

Subhash C. Gupta & Co.

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.

Report on the Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of **MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, 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 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 2020, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

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.451.6 millions for the year ended 31 March 2020, while there would have been no impact on the net loss for the year ended 31 March 2020.

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 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) 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 2020 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 : 20.06.2020

UDIN - 20503853AAAADA4150

Annexure A to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of MASTER CHANNEL COMMUNITY NETWORK PVT. LTD. on the standalone financial statements for the year ended 31st March 2020.

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets *except for Set Top Boxes capitalized/installed at customer premises.*
- (b) According to the information and explanations given to us the fixed assets (*other than Set top boxes installed at customer premises and those in transit or lying with the distributors/cable operators and distribution equipment comprising overhead and underground cables physical verification of which is infeasible owing to the nature and location of these assets*) have been physically verified by the management during the year in a phased periodical manner which, in our opinion, is reasonable, having regard to the size of the Company and nature of the assets. No material discrepancies were noticed on such verification.
- (c) Since the company does not own any immovable properties the provisions of the said clause of the Order are not applicable.
- (ii) The company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
- (iv) The Company has not granted any loans, made any investments nor provided any guarantee or security during the year accordingly the provisions of the said clause of the Order are not applicable.
- (v) To the best of our knowledge & according to the information and explanations given to us the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (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.

(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/ period where the dispute is pending
AP-VAT	VAT	91,60,054	Tribunal, VAT Department, Vizag, Ap
AP-VAT	VAT	22,90014	Tribunal, VAT Department, Vizag, Ap
AP-VAT	VAT	4,37,77,561	High Court
AP-VAT	VAT	1,09,44,390	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.

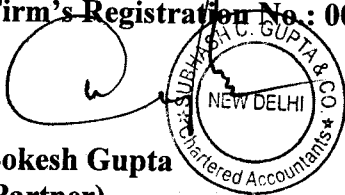
(x) Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statement and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

(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 : 20.06.2020

UDIN - 20503853AAAADA4150

Annexure B to Independent Auditors' Report

Referred to in paragraph 15 (f) of the Independent Auditors' Report of even date to the members of MASTER CHANNEL COMMUNITY NETWORK PVT. LTD. on the standalone financial statements for the year ended 31st March 2020.

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

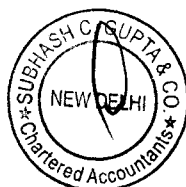
1. We have audited the internal financial controls over financial reporting of MASTER CHANNEL COMMUNITY NETWORK PVT. LTD. ("the Company") as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

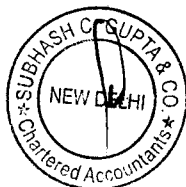
7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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 2020:

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 loss for the year ended 31 March 2020.

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 2020, based on the internal control over financial reporting criteria established by the Company considering the



essential components of internal control stated in the Guidance Note 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 2020.

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 2020, 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 : 20.06.2020

UDIN - 20503853AAAADA4150

MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.
Balance sheet as at March 31, 2020

	Notes	March 31, 2020 Rs.	March 31, 2019 Rs.
A. Assets			
1. Non-current assets			
Fixed assets			
(a) Property, plant and equipment	2	369,229,639	416,075,873
(b) Capital work-in-progress		9,040,056	49,600,577
(c) Deferred Tax Assets	12	9,063,067	834,147
(d) Financial assets			
(i) Loans & Advances	3	2,721,704	2,038,324
Sub-total of Non-current assets		390,054,465	468,548,921
2. Current assets			
(a) Financial assets			
(i) Trade receivables	4	126,195,560	135,179,296
(ii) Cash and bank balances	5	237,265,715	159,143,979
(iii) Others Financial Assets	6	26,128,900	13,457,394
(b) Other current assets	7	62,445,435	44,339,360
Sub-total of Current assets		452,035,610	352,120,029
Total assets		842,090,075	820,668,950
B. Equity and liabilities			
Equity			
(a) Equity share capital	8	500,000	500,000
(b) Other equity	9	103,925,692	106,187,705
Sub-total - Equity		104,425,692	106,687,705
Liabilities			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Long-term borrowings	10	8,576,557	8,576,557
(b) Provisions	11	7,564,647	5,057,945
(c) Deferred tax liability (net)	12	-	-
(d) Other non-current liabilities	13	-	-
Sub-total - Non-current liabilities		16,141,204	13,634,502
2. Current liabilities			
(a) Financial liabilities			
(i) Trade payables	14	624,556,682	607,544,907
(b) Other current liabilities	15	88,775,471	88,318,588
(c) Provisions	16	8,191,026	4,483,248
Sub-total of current liabilities		721,523,179	700,346,743
Total equity and liabilities		842,090,075	820,668,950
Summary of significant accounting policies	1	(0)	

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.-00410338

Lokesh Gupta
Partner
M. No-503853

Place: New Delhi

Date: 20 JUN 2020

For and on behalf of the Board of Directors of
Master Channel Community Network Pvt. Ltd.

