

Subhash C. Gupta & Co.

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

1. We have audited the accompanying standalone financial statements of **SITI GUNTUR DIGITAL 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, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 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 Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules 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

4. 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

5. 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.

6. 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.

7. 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

8. 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.

9. 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.

10. 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.

11. 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.

12. 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

13. 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.

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

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

(b) In our opinion, proper books of 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) 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. 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 - 20503853 AAAADC3522

Annexure A to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of SITI GUNTUR DIGITAL NETWORK PVT. LTD. on the standalone financial statements for the year ended 31st March 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.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on the verification of these assets.

(c) Since the company does not own any immovable properties the provisions of the said clause of the Order are not applicable.
- (ii) The company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) a) The Company has granted interest free unsecured loan of Rs. 4.71 crore (Previous Year 4.71 Crore) to one party listed in the register maintained under Section 189 of the Act.

b) In our opinion and according to information given to us the terms and conditions of such loans are not prima facie prejudicial to the interests of the Company subject to non-charging of interest.

c) No repayment schedules have been fixed for the loans given by company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans & advances made.
- (v) To the best of our knowledge & according to the information and explanations given to us the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of



Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

- (vii)(a) To the best of our knowledge and according to the information and explanations given to us the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, 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) To the best of our knowledge & according to the information and explanations given to us, there are no dues in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has no dues payable to a financial institution or a bank or debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The company has not raised any funds during the year from initial public offer or further public offer or by way of term loans. Accordingly, the provisions of said clause of the Order are not applicable.
- (x) Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statement and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) No Managerial remuneration has been paid or provided by the company during the year accordingly the provisions of clause 3(xi) of the order are not applicable.
- (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.

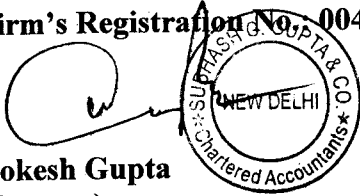


(xv) According to the information and explanation provided to us the company has not entered into any non-cash transactions with directors or persons connected with him during the year accordingly the provisions of clause 3(xv) of the order are not applicable.

(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 : 20.6.2020

Annexure B to Independent Auditors' Report

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

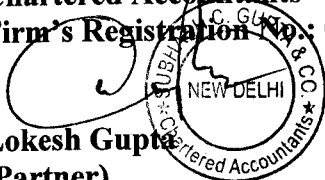
Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Lokesh Gupta
(Partner)
Membership No.:503853

Place : New Delhi
Date : 20.06.2020



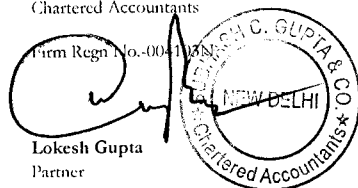
SITI GUNTUR DIGITAL NETWORK PVT. LTD.
Balance sheet as at March 31, 2020

	Notes	March 31, 2020 Rs.	March 31, 2019 Rs
A. Assets			
1. Non-current assets			
Fixed assets			
(a) Property, plant and equipment	4	636,063	1,030,106
(b) Financial assets			
(i) Loans & Advances	5	355,720	345,720
(ii) Deferred Tax	11	765,603	739,737
Sub-total of Non-current assets		<u>1,757,386</u>	<u>2,115,563</u>
2. Current assets			
(a) Financial assets			
(i) Trade receivables	6	21,447,032	21,447,032
(ii) Cash and bank balances	7	6,192,875	6,050,991
(b) Other current assets	8	50,943,734	51,054,192
Sub-total of Current assets		<u>78,583,641</u>	<u>78,552,214</u>
Total assets		<u>80,341,027</u>	<u>80,667,777</u>
B. Equity and liabilities			
Equity			
(a) Equity share capital	9	100,000	100,000
(b) Other equity	10	15,857,627	16,055,440
Sub-total - Equity		<u>15,957,627</u>	<u>16,155,440</u>
Liabilities			
1. Non-current liabilities			
(a) Provisions		-	-
Sub-total - Non-current liabilities		<u>-</u>	<u>-</u>
2. Current liabilities			
(a) Financial liabilities			
(i) Trade payables	12	62,312,653	62,395,599
(b) Other current liabilities	13	2,070,748	2,116,738
(c) Provisions		-	-
Sub-total of current liabilities		<u>64,383,401</u>	<u>64,512,337</u>
Total equity and liabilities		<u>80,341,027</u>	<u>80,667,777</u>
Summary of significant accounting policies	2	-	-

