

Subhash C. Gupta & Co.

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SITI GUNTUR DIGITAL NETWORK PRIVATE LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **SITI GUNTUR DIGITAL NETWORK PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2018, 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.

Management's Responsibility for the Standalone Financial Statements

2. 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the company as at 31st March 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. 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.

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

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

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

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

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

(e) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 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 31st March 2018 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


Manoj Kumar
(Partner)

Membership No.: 504435

Place : New Delhi
Date :14.05.2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Siti Guntur Digital Network Pvt. Ltd. on the standalone financial statements for the year ended 31st March 2018

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.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on the verification of these assets.
 - (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 interest free unsecured loan of Rs. 4.71 crore (Previous Year 4.41 Crore) 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 subject to non-charging of interest.
 - c) No repayment schedules have been fixed for the loans given by 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 investments 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) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) To the best of our knowledge and according to the information and explanations given to us the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, 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	Swachh Bharat Cess	6054	Upto June, 2017

(b) To the best of our knowledge & according to the information and explanations given to us, there are no dues in respect of income-tax, sales-tax, wealth tax, service tax, 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.

(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 45-1A of the Reserve Bank of India Act, 1934.

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


Manoj Kumar
(Partner)

Membership No.: 504435

Place : New Delhi
Date : 14.05.2018

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of Siti Guntur Digital Network Pvt. Ltd. on the standalone financial statements for the year ended 31st March 2018.

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

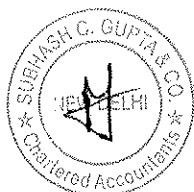
1. We have audited the internal financial controls over financial reporting of Siti Guntur Digital Network Pvt. Ltd. ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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


Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For Subhash C. Gupta & Co.

Chartered Accountants

Firm's Registration No.: 004103N


Manoj Kumar
(Partner)

Membership No.: 504435

Place : New Delhi

Date : 14.05.2018

SITI GUNTUR DIGITAL NETWORK PVT. LTD.
Balance sheet as at March 31, 2018

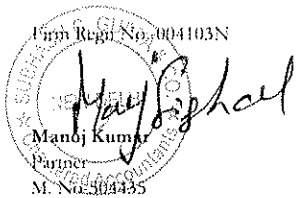
	Notes	March 31, 2018 Rs.	March 31, 2017 Rs.
A. Assets			
1. Non-current assets			
Fixed assets			
(a) Property, plant and equipment	2	16,33,349	24,94,533
(b) Financial assets			
(i) Loans & Advances	3	3,35,720	3,35,720
(ii) Deferred Tax	10	6,69,609	5,81,329
Sub-total of Non-current assets		<u>26,38,678</u>	<u>34,11,582</u>
2. Current assets			
(a) Financial assets			
(i) Trade receivables	4	2,27,15,425	2,94,05,028
(ii) Cash and bank balances	5	46,89,928	1,49,58,466
(b) Other current assets	6	5,13,26,603	4,98,26,185
Sub-total of Current assets		<u>7,87,31,956</u>	<u>9,41,89,679</u>
Total assets		<u>8,13,70,634</u>	<u>9,76,01,261</u>
B. Equity and liabilities			
Equity			
(a) Equity share capital	7	1,00,000	1,00,000
(b) Other equity	8	1,66,79,276	1,82,32,530
Sub-total - Equity		<u>1,67,79,276</u>	<u>1,83,32,530</u>
Liabilities			
1. Non-current liabilities			
(a) Provisions	9	-	7,00,140
Sub-total - Non-current liabilities		<u>-</u>	<u>7,00,140</u>
2. Current liabilities			
(a) Financial liabilities			
(i) Trade payables	11	6,24,60,958	7,47,13,063
(b) Other current liabilities	12	21,30,400	38,32,028
(c) Provisions	13	-	23,500
Sub-total of current liabilities		<u>6,45,91,358</u>	<u>7,85,68,591</u>
Total equity and liabilities		<u>8,13,70,634</u>	<u>9,76,01,261</u>

Summary of significant accounting policies 1 - -

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



Place : New Delhi

Date : 14.05.2018

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

Director
DIN:08100969
Ankit Kumar Arya

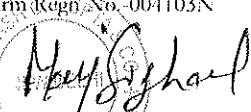
Managing Director
DIN: 00098362
Krishna Mohan Rao D

SITI GUNTUR DIGITAL NETWORK PVT. LTD.
Statement of profit and loss for the year ended March 31, 2018