Director
DIN- 08194113

Director
DIN- 00833403

MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.
Statement of profit and loss for the year ended March 31, 2020

	Notes	March 31, 2020 Rs.	March 31, 2019 Rs.
Revenue			
Revenue from operations	17	809,006,280	557,669,659
Other income	18	8,120,502	3,532,947
Total revenue		817,126,782	561,202,606
Expenses			
Purchases of traded goods	19	25,390,672	35,184,220
Carriage sharing, pay channel and related costs	20	451,575,322	192,743,124
Employee benefits expense	21	31,032,832	30,529,808
Finance costs	22	170,012	207,762
Depreciation and amortisation expenses	23	85,055,531	78,633,610
Other expenses	24	226,013,796	232,313,349
Total expenses		819,238,165	569,611,873
Profit before Exceptional items expenses		(2,111,383)	(8,409,268)
Exceptional items		-	-
Profit before tax		(2,111,383)	(8,409,268)
Tax Expenses			
Current Tax		7,700,000	4,201,700
Previous Year Tax		(422,856)	-
Deferred Tax		(8,228,920)	(5,470,567)
Total Profit/(Loss) for the period		(1,159,607)	(7,140,401)
Other Comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined benefit (liabilities) / assets		1,102,406	(72,505)
Total Comprehensive Income/(loss) for the year		(2,262,013)	(7,067,896)
Earning per share after tax			
Basic		(231.92)	(1,428.08)
Diluted		(231.92)	(1,428.08)
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.

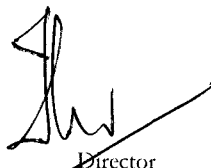
Chartered Accountants
Firm Regn No.-004102N

Lokesh Gupta

Partner

M. No-503853

For and on behalf of the Board of Directors of
Master Channel Community Network Pvt. Ltd.


Director

DIN-08194113


Director

DIN - 00833403

Place : New Delhi

Date : 20 JUN 2020

MASTER CHANNEL COMMUNITY NETWORK PVT LIMITED

CASH FLOW STATEMENT

PARTICULARS	Year ended 31, '2020	Year ended Mar 31, 2019
	Amount in Rs.	Amount in Rs.
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Income / (Loss) before Tax	(2,111,383)	(8,409,268)
Adjustments for :		
Depreciation	85,055,531	78,633,610
Loss(profit) on sale /disposal of assets	101,387	-
Provision for Doubtful Debts	7,770,536	8,884,475
Interest Expense/(Income)	170,012	-
Transfer from Deferred Activation Revenue	-	62,619,545
Less: Profit on sale of assets	(130,465)	-
Income Tax paid	422,856	-
comprehensive income recognised directly in retained earnings	(1,102,406)	72,505
Provision for Income Taxes(including deferred tax)	528,920	1,268,867
Operating Profit before working capital changes	90,704,987	143,069,734
Increase Inventories	-	-
Decrease (increase) in Trade Receivables	1,213,200	(52,094,318)
Decrease(increase) in Long Terms L&A and non Current Assets	(8,912,300)	(672,697)
Decrease(increase) in Loans and Advances and Other Current Assets	(30,777,581)	27,139,545
Increase in Long term provisions	2,506,702	(37,483,214)
Increase/(Decrease) in Current Liabilities and Provisions	21,176,436	86,128,007
Net Cash Flow from Operating Activities	75,911,445	166,087,058
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(38,942,015)	(75,266,167)
Capital W.I.P.	40,560,521	9,491,826
Sale of Fixed Assets	761,797.00	-
Net Cash utilised in Investing Activities	2,380,303	(65,774,341)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Interest Received/(paid) (Net)	(170,012)	-
Proceeds from Share Capital	-	-
Repayment of long term borrowing	-	-
Net Cash provided by Financing Activities	(170,012)	-
Net Increase in cash and cash equivalents during the year	78,121,736	100,312,716
cash and cash equivalents at beginning of year	159,143,979	58,831,263
Cash and Cash Equivalents at end of the Year	237,265,715	159,143,979

Note :

- 1 Previous year figures have been regrouped / rearranged wherever necessary
- 2 Component of Cash & cash Equivalents at the end of year

Cash in hand	3,561,629	3,545,663
Cheques in Hand	-	-
FDR's	170,000,000	100,000,000
Balances with Scheduled Banks in Current Accounts	63,704,086	55,598,315
	237,265,715	159,143,979

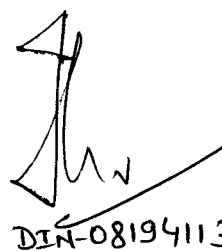
As per our Report of even date
For Subhash C. Gupta & Co.
Firm Regn. No. 004103N
Chartered Accountants

Lokesh Gupta
Partner
M. No-503853

Place: *New Delhi*

Date: **20 JUN 2020**

For and on behalf of the Board


DIN-08194113



Director
DIN
Name

DIN-00833403

MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.

Statement of Changes in Equity for the Year ended 31st march,2020

(a) Equity share capital

		Amount in INR	
		As at March 31, 2020	As at March 31, 2019
No. of Shares	Amount	No. of Shares	Amount
5,000	500,000	5,000	500,000
-	-	-	-
5,000	500,000	5,000	500,000

Balance at the beginning of the reporting period Balance
Changes in equity share capital during the year
Balance at the end of the reporting period

(b) Other equity

Particulars	Attributable to the equity Shareholders			
	Reserves & Surplus	Other items of other comprehensive income	Equity portion of OCD conversion	Total Other Equity
Balance at March 31, 2018				
Profit/(Loss) for the year	50,102,737	533,319	-	50,636,056
Transfer from Deferred Activation Revenue	(7,140,401)	-	-	(7,140,401)
Other comprehensive income for the year	62,619,545	72,505	-	62,619,545
Total comprehensive income for the year	55,479,144	72,505	-	72,505
Add : Equity portion of OCD conversion				106,187,705
Balance at March 31, 2019				
Profit/(Loss) for the year	105,581,881	605,824	-	106,187,705
Transfer from Deferred Activation Revenue	(1,159,607)	-	-	(1,159,607)
Other comprehensive income for the year	-	(1,102,406)	-	(1,102,406)
Total comprehensive income for the year	(1,159,607)	(1,102,406)	-	(2,262,013)
Add : Equity portion of OCD conversion				
Balance at March 31, 2020	104,422,274	(496,582)	-	103,925,692



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MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.

