax	53,95,945	59,76,503
comprehensive income recognised directly in retained earnings	2,34,030	(67,980)
<b>Operating Profit before working capital changes</b>	<b>19,35,70,560</b>	<b>23,76,69,892</b>
Decrease (Increase) in Trade Receivables	5,04,35,031	(1,71,88,597)
Decrease(Increase) in Long Terms L&A and Other non current assets	(1,84,97,172)	(77,500)
Decrease(Increase) in Short Terms L&A and Other current assets	3,41,27,154	(3,50,15,578)
Increase(Decrease) in Long Terms liabilities and provisions	(6,72,242)	(1,67,88,633)
Current Liabilities and Provisions	(20,52,09,768)	(3,28,36,049)
<b>Net Cash Flow from Operating Activities</b>	<b>5,37,53,563</b>	<b>13,57,63,536</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(6,31,69,160)	(5,00,99,691)
Capital Work in progress	(71,02,215)	(1,43,48,313)
Sale of Fixed Assets	-	-
<b>Net Cash utilised in Investing Activities</b>	<b>(7,02,71,375)</b>	<b>(6,44,48,005)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid (Net)	(95,842)	(98,39,152)
Repayment of Long Term borrowings	-	-
Proceeds from Long term Borrowings	-	-
Proceeds from Share Application Money	-	-
Proceeds from Issue of Share Capital	-	-
<b>Net Cash provided by Financing Activities</b>	<b>(95,842)</b>	<b>(98,39,152)</b>
Net Increase in cash and cash equivalents during the year	(1,66,13,653)	6,14,76,379
cash and cash equivalents at beginning of year	22,19,38,178	16,04,61,800
<b>Cash and Cash Equivalents at end of the Year</b>	<b>20,53,24,525</b>	<b>22,19,38,178</b>
<b>Note :</b>		
<b>1</b> Component of Cash & cash Equivalents at the end of year		
Cash in hand	26,105	63,352
Cheques in hand	38,38,204	-
Balances with Scheduled Banks in Current Accounts	20,14,60,216	22,18,74,826
FDR's with Bank	-	-
	<b>20,53,24,524</b>	<b>22,19,38,178</b>

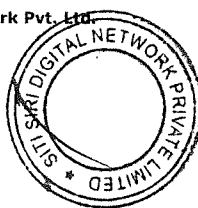
As per our report of even date  
For Subhash C. Gupta & Co.  
Firm Regn No. 004103N  
Chartered Accountants

Lokesh Gupta  
Partner  
Membership No.: 503853

Place :  
Date : 22 JUN 2021

For Siti Siri Digital Network Pvt. Ltd.

Director  
DIN  
Name



DIN  
Name

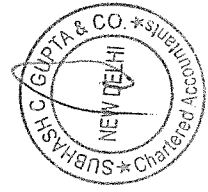
Director

SITI SIRI DIGITAL NETWORK PVT LTD.,

Statement of Changes in Equity

	Amount in INR		Amount in INR	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
(a) Equity share capital	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	10,000	1,00,000	10,000	1,00,000
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	10,000	1,00,000	10,000	1,00,000

Particulars	Attributable to the equity holders of the parent					Non-Controlling Interests	Total Equity
	Reserves & Surplus	Other items of other comprehensive income	Equity portion of OCD conversion	Total			
<b>(b) Other equity</b>							
<b>Balance at March 31, 2019</b>							
Profit/(Loss) for the year	1,02,75,789	9,744	-	1,02,85,533	-	1,02,85,533	
Previous Year Mat Credit adjustments	1,88,07,297	-	-	1,88,07,297	-	1,88,07,297	
Other comprehensive income for the year	85,68,417	-	-	85,68,417	-	85,68,417	
Transfer from Deferred Activation Revenue to OCI	-	(67,980)	-	(67,980)	-	(67,980)	
<b>Total comprehensive income for the year</b>	<b>2,73,75,714</b>	<b>(67,980)</b>	<b>-</b>	<b>2,73,07,734</b>	<b>-</b>	<b>2,73,07,734</b>	
Add : Equity portion of OCD conversion	-	-	-	-	-	-	
<b>Balance at March 31, 2020</b>	<b>3,76,51,503</b>	<b>(58,236)</b>	<b>-</b>	<b>3,75,93,267</b>	<b>-</b>	<b>3,75,93,267</b>	
Profit/(Loss) for the year	(1,10,79,335)	-	-	(1,10,79,335)	-	(1,10,79,335)	
Previous Year Mat Credit adjustments	2,57,312	-	-	2,57,312	-	2,57,312	
Other comprehensive income for the year	-	2,34,030	-	2,34,030	-	2,34,030	
Transfer from Deferred Activation Revenue to OCI	-	-	-	-	-	-	
<b>Total comprehensive income for the year</b>	<b>(1,08,22,023)</b>	<b>2,34,030</b>	<b>-</b>	<b>(1,05,87,993)</b>	<b>-</b>	<b>(1,05,87,993)</b>	
Add : Equity portion of OCD conversion	-	-	-	-	-	-	
<b>Balance at March 31, 2021</b>	<b>2,68,29,481</b>	<b>1,75,794</b>	<b>-</b>	<b>2,70,05,275</b>	<b>-</b>	<b>2,70,05,275</b>	



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# **SITI SIRI DIGITAL NETWORK PVT. LTD.**

## **Note: 1 Company Overview and Significant Accounting Policies**

### **1.1 Company Overview**

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

### **b. Basis of preparation**

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

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2021, together with the comparative period as at and for the year ended 31 March 2020. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### **1.2 Summary of Accounting Policies**

#### **a. Use of estimate**

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

#### **b. Foreign Currency Translation**

Functional and presentation currency

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

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

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

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

#### **c. Revenue recognition**

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

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

#### **Revenue from rendering of Services**

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

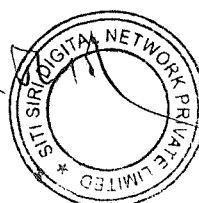
Other networking and management income and carriage income are recognised on accrual basis over the terms of related agreements and when no significant uncertainty exists regarding the amount of consideration that will be derived. Carriage revenue recognition is done basis negotiations/formal agreement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

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

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



*A. L. M.*



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#### d. Borrowing Costs

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

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

#### e. Property, Plant and Equipment

##### Recognition and initial measurement

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

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

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

#### f. Subsequent measurement (depreciation and useful lives)

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

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

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

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

##### De-recognition

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

#### g. Intangible Assets

Intangible assets acquired separately are stated at their cost of acquisition.