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

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

For Subhash C. Gupta & Co.
Chartered Accountants

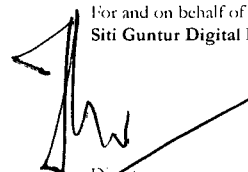



Lokesh Gupta
Partner
M. No-503853

Place: New Delhi

Date: 20 JUN 2020

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


Director
DIN 08194113
Name V.N.T. ITIKA


Director
DIN 00098362
Name KRISHNA MOHAN RAO
DANDAMUDI

SITI GUNTUR DIGITAL 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	14	-	-
Other income	15	307,600	349,417
Total revenue		307,600	349,417
Expenses			
Carriage sharing, pay channel and related costs		-	-
Employee benefits expense		-	74
Finance costs	16	-	-
Depreciation and amortisation expenses	17	394,043	603,243
Other expenses	18	137,237	440,064
Total expenses		531,280	1,043,381
Profit before prior period expenses		(223,680)	(693,964)
Prior period Income/(expenses)		-	-
Profit before tax		(223,680)	(693,964)
Tax Expenses			
Current Tax		-	-
Previous Year Tax		-	-
Deferred Tax		(25,866)	(70,128)
Total Profit/(Loss) for the period		(197,814)	(623,836)
Other Comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined benefit (liabilities) / assets		-	-
(b) Remeasurement of the activation Income		-	-
Total Comprehensive Income/(loss) for the year		(197,814)	(623,836)
Profit/(Loss) per share after tax	19		
Basic		(19.78)	(62.38)
Diluted		(19.78)	(62.38)
Summary of significant accounting policies	2		
The accompanying notes are an integral part of these financial statements.			

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

For Subhash C. Gupta & Co.

Chartered Accountants

Firm Regn No.-00410308

Lokesh Gupta

Partner

M. No-503853

Place : New Delhi

Date : 20 JUN 2020

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



Director

DIN

Director

DIN

08194113
A. km th
00098362

SITI GUNTUR DIGITAL NETWORK PVT. LTD.
Cash flow statement for the year ended March 31, 2020

PARTICULARS	Quarter ended	Year ended
	March 31, 2020	March 31, 2019
	Amount in Rs.	Amount in Rs.
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Income / (Loss) before Tax	(223,680)	(693,964)
Adjustments for :		
Depreciation	394,043	603,243
Loss(profit) on sale /disposal of assets	-	-
Provision for Doubtful Debts	-	-
Interest Expense	-	74
Income Tax paid	-	-
Provision for Taxation including Deferred Tax	-	70,128
comprehensive income recognised directly in retained earnings	-	-
Taxes Paid	-	-
Operating Profit before working capital changes	170,363	(20,519)
Increase in Trade Receivables	-	1,268,393
Decrease(Increase) in Long Terms L&A and Other non current assets	(10,000)	(80,128)
Decrease(Increase) in Short Terms L&A and Other current assets	110,457	272,412
Increase(Decrease) in Long Terms liabilities and provisions	-	-
Current Liabilities and Provisions	(128,936)	(79,021)
Net Cash Flow from Operating Activities	141,884	1,361,137
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	-
outflow towards Investments	-	-
sale of Fixed Assets	-	-
Net Cash utilised in Investing Activities	-	-
C CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid (Net)	-	(74)
Proceeds from Long Term borrowings		
Procceds from Share Application Money		
Proceeds from Issue of Share Capital		
Net Cash provided by Financing Activities	-	(74)
Net Increase in cash and cash equivalents during the year	141,884	1,361,063
cash and cash equivalents at beginning of year	6,050,992	4,689,929
Cash and Cash Equivalents at end of the Year	6,192,875	6,050,992

Note :

1 Component of Cash & cash Equivalents at the end of yesr		
Cash in hand	254,860	254,861
Cheques in hand		
Balances with Scheduled Banks in Current Accounts	1,488,322	1,622,308
FDR's with Bank	4,449,693	4,173,823
	<u>6,192,875</u>	<u>6,050,992</u>
		(0.00)

As per our report of even date
For Subhash C. Gupta & Co.
Firm Regn No. 00410311
Chartered Accountants

Lokesh Gupta
Partner
M. No-503853



For Siti Guntur Digital Network Pvt. Ltd.

Director
DIN 08194113
Name VNT ITIKA

Director
DIN 00098362

Name KRISHNA MOHAN RAO DANDAMUDI

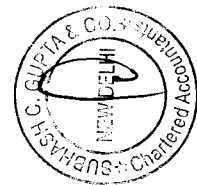
Place : New Delhi
Date : 20 JUN 2020

SITI GUNTUR DIGITAL NETWORK PVT. LTD.