Note: 1 Company Overview and Significant Accounting Policies

1.1 Company Overview

a. Master Channel Community Network Pvt. Ltd. (hereinafter referred to as the 'Company' or 'MCCN') 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 2020, together with the comparative period as at and for the year ended 31 March 2019. 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 except in some cases income carriage income has been booked on cash basis.

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.

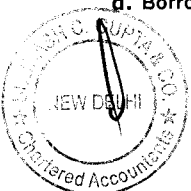
Application of New Accounting Pronouncement:

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with effect from April 01, 2018.

Pursuant to notification of Ind AS 115 and its adoption by the Company, the activation and set-top box pairing service doesn't qualify as a separate performance obligation and provides no material right to the customers. Such service does not extend beyond the initial contract period and has been recognised over the same.

The Company has elected to recognise cumulative effect of initially applying Ind AS 115 under modified retrospective approach as an adjustment to opening balance sheet as at April 01, 2018 on the contracts that are not completed as at that date.

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
Electrical Equipments	5.00
Studio Equipments	13.00
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

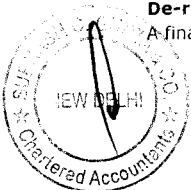
Initial recognition and measurement

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

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



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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 derecognition 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.

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
 - Present obligations arising from past events where it is not probable that an outflow of resources will be
- 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.

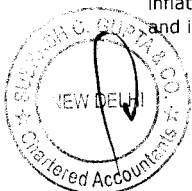
n. Leases

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.

1.3 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS

a. Earning per share:

	31.03.2020	31.03.2019
a) Profit/(Loss) after Tax	(1,159,607)	(7,140,401)
b) Weighted average No. of Ordinary Shares		
Basic	5,000	5,000
Diluted	5,000	5,000
c) Nominal Value of Ordinary Share	100	100
d) Earning per Ordinary share considering:		
Basic	(231.92)	(1,428.08)
Diluted	(231.92)	(1,428.08)

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

Particulars	2019-20	2018-19
Audit fees Rs.	70,000	70,000
Tax Audit Fees	25,000	25,000
Other Matter	10,000	-

(Amount are exclusive of GST)

c. Additional information

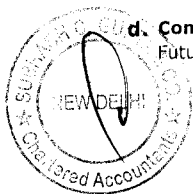
Contingent Liabilities not provided for on account of:

	Amount	
VAT department/Entertainment tax	66,172,019	20,026,708
Director Remuneration	6,180,000	660,000
Earning in Foreign Currency	-	-
Remittances in Foreign Currency	-	-
Expenditure in Foreign Currency	-	-
CIF Value of Import	17,541,336	68,764,370

Disclosure in Contingent Liability; Honourable Supreme Court of India in ruling dated 28 February 2019 has held that 'Allowance' paid by employer to its employees, will be included in the scope of 'basic wages' and hence, will be subject to provident fund contributions. As the above said ruling has not prescribed any clarification w.r.t to its application, the Company is in the process of evaluating the impact on the provident fund contributions. Pending clarification and evaluation of impact of above said, no provision for employee contribution has been recognised in the financial statements for the year ended 31 March 2020 & 2019.

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 Holding Company

Central Bombay Cable Network Limited. (Extent of holding: 66%)

iii Fellow Subsidiary Companies

Indinet Service Pvt. Ltd. (100% Subsidiary of ICNCL)	SITI GLOBAL PVT. LTD.
SITI KARNAL DIGITAL MEDIA NETWORK PRIVATE LIMITED	Indian Cable Net Company Ltd.
Siti Prime Uttaranchal Communication Pvt. Ltd.	Siti Jind Digital Network Pvt. Ltd.
Central Bombay Cable Network Limited.	Siti Broadband Services Pvt. Ltd.
Siti Sagar Digital Cable Network Private Limited	Sai Star Digital Media Pvt. Ltd.
Siti Godari Digital Communication Network Pvt. Ltd.- (Formerly known as Bargachh Digital Communication Network Pvt. Ltd.)	Siti Vision Digital Media Pvt. Ltd.
Siti Jai Maa Durge Communications Pvt. Ltd.	Variety Entertainment Pvt. Ltd.
Siti Bhatia Network Entertainment Private Limited	Siti Siri Digital Network Pvt. Ltd.
Siti Krishna Digital Media Private Limited	Siti Faction Digital Private Limited
Siti Jony Digital Cable Network Private Limited	Siticable Broadband South Ltd.
Siti Guntur Digital Network Private Limited	Wire & Wireless Tisai Satellite Ltd.
Siti Maurya Cable Net Pvt. Ltd. (Subsidiary of ICNCL)	

iv Key Managerial Personnel

POTLURI KIRANMAYEE	SANJAY ARYA
SAI BABU POTLURI	VIJAY KALUR
VENKATA NAGESWARA THRINATH ITIKA	

v Other Related Parties

Mega Satellite Services Private Limited	Lotus Broadband Private Limited
S. Guduru	Divya Cable Network
P. Jayant	P. Bharti
P. Meghna	D Krishan Mohan
Telemedia Agencies	Futurepath
Mega Satelite Services	Manasa Network
City Cable Network	R K Master

vi Entities owned and significantly influenced by the Holding company/Promoter group

Zee Entertainment Enterprises Limited (ZEEL)
Zee Media Corporation Limited (ZMCL)

Transactions with:

Holding Company- Siti Network Ltd.