	Notes	March 31, 2018 Rs.	March 31, 2017 Rs
Revenue			
Revenue from operations	14	-	2,70,46,260
Other income	15	5,91,171	9,72,022
Total revenue		5,91,171	2,80,18,282
Expenses			
Carriage sharing, pay channel and related costs	16	-	-
Employee benefits expense	17	-	85,89,143
Finance costs	18	26,773	94,209
Depreciation and amortisation expenses	19	8,61,184	8,10,743
Other expenses	20	13,44,748	1,89,03,446
Total expenses		22,32,705	2,83,97,541
Profit before prior period expenses		(16,41,534)	(3,79,259)
Prior period Income/(expenses)		-	-
Profit before tax		(16,41,534)	(3,79,259)
Tax Expenses			
Current Tax		-	23,500
Previous Year Tax		-	-
Deferred Tax		(88,280)	(8,240)
Total Profit/(Loss) for the period		(15,53,254)	(3,94,519)
Other Comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined benefit (liabilities) / assets		-	(45,641)
(b) Remeasurement of the activation Income			-
Total Comprehensive Income/(loss) for the year		(15,53,254)	(3,48,878)
Profit/(Loss) per share after tax	21		
Basic		(155.33)	(39.45)
Diluted		(155.33)	(39.45)
Summary of significant accounting policies	3		
The accompanying notes are an integral part of these financial statements.			

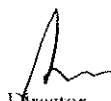
This is the statement of profit and loss referred to in our report of even date

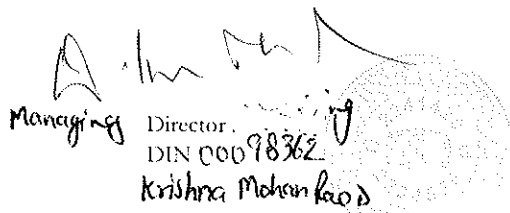
For Subhash C. Gupta & Co.
Chartered Accountants
Firm Regn. No. - 004103N


per Manoj Kumar
Partner
M. No-504435

Place : New Delhi
Date : 14.05.2018

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


Director
DIN:08100969
Ankit Kumar Arya


Managing Director
DIN 00098362
Krishna Mohan Rao

SITI GUNTUR DIGITAL NETWORK PVT. LTD.
Cash flow statement for the year ended March 31, 2018

PARTICULARS	Year ended	Year ended
	March 31, 2018	March 31, 2017
	Amount in Rs.	Amount in Rs.
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Income / (Loss) before Tax	(16,41,534)	(3,79,259)
Adjustments for :		
Depreciation	8,61,184	8,10,743
Loss(profit) on sale /disposal of assets	-	-
Provision for Doubtful Debts	10,00,000	-
Interest Expense	26,773	94,209
Income Tax paid	-	-
Provision for Taxation including Deferred Tax	88,280	(15,260)
comprehensive income recognised directly in retained earnings	-	45,641
Taxes Paid	-	-
Operating Profit before working capital changes	3,34,703	5,56,074
Increase in Trade Receivables	56,89,603	91,12,623
Decrease(Increase) in Long Terms L&A and Other non current assets	(88,280)	(14,960)
Decrease(Increase) in Short Terms L&A and Other current assets	(15,00,418)	(21,81,702)
Increase(Decrease) in Long Terms liabilities and provisions	(7,00,140)	1,67,353
Current Liabilities and Provisions	(1,39,77,233)	(76,58,357)
Net Cash Flow from Operating Activities	(1,02,41,765)	(18,969)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	(18,62,903)
outflow towards Investments	-	-
sale of Fixed Assets	-	-
Net Cash utilised in Investing Activities	-	(18,62,903)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid (Net)	(26,773)	(94,209)
Proceeds from Long Term borrowings	-	-
Proceeds from Share Application Money	-	-
Proceeds from Issue of Share Capital	-	-
Net Cash provided by Financing Activities	(26,773)	(94,209)
Net Increase in cash and cash equivalents during the year	(1,02,68,539)	(19,76,081)
cash and cash equivalents at beginning of year	1,49,58,467	1,69,34,548
Cash and Cash Equivalents at end of the Year	46,89,928	1,49,58,467

Note :

1 Component of Cash & cash Equivalents at the end of year		
Cash in hand	2,56,700	1,88,385
Cheques in hand	-	-
Balances with Scheduled Banks in Current Accounts	43,08,019	41,05,128
FDR's with Bank	1,25,209	1,06,64,954
	<u>46,89,928</u>	<u>1,49,58,467</u>
	(0.00)	-

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

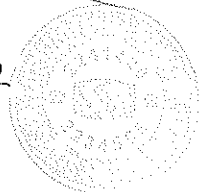
Manoj Kumar
Partner
Membership No.: 504435

Place : New Delhi
Date : 14.05.2018

For Siti Guntur Digital Network Pvt. Ltd.