##### Subsequent measurement (Amortisation)

Cost of Intangible Assets are amortised under straight line method over the period of life.

#### h. Impairment of non-financial Assets

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

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

#### i. Investments and Other Financial Assets

##### Financial assets

##### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

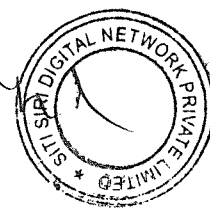
Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

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

##### De-recognition of financial liabilities



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A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

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

#### **Impairment of Financial Assets**

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

#### **j. Post-employment, long term and short term employee benefits**

Defined contribution plans

Provident Fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Gratuity (Funded)

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of other comprehensive income in the year in which such gains or losses are determined.

Other Employee Benefits

Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the pr date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the Balance Sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

#### **k. Taxation on Income**

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are generally recognised in full, although IAS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the Company does not recognise deferred tax on temporary differences relating to goodwill, or to its investments in subsidiaries.

#### **l. Provisions, contingent assets and contingent liabilities**

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

Contingent liability is disclosed for:

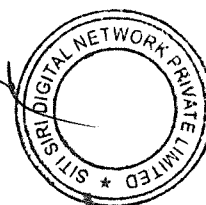
· Possible obligations which will be confirmed only by future events not wholly within the control of the Company or

· Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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



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### m. Earning Per Share:

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

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

### n. Leases

#### Finance leases

Finance leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

#### Operating leases

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

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

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

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

#### Significant Management Judgements

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

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

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

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

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

## 1.3 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS

### a. Earning per share:

	31.03.2021	31.03.2020
a) Profit/(Loss) after Tax	(1,10,79,335)	1,88,07,297
b) Weighted average No. of Ordinary Shares		
Basic	10,000	10,000
Diluted	10,000	10,000
c) Nominal Value of Ordinary Share	10	10
d) Earning per Ordinary share considering:		
Basic	(1,107.93)	1,880.73
Diluted	(1,107.93)	1,880.73

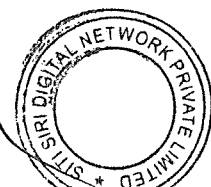
### b. Auditor's Remuneration (Including Legal & professional Charges)

Particulars	2020-21	2019-20
Audit fees Rs.	90,000	90,000



*Signature*

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Tax Audit Fees  
Other Matter  
(Amount are exclusive of Service Tax)

40000  
33500

40,000  
23,000

**c. Additional information**

**Contingent Liabilities not provided for on account of:**

	Amount	Amount
VAT department	9,00,62,960	9,00,62,960
Director Remuneration	60,00,000	60,00,000
Earning in Foreign Currency	-	-
Remittances in Foreign Currency	-	-
Expenditure in Foreign Currency	-	-
CIF Value of Import	1,85,80,199	2,09,81,964

**d. Commitments**

Future commitments towards capital contributions - NIL

**e. Segment Reporting**

Segment Reporting as required by Indian Accounting Standard -108 issued by the Institute of Chartered Accountant of India is not applicable since the Company is in the business of providing Cable TV Services in one segment and there is no Geographical Segment.

**f. Related Parties Disclosure:**

**List of Parties where control exists**

**i Ultimate Holding Company**

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

**ii Fellow Subsidiary Companies**

Indinet Service Pvt. Ltd. (100% Subsidiary of ICNCL)  
SITI KARNAL DIGITAL MEDIA NETWORK PRIVATE LIMITED  
Siti Prime Uttaranchal Communication Pvt. Ltd.  
Central Bombay Cable Network Limited.  
Panchsheel Digital Communication Network Pvt. Ltd.  
Bargachh Digital Communication Network Pvt. Ltd.  
Siti Jai Maa Durge Communications Pvt. Ltd.  
Siti Bhatia Network Entertainment Private Limited  
Siti Krishna Digital Media Private Limited  
Siti Jony Digital Cable Network Private Limited  
Master Channel Community N/w Pvt. Ltd.  
Siti Maurya Cable Net Pvt. Ltd. (Subsidiary of ICNCL)  
E-Net Entertainment Private Limited

SITI GLOBAL PVT. LTD.  
Indian Cable Net Company Ltd.  
Siti Jind Digital Network Pvt. Ltd.  
Siti Vroadband Services Pvt. Ltd.  
Sai Star Digital Media Pvt. Ltd.  
Siti Vision Digital Media Pvt. Ltd.  
Variety Entertainment Pvt. Ltd.  
Siti Guntur Digital Network P. Limited  
Siti Faction Digital Private Limited  
Siticable Broadband South Ltd.  
Wire & Wireless Tisai Satellite Ltd.  
Central Bombay Cable Network Ltd

**iii Key Managerial Personnel**

KRISHAN MOHAN RAO DANDAMUDI-MANAGING DIRECTOR  
SAI BABU POTLURI  
POTLURI JAYANTH  
SURYANARAYANA GUDURU  
Ankit Kumar Arya  
VENKATA NAGESWARA THRINATH ITIKA

SURESH KUMAR  
MANOJ PHOOLCHAND AGARWAL  
RADHEY SHYAM PANDEY  
Sanjay Arya  
Vjay Kalur

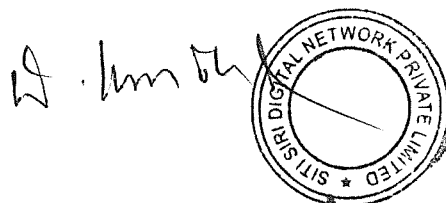
**iv Other Related Parties**

Mega Satellite Services Private Limited  
3 Way Cable Communication Pvt. Ltd.  
Singareni Home Entertainment Pvt. Ltd.