	2019-20	2018-19
Operational Expenses Paid	2967259	3,596,865
Management Charges	97675092	153,500,000
Purchase of STB	0	18,623,800
Reimbursement of expenses	124018	22,400
Pay channel expense payable	5990644	-
Pay Channel expenses	1399632	-

Subsidiary Companies

Siti Guntur Digital Network Pvt Ltd

Commission Paid	-	250,000
Advance received	-	-

Siti Siri Digital Network Pvt Ltd

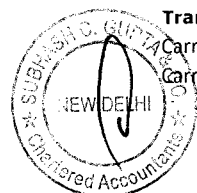
Purchase of STB	2879041	5,793,600
Sale of STB	25228600	34,947,286
Feed Charges Paid	4942582	3,662,761

Siti Vision Digital Media Pvt Ltd

Sale of STB	677,600	1,032,000
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Transaction with- ZEEL, ZMCL

Carriage fee/LCN Incentive income during the year -ZEEL	13,792,569.00	1,832,821.00
Carriage fee/LCN Incentive income during the year -ZMCL	557,133	668,560.00



Credit note issued during the year-ZMCL	668,560	-
Pay channel expense during the year-ZEEL	71,612,930	25,014,426
With Key Managerial Personnel	2019-20	2018-19
Salary	6180000	660,000
Incentive on collection	0	2,537,173
With other related parties		
Salary and Incentives	0	6,193,641
Rent	540000	840,000
Incentive on collection	0	5,074,344
Internet Charges		-
Management Charges	12635000	4,237,288
Commission	10395021	9,437,977
Outstanding as on 31.3.2020		
Unsecured Loan		
Siti Network Limited	8,576,557	8,576,557
Trade Payable		
Siti Guntur Digital Network Pvt. Ltd.	46,695,446	46,695,446
Siti Network Limited	372,006,732	431,067,832
M/s Mega Setelite Services	855,019	617,845
Lotus Broadband Private Limited	-	-
Siti Siri Digital Networks Pvt. Ltd.	-	-
M/s Divya Digital Network	3,600,000	3,600,000
Zee Entertainment Enterprises Limited	22,264,144	7,915,385
Trade Receivable		
Siti Siri Digital Networks Pvt. Ltd.	4,967,772	1,328,686
Zee Entertainment Enterprises Limited	4,159,405	2,089,229
Zee Media Corporation Limited	601,705	862,402
Incentive/Other Payable:		
Mr. Jayant P.	-	440,932
Mrs. P. Meghna	18,000	63,000
Mrs. Bharti P.	-	440,932
Siti Network Limited	41,467,259	-
D. K. Mohan	-	1,365,412
S. Guduru	-	-
Amount Payable to		
Mr. P. Sai Babu	1,696,640	370,908
P. Kiranmayee	15,000	15,000

g. Tax Expense

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

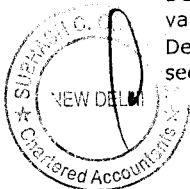
	Rs. in million	
	Mar 31,2020	Mar 31,2019
Income tax related to items recognised directly in the statement of profit and loss		
Current tax - current year	7.70	4.20
Current tax - Previous year	(0.42)	-
Deferred tax charge / (benefit)	(8.23)	(5.47)
Total	(0.95)	(1.27)

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

Profit before tax	(2.11)	(8.41)
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	(0.36)	(1.27)
Tax expense recognised in the statement of profit and loss	(0.95)	(1.27)

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

	2020	2019
Deferred tax liability on account of difference between book value of depreciable assets as per books of account and	2,215,276	3,130,357
Deferred tax assets on account of disallowance under section 43 B or allowed on payment basis.	6,847,791	3,964,504



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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 loss
Low credit risk	Investment, Cash and cash equivalents and other financial assets	12 month expected credit loss
High credit risk	Trade receivables, security deposits and amount recoverable	Based on estimates

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

Credit rating	Particulars	31-Mar-20	31-Mar-19
A: Low credit risk	Investment, Cash and cash equivalents and other financial assets except security deposits and amount recoverable	299.71	203.48
B: High credit risk	Trade receivables, security deposits and amount recoverable	155.05	150.68

as at March 31, 2020

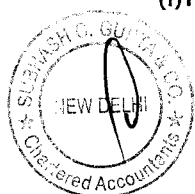
Particular	Estimated gross carrying amount at default	Rs. in million	
		Expected credit losses	Carrying amount net of impairment provision
Trade receivables	142.85	16.66	126.20
Security deposits	2.72	-	2.72
Advances recoverable	26.13	-	26.13

as at March 31, 2019

Particular	Estimated gross carrying amount at default	Rs. in million	
		Expected credit losses	Carrying amount net of impairment provision
Trade receivables	144.06	8.88	135.18
Security deposits	2.04	-	2.04
Advances recoverable	13.46	-	13.46

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

Loss allowance on April 01, 2018	-
Changes in loss allowance	8.88
Loss allowance on March 31, 2019	8.88
Changes in loss allowance	7.77
Loss allowance on March 31, 2020	16.66

(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 2020.

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.