Director
DIN: 08100969
Name
Ankit Kumar Arora

Director
DIN: 00098302
Name:
Krishna Mohan
Rao D



SITI GUNTUR DIGITAL NETWORK PVT. LTD.

Note: 1 Company overview and Significant Accounting Policies

1.1 Company Overview

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

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 2018, together with the comparative period as at and for the year ended 31 March 2017. 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.

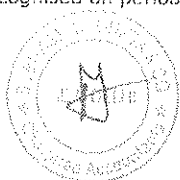
ii.) Revenue is measured at the fair value of the consideration received/receivable net of rebates and taxes. The Company applies the revenue recognition criteria to each separately identifiable component of the sales transaction as set out below.

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.



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
Eelectrical Equipment	5.00
Furniture & Fixtures	10.00
Air Conditioners	5.00
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

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.

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.

p. Standards issued but not yet effective

Ind AS 21:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018.

Ind AS 115:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors;
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

1.3 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS

a. Earning per share:

	31.03.2018	31.03.2017
a) Profit/(Loss) after Tax	(15,53,254)	(3,94,519)
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	(155.33)	(39.45)
Diluted	(155.33)	(39.45)

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

Particulars	<u>2017-18</u>	<u>2016-17</u>
Audit fees Rs.	30,000	30,000
Tax Audit Fees	5,000	5,000
Other Matter	-	-
(Amount are exclusive of Service Tax)		

c. Additional information

Contingent Liabilities not provided for on account of:

	Amount	-
VAT department	-	-
Director Remuneration	-	-
Earning in Foreign Currency	-	-
Remittances in Foreign Currency	-	-
Expenditure in Foreign Currency	-	-
CIF Value of Import	-	-



d. Commitments

Future commitments towards capital contributions - NIL

e. Segment Reporting

Segment Reporting as required by Accounting Standard -17 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)

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 Siri 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

Mr. Anil Kumar Malhotra-upto 25.05.2017
Mr. Vasudevan Sridhar-21.11.2017 to 10.02.2018
Mr. SRK Hanuman Vedula-02.11.2017 to 31.03.2018
Mr. Nikesh Goyal-20.05.2017 to 27.11.2017

Mr. Ankit Arya
Mr. D. Krishan Mohan-Managing Director
Mr. Vijay Kalur

iv Other Related Parties

M/s Future Path
M/s Tele Media Agencies

Transactions with:**Holding Company**

	<u>2018</u>	<u>2017</u>
Advance recd	-	-
Payment for exp.on behalf of SCNL	-	-
Expenses reimbursed to SCNL	43,800	1,23,953
Operational expenses paid	-	75,00,000

With Fellow Subsidiary Companies

Master Channel Community N/w Pvt. Ltd.		
Loans/Advances Received	-	2,80,00,000
Loan/Advances Given	30,00,000	
Payment for exp.on behalf of MCCN		
Commission Received	2,66,517	35,76,102
Debit Note Issued	-	77,59,972

With Key Managerial Personnel

	<u>2018</u>	<u>2017</u>
Salary	-	6,00,000
Reimbursment of Expenses	-	-



Incentive on Collection	1,58,893	29,52,415
With Associate Persons		
Operational expenses		
Incentive on Collection		
Carriage Income Received	-	35,83,062
Balance Outstanding:		
Sundry Creditors		
Siti Cable Network Limited	5,12,47,802	5,82,04,002
M/s Future Path	-	7,11,592
M/s Tele Media Agencies	-	1,83,450
Amount Payable to		
Mr. D. Krishan Mohan	1,43,003	37,86,413
Others		
Amount Recoverable from		
Master Channel Community N/w Pvt. Ltd.	4,77,46,909	4,50,14,253

g. Tax Expense

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

	Rs. in million	
	Mar 31,2018	Mar 31,2017
Income tax related to items recognised directly in the		
Current tax - current year	-	0.02
Current tax - Previous year	-	-
Deferred tax charge / (benefit)	-0.09	-0.01
Total	-0.09	0.02
Effective tax rate	5.38%	-4.02%

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, 2018 and 31 March, 2017 is as follows:

Profit before tax	-1.64	-0.38
Effective tax rate	27.55%	30.90%
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	-0.09	0.02
Tax expense recognised in the statement of profit and loss	-0.09	0.02

h. Pursuant to the Accounting Standard for ' Taxes on Income' (AS-22), deferred tax liability/assets at the balance sheet date is:

	2018	2017
Deferred tax liability on account of difference between book value of depreciable assets as per books of account and written down value as per Income Tax	-	-
Deferred tax assets on account of disallowance under section 43 B or allowed on payment basis.	5,15,000	5,25,343
Deferred tax Assets on account of difference between book value of depreciable assets as per books of account and written down value as per Income Tax	1,54,609	55,986
Net Deferred Tax Assets/(Liabilities)	6,69,609	5,81,329

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:

Asset group	Basis of categorisation	Provision for expected credit
Low credit risk	Investment, Cash and cash equivalents and other financial assets	12 month expected credit loss
High credit risk	Trade receivables, security deposits and amount recoverable	Based on estimates

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

Credit rating	Particulars	Rs. in million	
		31-Mar-18	31-Mar-17
A: Low credit risk	Investment, Cash and cash equivalents and other financial assets except security deposits and amount recoverable	56.02	64.78
B: High credit risk	Trade receivables, security deposits and amount recoverable	23.05	26.63

as at March 31, 2018

Particular	Estimated gross carrying amount at default	Expected credit losses	Rs. in million
			Carrying amount net of impairment provision
Trade receivables	24.72	2.00	22.72
Security deposits	0.34	-	0.34
Advances recoverable	-	-	-

as at March 31, 2017

Particular	Estimated gross carrying amount at default	Expected credit losses	Rs. in million
			Carrying amount net of impairment provision
Trade receivables	27.29	1.00	26.29
Security deposits	0.34	-	0.34



Advances recoverable

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

Loss allowance on April 01, 2016	1.00
Changes in loss allowance	-
Loss allowance on March 31, 2017	1.00
Changes in loss allowance	1.00
Loss allowance on March 31, 2018	2.00

(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 2017.

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.

Particulars	Amounts in Rs		
	Less than 1 year	1-5 year	Total
Borrowings	-	-	-
Trade payables	-	6,24,60,958	6,24,60,958

Particulars	Amounts in Rs		
	Less than 1 year	1-5 year	Total
Borrowings	-	-	-
Trade payables	-	7,47,13,063	7,47,13,063

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 mandatory digital addressable system (DAS) regulation announced by the Ministry of Information and Broadcasting, Government of India, digitalisation of cable network has been implemented in the Guntur Region, due to this the company has suspended the analogue business and has been appointed as the collection agent of the group company.

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



- i. 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, 2018 there are no dues to Micro, Small and Medium Enterprises that are reportable under the MSMED Act, 2006.
- n. Since there are no employees on the payroll of the company the company has not provided for long term and short term employee benefits as per Ind AS 19. Accordingly no provision has been made for gratuity and leave encashment during the year.
- o. Figures have been rounded off to the nearest rupee.
- p. Note 1 to 22 form an integral part of the accounts and have been duly authenticated.

q. Fair value measurements

A. Financial instruments by category

	NOTES	Rs. millions	
		31-Mar-18	
		FVTPL	Amortised cost
Financial assets			
Bank deposits		-	-
Amount recoverable		-	-
Interest accrued and not due on fixed deposits		-	-
Security deposits		-	0.34
Unbilled revenues		-	-
Trade receivables		-	22.72
Investments (Current, financial assets)		-	-
Cash and cash equivalents		-	4.69
Total financial assets		-	27.74
Financial liabilities			
Borrowings (Non-current, financial liabilities)		-	-
Borrowings (Current, financial liabilities)		-	-
Payables for purchase of property, plant and equipment		-	-
Security deposits received from customer		-	-
Trade payables		-	62.46
Other financial liabilities (current)		-	-
Total financial liabilities		-	62.46
Rs. millions			
31-Mar-17			
		FVTPL	Amortised cost
Financial assets			
Bank deposits		-	-
Amount recoverable		-	-
Interest accrued and not due on fixed deposits		-	-
Security deposits		-	0.34
Unbilled revenues		-	-
Trade receivables		-	29.41
Investment (Current, financial assets)		-	-
Cash and cash equivalents		-	14.96
Other bank balances		-	-
Total financial assets		-	44.70
Financial liabilities			
Borrowings (non-current, financial liabilities)		-	-
Borrowings (Current, financial liabilities)		-	-
Payables for purchase of property, plant and equipment		-	-
Security deposits		-	-
Trade payables		-	74.71
Other financial liabilities (current)		-	-
Total financial liabilities		-	74.71