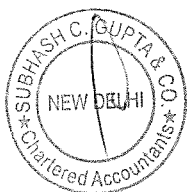
Lotus Broadband Private Limited  
Divya Cable Network



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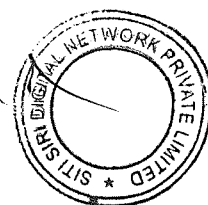


<b>Transactions with:</b>	<b>2020-21</b>	<b>2019-20</b>
<b>Holding Company- Siti Networks Ltd.</b>		
Operational Expenses Paid	69,25,181	64,27,364
Management/Usage Charges	8,74,18,286	12,99,77,157
Purchase of STB	-	-
Reimbursement of expenses	7,800	1,40,445
Feed Charges Received	58,91,577	1,98,00,000
Pay channel expense payable	-	1,41,29,829
Pay Channel expenses	-	33,01,241
Purchase of VC cards	-	1,60,000
OCD fair valuation loss	-	90,34,288
Sale of STB	2,10,47,760.00	-
<b>Fellow Subsidiary Companies</b>		
<b>Master Channel Community N/w Pvt. Ltd.</b>		
Sale of STB	1,76,80,956	28,79,041
Purchase of STB	57,60,000	2,52,28,600
Feed Charges Received	41,08,379	49,42,582
<b>Siti Vision Digital Media Private Limited</b>		
Sale of STB	37,10,260	-
<b>E-Net Entertainment Private Limited</b>		
Interest Income	2,30,548	-
Advance Given	3,00,00,000	-
<b>Transaction with - ZEEL, ZMCL</b>		
Carriage fee / LCN incentive income during the year - ZEEL	1,44,90,805	2,72,35,358
Carriage fee / LCN incentive income during the year - ZMCL	-	43,25,100
Credit note issued during the year - ZMCL	1,05,570	51,90,120
Paychannel expense during the year - ZEEL	15,25,39,721	14,25,71,648
<b>With Key Managerial Personnel</b>		
Remuneration Paid	60,00,000	60,00,000
<b>With other related parties</b>		
Commission Paid	6,58,26,139	8,49,90,638
<b>Outstanding as on 31.3.2021</b>		
<b>Unsecured Loan</b>		
Siti Networks Limited	8,49,63,076	19,85,64,191
Variety Entertainment Pvt. Ltd.	15,65,50,000	20,65,50,000
POTLURI JAYANTH	-	-
D.K. Mohan	-	-
<b>Advance Receivable</b>		
E-Net Entertainment Private Limited	3,02,30,548	-
<b>Sundry Creditors</b>		
OCD amount payable to SCNL	74,49,00,000	74,49,00,000
Divya Digital Network	29,00,000	29,00,000
Singareni Home Entertainment Pvt. Ltd.	-	-
Master Channel Community N/w Pvt. Ltd.	66,15,703	49,67,772
JV Commission Creditors	3,67,27,457	1,67,98,775
Zee Entertainment Enterprises Limited	-	2,35,39,724
<b>Trade Receivables</b>		
Zee Entertainment Enterprises Limited	1,70,05,446	1,98,02,565
Zee Media Corporation Limited	1	46,71,109
<b>Amount Payable to</b>		
POTLURI JAYANTH	-	-
D.K. Mohan	6,200	41,79,398
Siti Networks Limited	-	64,27,364
JV Commission Creditors	-	-



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- g. Optionally Convertible Debentures (OCD) has been fair valued as on 31st March, 2021 by the management and there is no change in the value of OCD compared to PY.
- h. Pursuant to the Indian Accounting Standard for ' Taxes on Income' (Ind AS-12), deferred tax liability/assets at the balance sheet date is:

	<u>2020-21</u>	<u>2019-20</u>
Deferred tax liability / (Asset) on account of difference between book value of depreciable assets as per books of account and written down value as per Income Tax	(1,73,91,548)	17,71,241
Deferred tax assets on account of disallowance under section 43 B or allowed on payment basis.	11,05,624	9,72,467
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>1,84,97,172</b>	<b>(7,98,774)</b>

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

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

**a. Credit risk**

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

**Credit risk management**

**Credit risk rating**

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

- A: Low credit risk on financial reporting date  
B: High credit risk

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

<b>Asset group</b>	<b>Basis of categorisation</b>	<b>Provision for expected credit</b>
Low credit risk	Investment, Cash and	12 month expected credit loss
High credit risk	Trade receivables,	Based on estimates

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

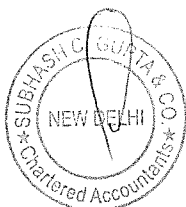
Credit rating	Particulars	<u>31-Mar-21</u>	<u>31-Mar-20</u>
A: Low credit risk	Investment, Cash and cash equivalents and other financial assets except security deposits and amount recoverable	337.53	361.05
B: High credit risk	Trade receivables, security deposits and amount recoverable	202.52	279.99

as at March 31, 2021

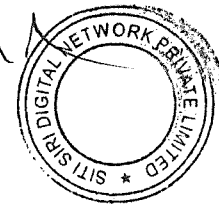
Particular	Estimated gross carrying amount at default	Expected credit losses	Rs. in million
			Carrying amount net of impairment provision
Trade receivables	171.49	2.12	169.37
Security deposits	0.87	-	0.87
Advances recoverable	32.29	-	32.29

as at March 31, 2020

Particular	Estimated gross carrying amount at default	Expected credit losses	Rs. in million
			Carrying amount net of impairment provision
Trade receivables	221.93	2.32	219.61
Security deposits	0.87	-	0.87
Advances recoverable	59.51	-	59.51



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

Loss allowance on March 31, 2017	-
Changes in loss allowance	-
Loss allowance on March 31, 2019	-
Changes in loss allowance	2.32
Loss allowance on March 31, 2020	2.32
Changes in loss allowance	0.20
Loss allowance on March 31, 2021	2.12

**(i) Trade and other receivables**

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

**(ii) Financial assets that are neither past due nor impaired**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's assessment of credit risk about particular financial institution. None of the Company's cash equivalents, including term deposits (i.e., certificates of deposit) with banks, were past due or impaired as at 31 March 2021.

**b. Liquidity risk**

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

as at March 31, 2021

Particulars	Amounts in Rs		
	Less than 1 year	1-5 year	Total
Borrowings	-	74,49,00,000	74,49,00,000
Trade payables	24,73,89,500	24,16,15,651	48,90,05,151

as at March 31, 2020

Particulars	Amounts in Rs		
	Less than 1 year	1-5 year	Total
Borrowings	-	74,49,00,000	74,49,00,000
Trade payables	20,89,01,964	47,64,73,159	68,53,75,123

**c. Market risk**

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

**d. Interest rate risk**

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

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

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

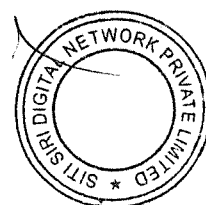
l. Trade receivables, Trade payables, Current liabilities, Expenses Recoverable/payable & other loans & Advances are subject to confirmation and reconciliation from the parties.

m. Information required as per the Micro, Small and Medium Enterprises Development Act, 2006 small Scale Industries.