2020
Amounts in Rs

Particulars	Less than 1 year	1-5 year	Total
Borrowings	-	8,576,557	8,576,557
Trade payables	362,574,088	261,982,594	624,556,682

2019
Amounts in Rs

Particulars	Less than 1 year	1-5 year	Total
Borrowings	-	8,576,557	8,576,557
Trade payables	319,188,687	288,356,221	607,544,907

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

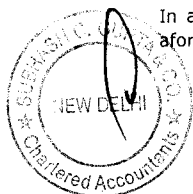
The Company has identified Micro, Small and Medium Enterprises on the basis of information available. As at March 31, 2020 there are no dues to Micro, Small and Medium Enterprises that are reportable under the MSMED Act, 2006.

- n. The new tariff order of Telecom Regulatory Authority of India (TRAI) was implemented from 1, 2019, as per the extended timelines. TRAI had further extended the timeline for subscribers to select channels. Owing to the initial delays in implementation of new tariff order, all the distribution platform operators (DPO) are in transition from previous regime to new regime and are in the process of implementation of contracts with the broadcasters and customers
- 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 Indian Accounting Standards (Ind AS) 19, the actuarial valuation carried out in respect of the aforesaid defined benefit plans is based on the following assumption.



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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	24.30	24.30
Change in obligation during the year ended 31st March, 2020		
Present Value of obligation as at 1st April, 2019	1,547,810.00	3,791,683.00
Acquisition adjustment	-	-
Interest cost	108,347.00	265,418.00
Past service cost	-	-
Current service cost	590,513.00	649,496.00
Curtailment cost/(Credit)	-	-
Settlement cost/(Credit)	-	-
Benefits paid	-	-
Actuarial (gain)/loss on obligation	522,266.00	580,140.00
Present value of obligation as at the end of period (31st March, 2020)	2,768,936.00	5,286,737.00
Change in fair value plan Assets	Nil	Nil
Movement in the liability recognized in the Balance		
Opening net liability (01.04.2019)	(1,547,810)	(3,791,683)
Expense as above	1,221,126	1,495,054
Benefits paid	-	-
Actual return on plan assets	-	-
Acquisition adjustment	-	-
Net assets/(Liability) recognised in Balance Sheet as provision (31.03.2020)	(2,768,936)	(5,286,737)
Expenses recognised in Profit and Loss Account		
Current service cost	590,513	649,496
Past service cost	-	-
Interest cost	108,347	265,418
Settlement cost / (credit)	-	-
Expenses recognized in the statement of profit & losses	698,860	914,914
Other comprehensive (income) / expenses (Remeasurement)		
Actuarial (gain)/loss - obligation	522,266	580,140
Actuarial (gain)/loss - plan assets	-	-
Total Actuarial (gain)/loss	522,266	580,140

Actuarial Assumption.

The discount rate is generally based upon the market yields available on Government Bonds and salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

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:

Sensitivity Analysis for Gratuity

Period	As on: 3/31/2020
Defined Benefit Obligation (Base)	52,86,737 @ Salary Increase Rate : 5%, and
Liability with x% increase in Discount Rate	48,95,332; x=1.00% [Change (7)%]
Liability with x% decrease in Discount Rate	57,32,100; x=1.00% [Change 8%]
Liability with x% increase in Salary Growth Rate	56,61,377; x=1.00% [Change 7%]
Liability with x% decrease in Salary Growth Rate	49,57,530; x=1.00% [Change (6)%]
Liability with x% increase in Withdrawal Rate	53,15,124; x=1.00% [Change 1%]
Liability with x% decrease in Withdrawal Rate	52,50,872; x=1.00% [Change (1)%]

Sensitivity Analysis for Leave Encashment

Period	As on: 3/31/2020
Defined Benefit Obligation (Base)	27,68,936
Liability with x% increase in Discount Rate	25,57,222; x=1.00% [Change (8)%]
Liability with x% decrease in Discount Rate	30,13,805; x=1.00% [Change 9%]
Liability with x% increase in Salary Growth Rate	30,16,379; x=1.00% [Change 9%]
Liability with x% decrease in Salary Growth Rate	25,51,505; x=1.00% [Change (8)%]
Liability with x% increase in Withdrawal Rate	28,04,224; x=1.00% [Change 1%]
Liability with x% decrease in Withdrawal Rate	27,28,804; x=1.00% [Change (1)%]

Figures have been rounded off to the nearest rupee.



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

r. Fair value measurements

A. Financial instruments by category

	NOTES	Rs. millions	
		31-Mar-20	
		FVTPL	Amortised cost
Financial assets			
Bank deposits		-	-
Amount recoverable		-	-
Interest accrued and not due on fixed deposits		-	-
Security deposits		-	2.72
Unbilled revenues		-	26.13
Trade receivables		-	126.20
Investments (Current, financial assets)		-	-
Cash and cash equivalents		-	237.27
Total financial assets		-	392.31
Financial liabilities			
Borrowings (Non-current, financial liabilities)		-	8.58
Borrowings (Current, financial liabilities)		-	-
Payables for purchase of property, plant and equipment		-	-
Security deposits received from customer		-	-
Trade payables		-	624.56
Other financial liabilities (current)		-	-
Total financial liabilities		-	633.13

	NOTES	Rs. millions	
		31-Mar-19	
		FVTPL	Amortised cost
Financial assets			
Bank deposits		-	-
Amount recoverable		-	-
Interest accrued and not due on fixed deposits		-	-
Security deposits		-	2.04
Unbilled revenues		-	13.46
Trade receivables		-	135.18
Investment (Current, financial assets)		-	-
Cash and cash equivalents		-	159.14
Total financial assets		-	309.82
Financial liabilities			
Borrowings (non-current, financial liabilities)		-	8.58
Borrowings (Current, financial liabilities)		-	-
Payables for purchase of property, plant and equipment		-	-
Security deposits		-	-
Trade payables		-	607.54
Other financial liabilities (current)		-	-
Total financial liabilities		-	616.12