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

	March 31, 2018	
	Carrying amount	Fair value
Financial assets		
Bank deposits	-	-
Amount recoverable	-	-
Interest accrued and not due on fixed deposits	-	-
Security deposits	0.34	0.34
Unbilled revenue	-	-
Trade receivables	22.72	22.72
Cash and cash equivalents	4.69	4.69
Other bank balances	-	-
Total financial assets	27.74	27.74
Financial liabilities		
Borrowings (non-current, financial liabilities)	-	-
Borrowings (current, financial liabilities)	-	-
Payables for purchase of property, plant and equipment	-	-
Security deposits	-	-
Trade payables	62.46	62.46
Other financial liabilities (current)	-	-
Total financial liabilities	62.46	62.46

	March 31, 2017	
	Carrying amount	Fair value
Financial assets		
Bank deposits	-	-
Amount recoverable	-	-
Interest accrued and not due on fixed deposits	-	-
Security deposits	0.34	0.34
Unbilled revenue	-	-
Trade receivables	29.41	29.41
Cash and cash equivalents	14.96	14.96
Other bank balances	-	-
Total financial assets	44.70	44.70
Financial liabilities		
Borrowings (non-current, financial liabilities)	-	-
Borrowings (current, financial liabilities)	-	-
Payables for purchase of property, plant and equipment	-	-
Security deposits	-	-
Trade payables	74.71	74.71
Other financial liabilities (current)	-	-
Total financial liabilities	74.71	74.71

r. Leases**Finance lease: Company as lessee**

Particulars	2018		
	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.2458942 (March 31, 2017- Rs.1632000) has been debited to standalone statement of profit and loss during the year.

s. 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		
Cash and cash equivalents (refer note 5)	46,89,928	1,49,58,466
Current investments	-	-
Margin money	-	-
Total cash (A)	46,89,928	1,49,58,466
Borrowings (non-current, financial liabilities)		
Borrowings (current, financial liabilities)	-	-
Current maturities of long-term borrowings	-	-
Current maturities of finance lease obligations	-	-
Total borrowing (B)	-	-
Net debt (C=B-A)	(46,89,928)	(1,49,58,466)
Total equity		
Total capital (equity + net debts) (D)	1,20,89,348	33,74,064
Gearing ratio (C/D)	(0.39)	(4.43)

t. Information under section 186 (4) of the Companies Act 2013 and regulation 34 of SEBI (listing regulation & disclosure requirement), 2015

31st March 2018				
Name of the Loanee	Rate of interest	Max Bal. O/s during the year 2018	As at 31 March'18	Secured/Unsecured
Master Channel Community Networks Pvt. Ltd.	Nil	4,70,86,591	4,70,86,591	Unsecured
		4,70,86,591	4,70,86,591	


31st March 2017				
Name of the Loanee	Rate of interest	Max Bal. O/s during the year 2018	As at 31 March'18	Secured/Unsecured
Master Channel Community Networks Pvt. Ltd.	Nil	4,40,86,591	4,40,86,591	Unsecured
		4,40,86,591	4,40,86,591	

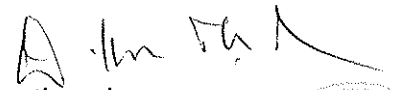
As per our Report of even date
For Subhash C. Gupta & Co.
Chartered Accountants
Firm Regn. No. 004103N

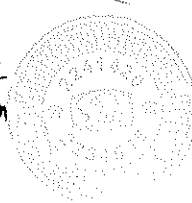

Manoj Kumar
Partner
M. No. 504435

Place: New Delhi
Date: 14.05.2018

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


Director
DIN: 08100969
Ankit Kumar Arya

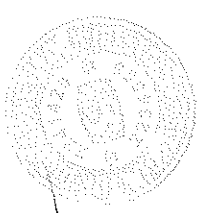

Managing Director
DIN: 00098362
Karishma Mohan Rao D



SITI GUNTUR DIGITAL NETWORK PVT. LTD.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