The Company has identified Micro, Small and Medium Enterprises on the basis of Information available. As at March 31, 2021, there are no dues to Micro, Small and Medium Enterprises that are reportable under the MSMED Act, 2006.



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- n. Siti Siri Digital Networks Pvt. Ltd. (hereinafter referred to as the 'Company' ) was incorporated in the state of Andhra Pradesh, India. The Company is engaged in distribution of television channels through digital cable distribution network and allied services. Effective February 01, 2019, the revised regulatory framework (hereinafter referred to as "Tariff Order 2017") released in March 2017 by the Telecom Regulatory Authority of India 'TRAI' for digital television services is applicable on the Company.
- o. The company has calculated the benefits provided to employees as per accounting standards 15, are as under

#### Defined Benefit Plans

- a.) Gratuity Plan  
b.) Leave Encashment

In accordance with Accounting Standards 15 (Revised), the actuarial valuation carried out in respect of the aforesaid defined benefit plans is based on the following assumption.

Actuarial Assumption	Leave Encashment	Employee Gratuity Fund
Discount Rate (Per annum)	7.00%	7.00%
Rate of Increase in compensation levels	5.00%	5.00%
Expected Rate of return on plan assets	-	-
Expected Average remaining working lives of employees	26.10	26.10
<b>Change in obligation during the year ended 31st March, 2021</b>		
Present Value of obligation as at 1st April, 2020	4,42,376	5,91,489
Acquisition adjustment	-	-
Interest cost	30,966	41,404
Past service cost	-	-
Current service cost	1,22,449	1,59,873
Curtailment cost/(Credit)	-	-
Settlement cost/(Credit)	-	-
Benefits paid	-	-
Actuarial (gain)/loss on obligation	(1,23,788)	(1,10,242)
Present value of obligation as at the end of period (31st March, 2021)	4,72,003	6,82,524
Change in fair value plan Assets	Nil	Nil
<b>Movement in the liability recognized in the Balance</b>		
Opening net liability (01.04.2020)	(4,42,376)	(5,91,489)
Expense as above	29,627	91,035
Benefits paid	-	-
Actual return on plan assets	-	-
Acquisition adjustment	-	-
Net assets/(Liability) recognised in Balance Sheet as provision (31.03.2020)	(4,72,003)	(6,82,524)
<b>Expenses recognised in Profit and Loss Account</b>		
Current service cost	1,22,449	1,59,873
Past service cost	-	-
Interest cost	30,966	41,404
Expected return on plan assets	-	-
Curtailment cost / (Credit)	-	-
Settlement cost / (credit)	-	-
Expenses recognized in the statement of profit & losses	1,53,415	2,01,277
<b>Other comprehensive (income) / expenses (Remeasurement)</b>		
Actuarial (gain)/loss - obligation	(1,23,788)	(1,10,242)
Actuarial (gain)/loss - plan assets	-	-
Total Actuarial (gain)/loss	(1,23,788)	(1,10,242)

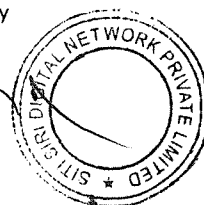
#### Sensitivity Analysis

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



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### Sensitivity Analysis for Gratuity

Period	As on: 31/03/2021
Defined Benefit Obligation (Base)	6,82,524 @ Salary Increase Rate : 5%, and discount rate : 7.00%
Liability with x% increase in Discount Rate	6,15,416; x=1.00% [Change (10)% ]
Liability with x% decrease in Discount Rate	7,63,901; x=1.00% [Change 12% ]
Liability with x% increase in Salary Growth Rate	7,64,748; x=1.00% [Change 12% ]
Liability with x% decrease in Salary Growth Rate	6,13,659; x=1.00% [Change (10)% ]
Liability with x% increase in Withdrawal Rate	6,93,874; x=1.00% [Change 2% ]
Liability with x% decrease in Withdrawal Rate	6,68,531; x=1.00% [Change (2)% ]

### Sensitivity Analysis for Leave Encashment

Period	As on: 31/03/2021
Defined Benefit Obligation (Base)	4,72,003
Liability with x% increase in Discount Rate	4,24,425; x=1.00% [Change (10)% ]
Liability with x% decrease in Discount Rate	5,29,704; x=1.00% [Change 12% ]
Liability with x% increase in Salary Growth Rate	5,30,305; x=1.00% [Change 12% ]
Liability with x% decrease in Salary Growth Rate	4,23,180; x=1.00% [Change (10)% ]
Liability with x% increase in Withdrawal Rate	4,83,221; x=1.00% [Change 2% ]
Liability with x% decrease in Withdrawal Rate	4,59,013; x=1.00% [Change (3)% ]

### p. Tax Expense

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

	Rs. in million	
	Mar 31,2021	Mar 31,2020
<b>Income tax related to items recognised directly in the</b>		
Current tax - current year	13.90	11.10
Current tax - Previous year	0.30	-
Deferred tax charge / (benefit)	(19.30)	(17.08)
Total	<b>-5.10</b>	<b>-5.98</b>
Effective tax rate	31.52%	-46.58%

**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, 2021 and 31 March, 2020 is as follows:**

Profit before tax	-16.18	12.83
Effective tax rate	27.82%	27.82%
Tax at statutory income tax rate	-	-
Tax effect on non-deductible expenses	-	-
Additional allowances for tax purposes	-	-
Effect of tax on group companies incurring losses	-	-
Effect of tax rate difference of subsidiaries	-	-
Other differences	-5.10	-5.98
<b>Tax expense recognised in the statement of profit and loss</b>	<b>-5.10</b>	<b>-5.98</b>

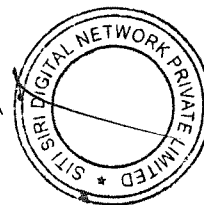
### q. Fair value measurements

#### A. Financial instruments by category

	NOTES	Rs. millions	
		31-Mar-21	
		FVTPL	Amortised cost
<b>Financial assets</b>			
Bank deposits		-	-
Amount recoverable		-	-
Interest accrued and not due on fixed deposits		-	-
Security deposits		-	0.87
Unbilled revenues		-	32.29
Trade receivables		-	169.37
Investments (Current, financial assets)		-	-
Cash and cash equivalents		-	205.32
<b>Total financial assets</b>		<b>-</b>	<b>407.85</b>
<b>Financial liabilities</b>			
Borrowings (Non-current, financial liabilities)		-	744.90
Borrowings (Current, financial liabilities)		-	-
Payables for purchase of property, plant and equipment		-	-
Security deposits received from customer		-	-
Trade payables		-	488.96
Other financial liabilities (current)		-	-
<b>Total financial liabilities</b>		<b>-</b>	<b>1,233.86</b>