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

	March 31, 2020	
	Carrying amount	Fair value
Financial assets		
Bank deposits	-	-
Amount recoverable	-	-
Interest accrued and not due on fixed deposits	-	-
Security deposits	2.72	2.72
Unbilled revenue	26.13	26.13
Trade receivables	142.85	126.20
Cash and cash equivalents	237.27	237.27
Other bank balances	-	-
Total financial assets	408.97	392.31
Financial liabilities		
Borrowings (non-current, financial liabilities)	8.58	8.58
Borrowings (current, financial liabilities)	-	-
Payables for purchase of property, plant and equipment	-	-
Security deposits	-	-
Trade payables	624.56	624.56
Other financial liabilities (current)	-	-
Total financial liabilities	633.13	633.13

	March 31, 2019	
	Carrying amount	Fair value
Financial assets		
Bank deposits	-	-
Amount recoverable	-	-
Interest accrued and not due on fixed deposits	-	-
Security deposits	2.04	2.04
Unbilled revenue	13.46	13.46



P. J. Sub

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Trade receivables		
Cash and cash equivalents	144.06	135.18
Total financial assets	159.14	159.14
Financial liabilities	318.70	309.82
Borrowings (non-current, financial liabilities)		
Borrowings (current, financial liabilities)	8.58	8.58
Payables for purchase of property, plant and equipment	-	-
Security deposits	-	-
Trade payables	607.54	607.54
Other financial liabilities (current)	-	-
Total financial liabilities	616.12	616.12

s. Leases

Finance lease: Company as lessee

Particulars	2020 Amounts in Rs		
	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.3121239 (March 31, 2019- Rs.3426488) has been debited to standalone statement of profit and loss during the year.

t. 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, 2020	March 31, 2019
Cash and cash equivalents (refer note 5)	237,265,715	159,143,979
Current investments	-	-
Margin money	-	-
Total cash (A)	237,265,715	159,143,979
Borrowings (non-current, financial liabilities)	-	-
Borrowings (current, financial liabilities) (refer note 15)	45,487,784	45,487,784
Current maturities of long-term borrowings	-	-
Current maturities of finance lease obligations	-	-
Total borrowing (B)	45,487,784	45,487,784
Net debt (C=B-A)	(191,777,931)	(113,656,195)
Total equity		
Total capital (equity + net debts) (D)	(87,352,239)	(6,968,490)
Gearing ratio (C/D)	2.20	16.31

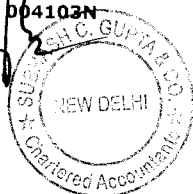
u. GST Reconciliation

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

- v. 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. 004102N

Lokesh Gupta
Partner
M. No-503853



For and on behalf of the Board
For Master Channel Community
Network Pvt. Ltd.

Director

DIN:

Director

DIN:

20 JUN 2020

MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.

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

2

Tangible assets											(' millions)	
Gross block	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Studio equipment	Vehicles	Leasehold improvements	Set top boxes	Electrical Equipments	Total	
Balance as at March 31, 2018	479,900	48,307,643	2,097,292	3,191,404	1,483,204	8,173,782	2,049,986	1,996,797	544,199,230	291,136	612,270,374	
Additions	-	1,318,856	932,719	397,150	81,187	1,928,248	2,172,000		68,367,845	68,162	75,266,167	
Disposal												
Balance as at March 31, 2019	479,900	49,626,499	3,030,011	3,588,554	1,564,391	10,102,030	4,221,986	1,996,797	612,567,075	359,298	687,536,541	
Additions		1,934,119	995,603	483,863	7,203	1,565,683			33,955,545		38,942,015	
Disposal		533,000					1,725,000				2,256,000	
Balance as at March 31, 2020	479,900	51,027,618	4,025,614	4,072,417	1,571,594	11,667,713	2,496,986	1,996,797	646,522,620	359,298	724,220,556	
Accumulated depreciation												
Balance as at March 31, 2018	479,900	30,355,760	1,976,078	2,938,635	1,234,264	7,312,560	1,058,423	1,847,036	145,386,817	237,585	192,827,059	
Charge for the year	-	4,637,702	214,951	297,407	52,771	260,909	461,859	149,761	72,535,790	22,460	78,633,610	
Reversal on disposal of assets												
Balance as at March 31, 2019	479,900	34,993,462	2,191,029	3,236,042	1,287,035	7,573,469	1,520,282	1,996,797	217,922,607	260,045	271,460,668	
Charge for the year		4,829,201	508,264	172,899	44,624	394,566	383,169		78,722,808		85,055,531	
Reversal on disposal of assets		401,668					1,123,613				1,525,281	
Balance as at March 31, 2020	479,900	39,420,995	2,699,293	3,408,941	1,331,659	7,968,035	779,838	1,996,797	296,645,415	260,045	354,990,916	
Net block												
Balance as at March 31, 2019	(0)	14,633,037	838,982	352,512	277,356	2,528,561	2,701,704	-	394,644,468	99,253	416,075,873	
Balance as at March 31, 2020	-	11,606,622	1,326,321	663,476	239,935	3,699,678	1,717,148	-	349,877,205	99,253	369,229,641	

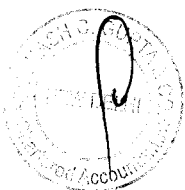


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MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.