2	Tangible assets	(millions)							
		Gross block	Camera	Generator	Computers	Office equipment	Furniture and fixtures	Air conditioners	Vehicles
	Balance as at April 1, 2016	6,11,010	4,15,000	6,58,685	4,67,685	46,570	3,17,800	-	25,16,750
	Additions	10,17,350	-	2,02,152	1,27,578	30,550	-	4,85,473	18,62,903
	Disposal	-	-	-	-	-	-	-	-
	Balance as at March 31, 2017	16,28,360	4,15,000	8,60,837	5,95,063	77,120	3,17,800	4,85,473	43,79,653
	Additions	-	-	-	-	-	-	-	-
	Disposal	-	-	-	-	-	-	-	-
	Balance as at March 31, 2018	16,28,360	4,15,000	8,60,837	5,95,063	77,120	3,17,800	4,85,473	43,79,653
	Accumulated depreciation								
	Balance as at April 01, 2016	1,95,820	2,27,549	2,81,352	2,12,216	10,131	1,47,309	-	10,74,377
	Charge for the year	2,46,369	1,02,271	2,33,447	1,14,846	6,605	70,296	36,909	8,10,743
	Reversal on disposal of assets	-	-	-	-	-	-	-	-
	Balance as at March 31, 2017	4,42,189	3,29,820	5,14,799	3,27,062	16,736	2,17,605	36,909	18,85,120
	Charge for the year	3,28,805	85,180	1,82,124	1,27,182	7,860	69,349	60,684	8,61,184
	Reversal on disposal of assets	-	-	-	-	-	-	-	-
	Balance as at March 31, 2018	7,70,994	4,15,000	6,96,923	4,54,244	24,596	2,86,954	97,593	27,46,304
	Net block								
	Balance as at March 31, 2017	11,86,171	85,180	3,46,038	2,68,001	60,384	1,00,195	4,48,564	24,94,533
	Balance as at September 30, 2018	8,57,366	-	1,63,914	1,40,819	52,524	30,846	3,87,880	16,33,349



SITI GUNTUR DIGITAL NETWORK PVT. LTD.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

3	Loans & Advances (Unsecured, considered good)	March 31, 2018 Rs.	March 31, 2017 Rs
	Security deposits	3,15,720	3,15,720
	Other Receivable-NSC Deposit	20,000	20,000
		3,35,720	3,35,720
	Less: Provision for doubtful security deposits	-	-
		3,35,720	3,35,720

4	Trade receivables (Unsecured, considered good)	March 31, 2018	March 31, 2017
	Particulars		
	Trade Receivable - others	2,47,15,425	3,04,05,028
	Trade Receivable - Related parties	-	-
	Total	2,47,15,425	3,04,05,028
	Sub-classification		
	-Unsecured, considered good	2,27,15,425	2,94,05,028
	-Unsecured, considered doubtful	20,00,000	10,00,000
		2,47,15,425	3,04,05,028
	Expected Credit Loss Allowance	20,00,000	10,00,000
	Total	2,27,15,425	2,94,05,028

Allowance Movement for Trade Receivables

Balance at the beginning of the year	10,00,000	-
Provision for doubtful trade receivables (net) for the year	10,00,000	10,00,000
Total	20,00,000	10,00,000

5	Cash and bank balances	March 31, 2018 Rs.	March 31, 2017 Rs
	Cash and cash equivalents		
	Cash on hand	2,56,700	1,88,384
	Balances with banks		
	On current accounts	43,08,019	41,05,128
	In deposit account (with maturity upto three months)	1,25,209	1,06,64,954
		46,89,928	1,49,58,466

6	Other Current Assets (Unsecured, considered good)	March 31, 2018 Rs.	March 31, 2017 Rs
	Advance to Related Parties	4,64,26,273	4,50,14,253
	Advance to Employees/Others	64,696	90,696
	Advance tax	11,82,105	11,32,923
	Prepaid Expenses	-	22,184
	Indirect Tax	36,53,529	35,66,129
		5,13,26,603	4,98,26,185

7	Share capital	March 31, 2018 Rs.	March 31, 2017 Rs
	Authorised share capital		
	10,000 (Previous year: 10,000) equity shares of ₹ 10 each	1,00,000	1,00,000
	Total authorised capital	1,00,000	1,00,000



Issued, Subscribed and Paid up

10,000 (Previous year: 10,000) equity shares of ₹ 10 each

1,00,000

1,00,000

Total paid up capital**1,00,000****1,00,000****(i) Reconciliation of number of shares outstanding as on 31.03.2018**

Particulars		March 31, 2018	March 31, 2017
Balance at the beginning of the year	Nos.	10,000	10,000
Issued during the year	Nos.	-	-
Balance at the end of the year	Nos.	10,000	10,000

(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, Ultimate Holding Company and their subsidiaries/associates:

The details of equity shares held by holding company, Ultimate Holding Company and their subsidiaries/associates are as under :

Particulars		March 31, 2018	March 31, 2017
Siti Network Ltd	Nos.	7,400	7,400
	%	74	74

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

Particulars		March 31, 2018	March 31, 2017
Siti Network Ltd	Nos.	7,400	7,400
	%	74	74
D. Krishan Mohan Rao	Nos.	2,600	2,600
	%	26	26