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	Rs. millions	
	31-Mar-20	
	FVTPL	Amortised cost
<b>Financial assets</b>		
Bank deposits	-	-
Amount recoverable	-	7.58
Interest accrued and not due on fixed deposits	-	-
Security deposits	-	0.87
Unbilled revenues	-	51.93
Trade receivables	-	219.61
Investment (Current, financial assets)	-	-
Cash and cash equivalents	-	221.94
Other bank balances	-	-
<b>Total financial assets</b>	<b>-</b>	<b>501.92</b>
<b>Financial liabilities</b>		
Borrowings (non-current, financial liabilities)	9.03	744.90
Borrowings (Current, financial liabilities)	-	-
Payables for purchase of property, plant and equipment	-	-
Security deposits	-	-
Trade payables	-	685.38
Other financial liabilities (current)	-	-
<b>Total financial liabilities</b>	<b>9.03</b>	<b>1,430.28</b>

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

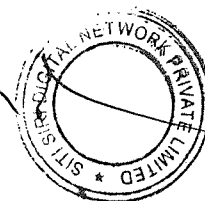
	March 31, 2021	
	Carrying amount	Fair value
<b>Financial assets</b>		
Bank deposits	-	-
Amount recoverable	-	-
Interest accrued and not due on fixed deposits	-	-
Security deposits	0.87	0.87
Unbilled revenue	32.29	32.29
Trade receivables	171.49	169.37
Cash and cash equivalents	205.32	205.32
Other bank balances	-	-
<b>Total financial assets</b>	<b>409.97</b>	<b>407.85</b>
<b>Financial liabilities</b>		
Borrowings (non-current, financial liabilities)	744.90	744.90
Borrowings (current, financial liabilities)	-	-
Payables for purchase of property, plant and equipment	-	-
Security deposits	-	-
Trade payables	488.96	488.96
Other financial liabilities (current)	-	-
<b>Total financial liabilities</b>	<b>1,233.86</b>	<b>1,233.86</b>
	March 31, 2020	
	Carrying amount	Fair value
<b>Financial assets</b>		
Bank deposits	-	-
Amount recoverable	7.58	7.58
Interest accrued and not due on fixed deposits	-	-
Security deposits	0.87	0.87
Unbilled revenue	51.93	51.93
Trade receivables	221.93	219.61
Cash and cash equivalents	221.94	221.94
Other bank balances	-	-
<b>Total financial assets</b>	<b>504.24</b>	<b>501.92</b>
<b>Financial liabilities</b>		
Borrowings (non-current, financial liabilities)	744.90	744.90
Borrowings (current, financial liabilities)	-	-
Payables for purchase of property, plant and equipment	-	-
Security deposits	-	-
Trade payables	685.38	685.38
Other financial liabilities (current)	-	-
<b>Total financial liabilities</b>	<b>1,430.28</b>	<b>1,430.28</b>

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



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

**t. Leases**

**Finance lease: Company as lessee**

**2021**  
Amounts in Rs

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

**Operating lease : Company as a lessee**

The Company has taken various commercial premises under operating leases. These leases have varying terms, escalation clauses and renewal rights. On renewal the terms of the leases are renegotiated. Rent amounting to Rs.1422000 (March 31, 2020- Rs.1666839) has been debited to standalone statement of profit and loss during the year.

**u. Capital management**

**Risk Management**

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

Particular	March 31, 2021	March 31, 2020
Cash and cash equivalents (refer note 5)	20,53,24,524	22,19,38,178
Current investments	-	-
Margin money	-	-
<b>Total cash (A)</b>	<b>20,53,24,524</b>	<b>22,19,38,178</b>
Borrowings (non-current, financial liabilities) (refer note 10)	74,49,00,000	74,49,00,000
Borrowings (current, financial liabilities) (refer note 15)	-	-
Current maturities of long-term borrowings (refer note 22)	-	-
Current maturities of finance lease obligations (refer note 22)	-	-
<b>Total borrowing (B)</b>	<b>74,49,00,000</b>	<b>74,49,00,000</b>
<b>Net debt (C=B-A)</b>	<b>53,95,75,476</b>	<b>52,29,61,822</b>
Total equity		
<b>Total capital (equity + net debts) (D)</b>	<b>56,66,80,750</b>	<b>56,06,55,089</b>
<b>Gearing ratio (C/D)</b>	<b>0.95</b>	<b>0.93</b>

v. The GST liabilities and Input credit of GST are subject to reconciliation.

w. COVID 19 was declared as a pandemic by WHO on 11, March, 2020 is continuing to spread across the world and India. Since March 2020, The Indian government has imposed a 21 day nationwide lockdown which was extended in tranches till 31st May 2020 with relaxations to essential services and selected economic activities. The company continued to operate during the lockdown providing the cable television services to its customers which has been declared as an essential service. Based on the management assessment and review of the current economic scenerio, the management does not expect any significant impact of COVID-19 on the company.

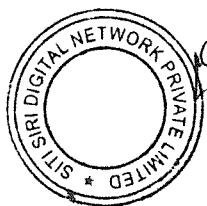
As per our Report of even date  
For Subhash C. Gupta & Co.  
Chartered Accountants  
Firm Regn. No. 004103N

Partner : Lokesh Gupta  
M. No. 503853

Place: New Delhi

Date: 21.06.2021

For and on behalf of the Board  
For Siti Siri Digital Network  
Pvt. Ltd.