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

3	Loans & Advances (Unsecured, considered good)	March 31, 2020	March 31, 2019
		Rs.	Rs.
	Security deposits	2,721,704	2,038,324
	Other Receivable	-	-
		2,721,704	2,038,324
	Less: Provision for doubtful security deposits	-	-
		2,721,704	2,038,324
4	Trade receivables (Unsecured, considered good)	March 31, 2020	March 31, 2019
	Particulars	Rs.	Rs.
	-Unsecured, considered good	126,195,560	135,179,296
	-Unsecured, considered doubtful	16,655,011	8,884,475
		142,850,571	144,063,771
	Expected Credit Loss Allowance	16,655,011	8,884,475
	Total	126,195,560	135,179,296
	Allowance Movement for Trade Receivables		
	Balance at the beginning of the year	8,884,475	8,884,475
	Provision for doubtful trade receivables (net) for the year	7,770,536	-
	Total	16,655,011	8,884,475
5	Cash and bank balances	March 31, 2020	March 31, 2019
		Rs.	Rs.
	Cash and cash equivalents		
	Cash on hand	3,561,629	3,545,663
	Cheques on hand	-	-
	Balances with banks		
	On current accounts	63,704,086	55,598,315
	In deposit account (with maturity upto three months)	170,000,000	100,000,000
		237,265,715	159,143,979
6	Other Financial Assets	March 31, 2020	March 31, 2019
		Rs.	Rs.
	Unsecured, considered good		
	Unbilled Revenue	26,128,900	13,457,394
		26,128,900	13,457,394
7	Other Current Assets (Unsecured, considered good)	March 31, 2020	March 31, 2019
		Rs.	Rs.
	Advance to suppliers	3,770,616	9,711,593
	Advance to suppliers-Related parties	4,967,772	1,328,686
	Advance to Employees	229,364	213,864
	Advance tax	22,111,713	19,114,036
	Deposit against VAT demand	21,327,189	5,725,038
	Prepaid Expenses	147,038	185,758
	Accrued Interest	253,401	184,314
	Indirect Tax	9,638,342	7,876,070
		62,445,435	44,339,360
8	Share capital	March 31, 2020	March 31, 2019
		Rs.	Rs.
	Authorised share capital		
	5,000 (Previous year: 5,000) equity shares of ` 100 each	500,000	500,000
	Total authorised capital	500,000	500,000



Issued, Subscribed and Paid up

5,000 (Previous year: 5,000) equity shares of ₹ 100 each

500,000 500,000

Total paid up capital

500,000 500,000

(i) Reconciliation of number of shares outstanding as on 31.03.2019

Particulars		March 31, 2020		March 31, 2019	
		Nos.		Nos.	
Balance at the beginning of the year	Nos.		5,000		5,000
Issued during the year	Nos.		-		-
Balance at the end of the year	Nos.		5,000		5,000

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

The Company has one class of equity shares having a par value of Rs. 100 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, 2020	March 31, 2019
Central Bombay Cable Network Ltd	Nos	3,300	3,300
	%	66.00	66.00

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

Particulars		March 31, 2020	March 31, 2019
Central Bombay Cable Network Ltd	Nos.	3,300	3,300
	%	66.00	66.00
Potluri Kiranmayee	Nos.	754	754
	%	15.08	15.08
Potluri Sai Babu	Nos.	376	376
	%	7.52	7.52

9 Other Equity**Retained Earnings**

Balance at the beginning of the year

Prior Period Adjustment

Add: Profit/(Loss) for the year

Others

Transfer from Deferred Activation Revenue

Balances as at the end of the year (A)**Other Comprehensive income**

Balance at the beginning of the year

Gratuity/Leave Encashment

Balances as at the end of the year (B)**Balances as at the end of the year (A+B)**

	March 31, 2020	March 31, 2019
	Rs.	Rs.
	105,581,881	50,102,737
	(1,159,607)	(7,140,401)
	104,422,274	42,962,336
	-	62,619,545
	104,422,274	105,581,881
	605,824	533,319
	(1,102,406)	72,505
	(496,582)	605,824
	103,925,692	106,187,705

10 Long-term borrowings

Loans and advances from Directors/Related parties- Unsecured

*Terms of Repayment: Not Specified

* Rate of interest: Nil

Total Long term Loan

	March 31, 2020	March 31, 2019
	Rs.	Rs.
	8,576,557	8,576,557
	8,576,557	8,576,557
	8,576,557	8,576,557