8 Other Equity

March 31, 2018	March 31, 2017
Rs	Rs

Retained Earnings

Balance at the beginning of the year

1,82,32,530

1,85,81,409

Adjustment due to change in useful life of assets

-

-

Add: Profit/(Loss) for the year

(15,53,254)

(3,94,519)

Balances as at the end of the year (A)**1,66,79,276****1,81,86,889****Other Comprehensive income****Other comprehensive income recognised directly in retained earnings**

Deferred Activation Revenue

Gratuity/Leave Encashment

-

45,641

Balances as at the end of the year (B)

-

45,641**Balances as at the end of the year (A+B)****1,66,79,276****1,82,32,530****9 Provisions**

March 31, 2018	March 31, 2017
Rs	Rs

Provision for employee benefits (Refer Note 31)

Provision for gratuity

-

6,15,360

Provision for compensated absences

-

84,780

-

7,00,140**10 Deferred tax liability (net)**

March 31, 2018	March 31, 2017
Rs	Rs

Deferred tax liability

Fixed assets: Impact of difference between tax depreciation and depreciation/

-

-

Others

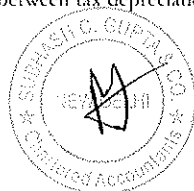
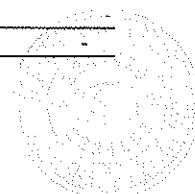
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Gross deferred tax liability

-

-

Deferred tax asset

Impact of expenditure charged to the statement of profit and loss in the current year	5,15,000	5,25,343
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	1,54,609	55,986
Gross deferred tax Assets	<u>6,69,609</u>	<u>5,81,329</u>
Net deferred tax asset/(Liabilities)	<u>(6,69,609)</u>	<u>(5,81,329)</u>

11 Trade payables

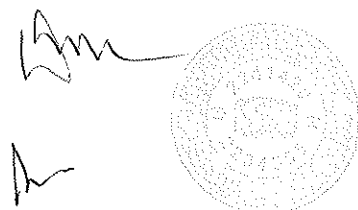
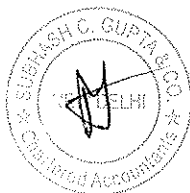
	March 31, 2018	March 31, 2017
	Rs	Rs
Trade Payables - others	1,12,13,156	1,56,14,019
Trade payables - related parties	5,12,47,802	5,90,99,044
	<u>6,24,60,958</u>	<u>7,47,13,063</u>

12 Other Current Liabilities

	March 31, 2018	March 31, 2017
	Rs	Rs
Advances from Debtors-Non Related Parties	20,26,419	34,15,403
TDS Payable	20,390	2,93,955
EPF/ESI Payable	-	1,22,670
GST Payable	77,537	-
Service Tax Payable	6,054	-
	<u>21,30,400</u>	<u>38,32,028</u>

13 Provisions

	March 31, 2018	March 31, 2017
	Rs	Rs
Liability for expenses	-	-
Provision for Taxation A/c	-	23,500
	<u>-</u>	<u>23,500</u>



SITI GUNTUR DIGITAL NETWORK PVT. LTD.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

14 Revenue from operations

	Mar 31, 2018 Rs.	March 31, 2017 Rs.
Sale of services		
Advertisement income	-	2,34,70,158
Commission	-	35,76,102
	-	-
	-	<u>2,70,46,260</u>

15 Other income

	Mar 31, 2018 Rs	March 31, 2017 Rs
Interest income on		
Bank deposits	1,68,291	6,17,319
Others	-	-
Excess provisions written back	1,56,363	-
Other non-operating income	2,66,517.00	3,54,703
	<u>5,91,171</u>	<u>9,72,022</u>

16 Carriage Sharing, Pay Channel and Related Cost

	Mar 31, 2018 Rs	March 31, 2017 Rs
Pay Channel Subscription	-	-
	-	-
	-	-

17 Employee benefits expense

	Mar 31, 2018 Rs	March 31, 2017 Rs
Salaries, allowances and bonus	-	72,39,240
Contributions to provident and other funds	-	3,98,697
Employee benefits expenses	-	2,12,994
Bonus	-	4,36,565
Staff welfare expenses	-	3,01,647
	-	<u>85,89,143</u>

18 Finance costs

	Mar 31, 2018 Rs	March 31, 2017 Rs
Interest on late deposit of TDS/Service Tax/Income Tax	23,474	88,000
Bank charges	3,299	6,209
Interest on secured/unsecured Loan	-	-
	<u>26,773</u>	<u>94,209</u>