Director  
DIN:

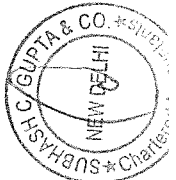
Director  
DIN:

**SITI SIRI DIGITAL NETWORK PVT LTD.,**

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

Note - 2 : Property Plant and Equipment

Tangible Assets	Vehicle	Computer	Digital Equipment	Office Equipment	EPABX and PRI for Call Center Asset	Furniture and Fixtures	Set Top Boxes	Leasehold Improvement	(Amounts in Rupees)	
									Total	Total
For year ended 31 March 2019										
Gross carrying amount		310,397	32,155,204	1,823,984	-	259,493	1,437,880,177	1,681,639		1,474,110,894
Less: Depreciation amount as at 1 April 2018		71,220	-	43,643	-	5,800	81,974,561	22,139		82,117,364
Less: Additions during the year		-	-	-	-	-	-	-		-
Less: Deferred Government Grant		-	-	-	-	-	-	-		-
Disposals		-	-	-	-	-	-	-		-
Gross carrying amount as at 31 March 2019		381,617	32,155,204	1,867,627	-	265,293	1,519,854,738	1,703,778		1,556,228,258
Accumulated depreciation										
Accumulated depreciation as at 1 April 2018		193,379	12,260,404	708,112	-	38,903	341,154,588	306,719		354,662,105
Depreciation charge during the year		75,741	4,019,405	370,371	-	26,394	186,185,358	337,661		191,014,930
Less: Deferred Government Grant		-	-	-	-	-	-	-		-
Disposals		-	-	-	-	-	-	-		-
Accumulated depreciation as at 31 March 2019		269,120	16,279,809	1,078,483	-	65,297	527,339,946	644,380		545,677,035
Net carrying amount		112,497	15,875,395	789,144	-	199,996	992,514,792	1,059,398		1,010,551,223
Gross carrying amount										
Gross carrying amount as at 1 April 2019		381,617	32,155,204	1,867,627	-	265,293	1,519,854,738	1,703,778		1,556,228,258
Less: Additions during the year		28,115	720,500	104,817	257,250	13,000	48,976,010			50,099,691
Less: Deferred Government Grant		-	-	-	-	-	-			-
Disposals		-	-	-	-	-	-			-
Gross carrying amount as at 31 Mar 2020		409,732	32,875,704	1,972,444	257,250	278,293	1,568,830,748	1,703,778		1,606,327,949
Accumulated depreciation										
Accumulated depreciation as at 1 April 2019		269,120	16,279,809	1,078,483	-	65,297	527,339,946	644,380		545,677,035
Depreciation charge during the year		63,162	4,088,996	308,280	65,781	27,575	192,841,207	341,690		197,736,691
Less: Deferred Government Grant		-	-	-	-	-	-			-
Disposals		-	-	-	-	-	-			-
Accumulated depreciation as at 31 Mar 2020		332,282	20,368,805	1,386,763	191,469	92,872	720,181,153	986,070		743,413,726
Net carrying amount		77,450	12,506,899	585,681	-	185,421	848,649,595	717,708		862,914,223
Gross carrying amount										
Gross carrying amount as at 1 April 2020		409,732	32,875,704	1,972,444	257,250	278,293	1,568,830,748	1,703,778		1,606,327,949
Less: Additions during the year	2,753,041.00	59,143	133,000	107,973	-	27,056	60,048,947			63,169,160
Less: Deferred Government Grant		-	-	-	-	-	-			-
Disposals		-	-	-	-	-	-			-
Gross carrying amount as at Mar 31, 2021	2,753,041	508,875	33,008,704	2,080,417	257,250	305,349	1,628,879,695	1,703,778		1,669,497,109
Accumulated depreciation										
Accumulated depreciation as at 1 April 2020		332,282	20,368,805	1,386,763	65,781	92,872	720,181,153	986,070		743,413,726
Depreciation charge during the year		66,698	4,118,502	257,487	83,750	28,772	199,212,953	340,755		204,260,826
Less: Deferred Government Grant		-	-	-	-	-	-			-
Disposals		-	-	-	-	-	-			-
Gross carrying amount as at Mar 31, 2021	149,909	398,980	24,487,307	1,644,250	151,531	121,644	919,394,106	1,326,825		947,674,552
Net carrying amount	2,603,132	109,895	8,521,397	436,167	105,719	183,705	709,485,589	376,953		721,822,557



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SITI SIRI DIGITAL NETWORK PVT LTD.,

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

3	Loans & Advances	Mar 31, 2021 Rs.	March 31, 2020 Rs.
	<b>Security deposits</b>		
	Unsecured, considered good	8,67,940	8,67,940
	Doubtful		
		8,67,940	8,67,940
	Less: Provision for doubtful security deposits	-	-
		<b>8,67,940</b>	<b>8,67,940</b>

4	Trade receivables	Mar 31, 2021 Rs.	March 31, 2020 Rs.
	<b>Particulars</b>		
	Trade Receivable - others	17,14,91,521	22,19,26,552
	Trade Receivable - Related parties	-	-
	Less: Expected Credit Loss Allowance	-	-
	<b>Total</b>	<b>17,14,91,521</b>	<b>22,19,26,552</b>
	<b>Sub-classification</b>		
	-Unsecured, considered good	16,93,69,192	21,96,06,108
	-Unsecured, considered doubtful	21,22,329	23,20,444
		17,14,91,521	22,19,26,552
	Expected Credit Loss Allowance	21,22,329	23,20,444
	<b>Total</b>	<b>16,93,69,192</b>	<b>21,96,06,108</b>

**Allowance Movement for Trade Receivables**

Balance at the beginning of the year	23,20,444	-
Provision for doubtful trade receivables (net) for the year	(1,98,115)	23,20,444
<b>Total</b>	<b>21,22,329</b>	<b>23,20,444</b>

5	Cash and bank balances	Mar 31, 2021 Rs.	March 31, 2020 Rs.
	<b>Cash and cash equivalents</b>		
	Cash on hand	26,105	63,352
	Cheques on hand	38,38,204	-
	Balances with banks		
	On current accounts	20,14,60,216	22,18,74,826
	In deposit account (with maturity upto three months)	-	-
		20,53,24,524	22,19,38,178

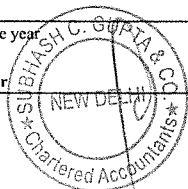
6	Other Financial Assets	Mar 31, 2021 Rs.	March 31, 2020 Rs.
	<b>Unsecured, considered good</b>		
	Unbilled Revenue	3,22,87,667	5,19,28,177
	Expenses Recoverable	-	75,83,075
		3,22,87,667	5,95,11,252

7	Other Current Assets (Unsecured, considered good)	Mar 31, 2021 Rs.	March 31, 2020 Rs.
	Advance to suppliers/others	5,43,75,261	13,18,772
	Advance tax	2,99,30,753	2,98,18,837
	Deposit against VAT demand	4,14,73,839	4,14,73,839
	Prepaid Expenses	16,50,400	2,30,660
	MAT Credit Entitlement	11,84,076	88,25,729
	Accrued Interest on FDR's	-	-
	Balances with statutory authorities	35,95,320	5,74,45,381
		<b>13,22,09,649</b>	<b>13,91,13,218</b>