	Provisions	March 31, 2020	March 31, 2019
11	Provision for employee benefits (Refer Note 31)	Rs.	Rs.
	Provision for gratuity	4,983,275	3,626,114
	Provision for compensated absences	2,581,372	1,431,831
		7,564,647	5,057,945
	Deferred tax liability (net)		
12	Deferred tax liability	March 31, 2020	March 31, 2019
	Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	Rs.	Rs.
	Others	-	3,130,357
	Gross deferred tax liability	-	-
		-	3,130,357
	Deferred tax asset		
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis		
	Others	9,063,067	3,964,504
	Gross deferred tax Assets	-	-
		9,063,067	3,964,504
	Net deferred tax asset/(Liabilities)	(9,063,067)	(834,147)
13	Deferred Activation Revenue	March 31, 2020	March 31, 2019
		Rs.	Rs.
		-	-
		-	-
14	Trade payables	March 31, 2020	March 31, 2019
	Trade Payables - others	Rs.	Rs.
	Trade payables - related parties	213,073,288	167,128,346
		411,483,394	440,416,561
		624,556,682	607,544,907
15	Advances from Non Related Parties	March 31, 2020	March 31, 2019
	Advances from Related Parties	Rs.	Rs.
	Entertainment Tax Payable	11,998,653	17,808,330
	Service Tax Payable	45,487,784	45,487,784
	STB Deposit	9,562,751	6,968,464
	ESI/PF/PT Payable	61,899	113,239
	Deferred Activation Revenue	255,100	138,400
	Unclaimed Liabilities	350,207	334,661
		21,056,877	17,465,510
		2,200	2,200
		88,775,471	88,318,588
16	Provisions	March 31, 2020	March 31, 2019
	Liability for expenses	Rs.	Rs.
	Provision for compensated absences	303,462	165,569
	Provision for Taxation A/c	187,564	115,979
		7,700,000	4,201,700
		8,191,026	4,483,248



MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2020**

17 Revenue from operations	March 31, 2020	March 31, 2019
	Rs.	Rs.
Sale of services		
Digital income	535,048,571	375,072,462
Advertisement income	66,740,343	70,625,940
Carriage/Incentive income	181,311,166	75,991,970
Sale of STB	25,906,200	35,979,286
	809,006,280	557,669,659
18 Other income	March 31, 2020	March 31, 2019
	Rs.	Rs.
Interest income on		
Bank deposits	7,937,595	3,383,637
Others	-	-
Excess provisions written back	-	99,247
Other non-operating income	182,906	50,063
	8,120,502	3,532,947
19 Purchases of traded goods	March 31, 2020	March 31, 2019
	Rs.	Rs.
Purchase of STB	25,390,672	35,184,220
	25,390,672	35,184,220
20 Carriage Sharing, Pay Channel and Related Cost	March 31, 2020	March 31, 2019
	Rs.	Rs.
Pay Channel Subscription	451,575,322	192,743,124
	451,575,322	192,743,124
21 Employee benefits expense	March 31, 2020	March 31, 2019
	Rs.	Rs.
Salaries, allowances and bonus	25,361,933	25,110,942
Contributions to provident and other funds	2,113,577	1,957,350
Employee benefits expenses	1,613,774	1,610,944
Bonus	1,626,973	1,439,840
Staff welfare expenses	316,575	410,732
	31,032,832	30,529,808
22 Finance costs	March 31, 2020	March 31, 2019
	Rs.	Rs.
Interest on late deposit of TDS/Service Tax/GST	170,012	207,762



MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.

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

Bank charges

170,012

207,762

23 Depreciation and amortisation expenses

March 31, 2020

March 31, 2019

Rs.

Rs.

Depreciation of tangible assets (Refer note 2)

85,055,531

78,633,610

Amortisation of intangible assets (Refer note 2.)

85,055,531

78,633,610

24 Other expenses

March 31, 2020

March 31, 2019

Rs.

Rs.

Rent	3,121,239	3,426,488
Office Expenses	691,357	531,992
Rates and Taxes	165,405	32,380
Communication Expenses	755,981	840,487
Repairs and Maintenance :		
- Building	18,000	17,200
- Others	445,570	493,940
Program Production Expenses	1,683,361	1,625,002
Other Operational Cost	8,869,822	8,090,222
Repairs and Maintenance - Network	20,714,166	8,870,134
Management Service Charges	126,810,092	157,737,288
Labour renewal fees	18,600	15,000
Electricity Expenses & Water Charges	4,612,163	4,333,045
Loss on sale of Assets	101,387	-
DB Commission	-	-
Legal, Professional and Consultancy Charges	1,360,591	415,156
Printing and Stationery	239,375	339,728
R.O.C. Filing fee	42,150	29,400
Service Charges	75,600	113,922
Travelling and Conveyance Expenses	2,213,475	1,423,204
Insurance expenses	200,531	172,954
Miscellaneous Expenses	16,086	70,392
Penalties	6,000	529,339
Commission to payment gateways	4,648,587	1,132,094
Payment to auditor (Refer details below)	105,000	65,000
Commission Charges and Incentives	37,428,057	15,548,802
Provision for Doubtful debts	7,770,536	8,884,475
Bad Debts	2,001,277	14,566,000
Foreign Currency Fluctuation	1,743,818	2,785,112
Business and Sales Promotion	53,971	118,992
Donation	21,600	33,600
Security Service Charges	80,000	72,000



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MASTER CHANNEL COMMUNITY NETWORK PVT. LTD.

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

	226,013,796	232,313,349
*Auditors' remuneration as an auditor		
Limited review fees	105,000	65,000
for other services (certifications)		-
for reimbursement of expenses		-
	105,000	65,000

** Provision for doubtful debts is net of write-back of liability in relation to specifically corresponding revenue sharing costs aggregating ` 20.52 million (Previous year ` 24.95 million).

Earnings per share

	March 31, 2020	March 31, 2019
	Rs.	Rs.
Profit attributable to equity shareholders	(1,159,607)	(7,140,401)
Number of weighted average equity shares		
Basic	5,000	5,000
Diluted	5,000	5,000
Effect of dilutive potential equity shares~		
Employee stock options		-
Warrants		-
Optionally fully convertible debentures		-
Nominal value of per equity share (`)	100	100
Earning per share after tax (`)		
Basic	(231.92)	(1,428.08)
Diluted	(231.92)	(1,428.08)

~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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