19 Depreciation and amortisation expenses

	Mar 31, 2018 Rs	March 31, 2017 Rs
Depreciation of tangible assets (Refer note 12)	8,61,184	8,10,743



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SITI GUNTUR DIGITAL NETWORK PVT. LTD.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

Amortisation of intangible assets (Refer note 13)

-	-
8,61,184	8,10,743

20 Other expenses

	Mar 31, 2018	March 31, 2017
	Rs	Rs
Rent	-	10,12,066
Office Expenses	6,580	2,67,995
Rates and Taxes	65,702	14,583
Communication Expenses	2,700	2,43,506
Repairs and Maintenance :	-	
- Building	-	
- Others	-	1,24,982
Program Production Expenses	-	7,19,292
Other Operational Cost	14,939	2,68,251
Repairs and Maintenance - Network	-	2,05,348
Management Service Charges	-	75,37,500
Local Shooting Expenses	-	83,000
Electricity Expenses & Water Charges	-	9,19,216
Legal, Professional and Consultancy Charges	38,050	82,000
Printing and Stationery	1,000	60,066
R.O.C. Filing fee	-	8,100
Swachh Bharat Tax	-	80,505
Travelling and Conveyance Expenses	-	2,75,764
Vehicle Expenses	773	3,34,103
Miscellaneous Expenses	-	1,200
Insurance	20,791	17,762
Books & Periodicals	320	19,185
Festival Charges	-	30,800
Provision for doubtful debts	10,00,000	-
Payment to auditor (Refer details below)	35,000	34,500
Commission Charges and Incentives	1,58,893	65,35,477
Business and Sales Promotion	-	28,245
	13,44,748	1,89,03,446

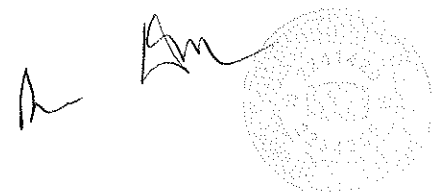
*Auditors' remuneration

as an auditor	35,000	35,000
Limited review fees		
for other services (certifications)		-
for reimbursement of expenses		-
	35,000	35,000

21 Earnings per share

	Mar 31, 2018	March 31, 2017
	Rs	Rs
Loss attributable to equity shareholders	(15,53,254)	(3,94,519.15)

Number of weighted average equity shares



SITI GUNTUR DIGITAL NETWORK PVT. LTD.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

Basic	10000	10,000
Diluted	10,000	10,000
Effect of dilutive potential equity shares~		
Employee stock options		-
Warrants		-
Optionally fully convertible debentures		-
Nominal value of per equity share (`)	10	10
Loss per share after tax (`)		
Basic	(155.33)	(39.45)
Diluted	(155.33)	(39.45)

~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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SITI GUNTUR DIGITAL NETWORK PVT. LTD.

Amount in INR

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount	No. of Shares	Amount
(a) Equity share capital				
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 Shareholders					Total Equity
	Reserves & Surplus	Other items of other comprehensive income	Equity portion of OCD conversion	Total	Non-Controlling Interests	
(b) Other equity						
Retained earnings	1,85,81,409	-	-	1,85,81,409	-	1,85,81,409
Balance at April 1, 2016	1,85,81,409	-	-	1,85,81,409	-	1,85,81,409
Changes in accounting policy / prior period errors	(3,94,519)	-	-	(3,94,519)	-	(3,94,519)
Restated balance at the beginning of the reporting period	1,85,81,409	-	-	1,85,81,409	-	1,85,81,409
Profit/(Loss) for the year	(3,94,519)	-	-	(3,94,519)	-	(3,94,519)
Other comprehensive income for the year	-	45,641	-	45,641	-	45,641
Total comprehensive income for the year	(3,48,878)	45,641	-	1,82,32,530	-	1,82,32,530
Any other charge (to be specified)	-	-	-	-	-	-
Balance at March 31, 2017	1,82,32,530	-	-	1,82,32,530	-	1,82,32,530
Changes in accounting policy / prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period 01.04.17	1,82,32,530	-	-	1,82,32,530	-	1,82,32,530
Profit/(Loss) for the year	(15,53,254)	-	-	(15,53,254)	-	(15,53,254)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	1,66,79,276	-	-	1,66,79,276	-	1,66,79,276
Any other charge (to be specified)	-	-	-	-	-	-
Balance at March 31, 2018	1,66,79,276	-	-	1,66,79,276	-	1,66,79,276

Signature