8	Share capital	Mar 31, 2021 Rs.	March 31, 2020 Rs.
	<b>Authorised share capital</b>		
	10,000 (Previous year: 10,000) equity shares of ₹ 10 each	1,00,000	1,00,000
	<b>Total authorised capital</b>	<b>1,00,000</b>	<b>1,00,000</b>
	<b>Issued, Subscribed and Paid up</b>		
	10,000 (Previous year: 10,000) equity shares of ₹ 10 each	1,00,000	1,00,000
	<b>Total paid up capital</b>	<b>1,00,000</b>	<b>1,00,000</b>

(i) **Reconciliation of number of shares outstanding as on 31.03.2018**

Particulars		Mar 31, 2021	March 31, 2020
Balance at the beginning of the year	Nos.	10,000	10,000
Issued during the year	Nos.	-	-
<b>Balance at the end of the year</b>	<b>Nos.</b>	<b>10,000</b>	<b>10,000</b>



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

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend, if any proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, if any, in proportion to their shareholding.

(iii) **Shares held by Holding Company:**

The details of equity shares held by holding company are as under :

Particulars		Mar 31, 2021	March 31, 2020
Siti Networks Limited	Nos.	5,100	5,100
	%	51.00	51.00

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

Particulars		Mar 31, 2021	March 31, 2020
Siti Networks Limited	Nos.	5,100	5,100
	%	51.00	51.00
Krishan Mohan Rao Dandamudi	Nos.	2,450	2,450
	%	24.50	24.50
Pothuri Sai Babu	Nos.	2,450	2,450
	%	24.50	24.50

9 **Other Equity**

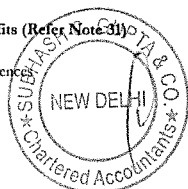
	Mar 31, 2021	March 31, 2020
	Rs.	Rs.
<b>Retained Earnings</b>		
Balance at the beginning of the year	3,76,51,503	1,02,75,789
Previous year MAT Credit Entitlement	2,57,312	85,68,417
Change in Equity	-	-
Add: Profit/(Loss) for the year	(1,10,79,335)	1,88,07,297
<b>Balances as at the end of the year (A)</b>	<b>2,68,29,481</b>	<b>3,76,51,503</b>
<b>Others</b>		
Transfer from Deferred Activation Revenue	-	-
<b>Balances as at the end of the year (B)</b>	<b>-</b>	<b>-</b>
<b>Other Comprehensive income</b>		
Balance at the beginning of the year	(58,236)	9,744
Other comprehensive income -Gratuity/Leave Encashment	2,34,030	(67,980)
<b>Balances as at the end of the year (C)</b>	<b>1,75,794</b>	<b>(58,236)</b>
<b>Balances as at the end of the year (A+B+C)</b>	<b>2,70,05,275</b>	<b>3,75,93,267</b>

10 **Long-term borrowings**

	Mar 31, 2021	March 31, 2020
	Rs.	Rs.
<b>(a) Term loans from banks (Secured)</b>		
HDFC Bank Car Loan	-	-
*Terms of Repayment: 36 Monthly Installments	-	-
*Rate of Interest: 9.50%	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>(b) Unsecured Optionally Convertible Debentures (OCD) issued to holding company</b>		
744900000 (744900000) No. of OCDs of Rs. 1/- each	74,49,00,000	74,49,00,000
Less: Transfer to equity	-	-
Add: Interest Accrued for the year	-	-
<b>At the end of the year</b>	<b>74,49,00,000</b>	<b>74,49,00,000</b>
<b>Terms &amp; Conditions:</b>		
The term of OCD shall be 20 years from the date or option exercised by company /Debenture Holders, whichever is earlier.		
- The Company or the Debenture holder have an option either to redeem or to convert the one OCD into Equity shares of such no. within a period of 20 Years.		
Each OCD shall be converted into such number of equity shares/preference shares of the face value of Rs.10 each calculated at fair market value as on the date of issue of OCDs.		
-The OCDs issued are Unsecured Debentures and are non marketable.		
The OCDs would carry an interest @0.01% p.a. Which shall be cumulative and payable only at the time of conversion and/or redemption.		
<b>(c) Loans and advances from Directors/Related parties- Unsecured</b>		
*Terms of Repayment: Not Specified	-	-
* Rate of interest: Nil	-	-
<b>Total Long term Loan (A+B+C)</b>	<b>74,49,00,000</b>	<b>74,49,00,000</b>

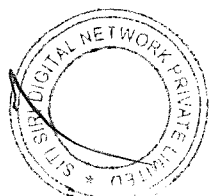
11 **Provisions**

	Mar 31, 2021	March 31, 2020
	Rs.	Rs.
<b>Provision for employee benefits (Refer Note 31)</b>		
Provision for gratuity	5,85,673	4,97,499
Provision for compensated absences	4,05,144	3,66,787
	<b>9,90,817</b>	<b>8,64,286</b>
	1,26,531	



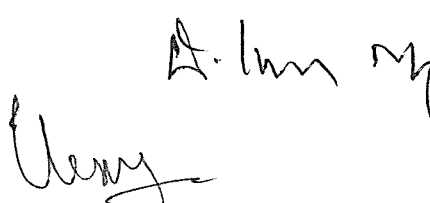
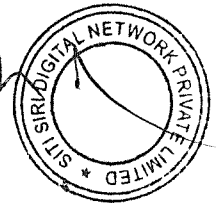
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12	Deferred tax liability (net)	Mar 31, 2021 Rs.	March 31, 2020 Rs.
	<b>Deferred tax liability</b>		
	Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(1,73,91,548)	17,71,241
	Others	-	-
	Gross deferred tax liability	<u>(1,73,91,548)</u>	<u>17,71,241</u>
	<b>Deferred tax asset</b>		
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed	11,05,624	9,72,467
	Others	-	-
	Gross deferred tax Assets	<u>11,05,624</u>	<u>9,72,467</u>
	<b>Net deferred tax Liabilities</b>	<u>(1,84,97,172)</u>	<u>7,98,773</u>
	<b>13 Other Non-Current Liabilities</b>		
	Deferred Activation Revenue	-	-
		-	-
	<b>14 Trade payables</b>		
	Trade Payables - others	26,74,66,684	28,02,60,932
	Trade payables - related parties	22,14,89,636	40,51,14,191
		<u>48,89,56,320</u>	<u>68,53,75,123</u>
	<b>15 Other Current Liabilities</b>		
	Advances from customers	95,77,193	58,00,659
	Payable for statutory liabilities	1,30,53,392	2,32,62,772
	ESIC/PF/PT Payable	1,09,282	82,445
	Bonus Payable	6,97,350	3,85,950
	Others - Employee dues	3,59,765	41,79,398
	Income billed in advance	4,18,42,854	4,35,13,709
	Interest free Deposit received against STB	1,52,600	1,52,600
		<u>6,57,92,436</u>	<u>7,73,77,533</u>
	<b>16 Provisions</b>		
	Liability for expenses	-	-
	Liability for Gratuity	96,851	93,990
	Liability for Leave Encashment	66,860	75,589
	Provision for Taxation A/c	1,39,00,000	1,11,00,000
		<u>1,40,63,711</u>	<u>1,12,69,579</u>



**SITI SIRI DIGITAL NETWORK PVT LTD.,**

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

**17 Revenue from operations**

	Mar 31, 2021 Rs.	March 31, 2020 Rs.
Sale of services		
Digital income	1,13,79,43,572	1,06,09,70,119
Advertisement income	-	-
Carriage income	37,84,38,008	30,79,85,182
Sale of STB	4,38,59,113	48,06,375
	<b>1,56,02,40,693</b>	<b>1,37,37,61,676</b>

**18 Other income**

	Mar 31, 2021 Rs.	March 31, 2020 Rs.
Interest income on Bank deposits and other	1,26,95,953	1,69,07,623
Excess provisions written back	-	9,276
STB Repairing Charges Income AP	6,42,556	9,44,222
Digital Feed & Installation Charges	99,99,956	2,47,42,582
Other non-operating income	2,82,494	3,53,226
	<b>2,36,20,959</b>	<b>4,29,56,929</b>

**19 Carriage Sharing, Pay Channel and Related Cost**

	Mar 31, 2021 Rs.	March 31, 2020 Rs.
Purchase of STB	4,28,23,138	47,35,124
	<b>4,28,23,138</b>	<b>47,35,124</b>

**20 Carriage Sharing, Pay Channel and Related Cost**

	Mar 31, 2021 Rs.	March 31, 2020 Rs.
Pay Channel Expenses	98,78,20,535	88,54,95,843
	<b>98,78,20,535</b>	<b>88,54,95,843</b>



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**SITI SIRI DIGITAL NETWORK PVT LTD.,**

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

**21 Employee benefits expense**

	Mar 31, 2021	March 31, 2020
	Rs.	Rs.
Salaries and allowances	1,21,66,853	1,10,28,429
Contributions to provident and other funds	6,15,487	4,49,684
Employee benefits expenses	3,54,693	3,38,515
Bonus	6,97,350	3,39,990
Staff welfare expenses	97,247	1,18,285
	<b>1,39,31,630</b>	<b>1,22,74,903</b>

**22 Finance costs**

	Mar 31, 2021	March 31, 2020
	Rs.	Rs.
Interest on late deposit of TDS/Service Tax/GST	46,487	7,80,205
Bank charges	49,355	24,659
Profit/Loss on fair valuation of OCD	-	90,34,288
	<b>95,842</b>	<b>98,39,152</b>

**23 Depreciation and amortisation expenses**

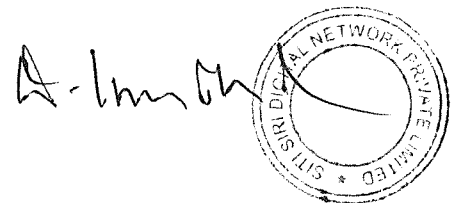
	Mar 31, 2021	March 31, 2020
	Rs.	Rs.
Depreciation of tangible assets (Refer note 12)	20,42,60,826	19,77,36,691
Amortisation of intangible assets (Refer note 13)	-	-
	<b>20,42,60,826</b>	<b>19,77,36,691</b>

**24 Other expenses**

	Mar 31, 2021	March 31, 2020
	Rs.	Rs.
Rent	14,22,000	16,66,839
Rates and taxes	1,96,600	68,977
Communication expenses	6,77,310	6,85,940
Repairs and maintenance		
- Network	17,62,243	8,80,860
- Others	3,84,105	1,01,346
Bandwidth Charges	3,56,93,073	4,96,88,608
Other Operational Expenses	2,42,34,006	64,27,364
Service Tax W/Off	2,73,15,924	-
Bad Debts	1,04,39,925	-
Business Promotion	45,251	6,54,897
Management Charges	8,74,18,286	12,99,77,157
Electricity and water charges	8,28,170	7,89,464
Legal, professional and consultancy charges	4,47,025	11,60,570
Printing and stationery	19,231	57,249
Travelling and conveyance expenses	3,05,782	2,05,347
Auditors' remuneration*	90,000	90,000
Commission on Collection	14,36,60,803	8,49,90,638
Commission to payment gateways	76,82,790	86,79,932
Office Expenses	3,22,127	1,40,805
Other operational cost	63,29,500	50,00,442
Exchange fluctuation loss (net)	94,317	1,44,219
Provision for Doubtful debts	12,96,329	23,20,444
Miscellaneous expenses	25,470	75,000
Excess Provision written off	4,17,384	-
	<b>35,11,07,650</b>	<b>29,38,06,098</b>



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**SITI SIRI DIGITAL NETWORK PVT LTD.,**

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

*Auditors' remuneration		
as an auditor	90,000	90,000
Limited review fees	40,000	40,000
for other services (certifications)	33,500	23,000
for reimbursement of expenses		-
	<b>1,63,500</b>	<b>1,53,000</b>

**25 Earnings per share**

	<b>Mar 31, 2021</b>	<b>March 31, 2020</b>
	<b>Rs.</b>	<b>Rs.</b>
Loss attributable to equity shareholders	(1,10,79,335)	1,88,07,297
Number of weighted average equity shares		
Basic	10,000	10,000
Diluted	10,000	10,000
Effect of dilutive potential equity shares~		
Employee stock options	0	-
Warrants	0	-
Optionally fully convertible debentures	0	-
Nominal value of per equity share ( ` )	10	10
Profit/Loss per share after tax ( ` )		
Basic	(1,107.93)	1,880.73
Diluted	(1,107.93)	1,880.73

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

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*A. Kumar*