Statement of Changes in Equity as on 31.3.2020

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
(a) Equity share capital				
Balance at the beginning of the reporting period	10,000	100,000	10,000	100,000
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	10,000	100,000	10,000	100,000

Particulars	Attributable to the equity Shareholders				Non-Controlling Interests	Total Equity
	Reserves & Surplus	Other items of other comprehensive income	Equity portion of OCD conversion	Total		
Balance at 31st March , 2018	16,679,276	-	-	16,679,276	-	16,679,276
Changes in accounting policy / prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	16,679,276	-	-	16,679,276	-	16,679,276
Profit/(Loss) for the year	(623,836)	-	-	(623,836)	-	(623,836)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	(623,836)	-	-	(623,836)	-	(623,836)
Any other charge (to be specified)	-	-	-	-	-	-
Balance at March 31, 2019	16,055,440	-	-	16,055,440	-	16,055,440
Changes in accounting policy / prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period 01.04	16,055,440	-	-	16,055,440	-	16,055,440
Profit/(Loss) for the year	(197,814)	-	-	(197,814)	-	(197,814)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	(197,814)	-	-	(197,814)	-	(197,814)
Add : Equity portion of OCD conversion	-	-	-	-	-	-
Balance at March 31, 2020	15,857,627	-	-	15,857,627	-	15,857,627



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SITI GUNTUR DIGITAL NETWORK PVT. LTD.

Note: 1 Company Overview and Significant Accounting Policies

1 Company Overview

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

b. Basis of preparation

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

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2019, together with the comparative period as at and for the year ended 31 March 2018. 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.

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.



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

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

d. Borrowing Costs

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

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

e. Property, Plant and Equipment Recognition and initial measurement

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

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

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

f. Subsequent measurement (depreciation and useful lives)

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

Type of assets	Useful Life (Years)
Computer	3.00
Office Equipments	5.00
Electrical Equipment	5.00
Furniture & Fixtures	10.00
Air Conditioners	5.00
Vehicles	8 to 10

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

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

De-recognition

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

g. Intangible Assets

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



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Subsequent measurement (Amortisation)

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

h. Impairment of non-financial Assets

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

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

i. Investments and Other Financial Assets

Financial assets

Initial recognition and measurement

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

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

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

De-recognition of financial liabilities

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

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

Impairment of Financial Assets

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

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

Defined contribution plans

Provident Fund

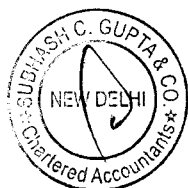
The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised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

Gratuity (Funded)

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

Other Employee Benefits

Compensated absences



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

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

k. Taxation on Income

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

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

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

l. Provisions, contingent assets and contingent liabilities

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

Contingent liability is disclosed for:

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

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

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

m. Earning Per Share:

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

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

n. Leases

Finance leases



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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.

3 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS

a. Earning per share:

	31.03.2020	31.03.2019
a) Profit/(Loss) after Tax	(197,814)	(623,836)
b) Weighted average No. of Ordinary Shares		
Basic	10,000	10,000
Diluted	10,000	10,000
c) Nominal Value of Ordinary Share	10	10
d) Earning per Ordinary share considering:		
Basic	(19.78)	(62.38)
Diluted	(19.78)	(62.38)



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

Particulars	<u>2019-20</u>	<u>2018-19</u>
Audit fees Rs.	45,000	45,000
Tax Audit Fees	-	-
Other Matter	22,000	12,000

(Amount are exclusive of Service Tax)

c. Additional information**Contingent Liabilities not provided for on account of:**

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

d. Commitments

Future commitments towards capital contributions - NIL

e. Segment Reporting

Segment Reporting as required by Accounting Standard -17 issued by the Institute of Chartered Accountant of India is not applicable since the Company is in the business of providing Cable TV Services in one segment and there is no Geographical Segment.

f. Related Parties Disclosure:**List of Parties where control exists****i Ultimate Holding Company**

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

ii Fellow Subsidiary Companies

Indinet Service Pvt. Ltd. (100% Subsidiary of ICNCL)	SITI 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 Vroadband Services Pvt. Ltd.
Panchsheel Digital Communication Network Pvt. Ltd.	Sai Star Digital Media Pvt. Ltd.
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 P. Limited
Siti Krishna Digital Media Private Limited	Siti Faction Digital Private Limited
Siti Jony Digital Cable Network Private Limited	Siticable Broadband South Ltd.
Master Channel Community N/w Pvt. Ltd.	Wire & Wireless Tisai Satellite Ltd.
Siti Maurya Cable Net Pvt. Ltd. (Subsidiary of ICNCL)	Central Bombay Cable Network Ltd

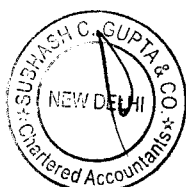
iii Key Managerial Personnel

MR. KRISHNA MOHAN RAO DANDAMUDI
MR. VENKATA NAGESWARA THRINATH ITIKA

MR. PUSHPINDER SINGH CHAHAL
MR. VIJAY KALUR

**Transactions with:
Holding Company**

2019-20 **2018-19**



Expenses reimbursed to SCNL	30,700	20,300
Operational expenses paid	-	-

With Fellow Subsidiary Companies

Master Channel Community N/w Pvt. Ltd.		
Loan/Advances Given	-	-
Commission Received	-	250,000

With Key Managerial Personnel

	2019-20	2018-19
Salary	-	-
Incentive on Collection	30,700	32,894

**Balance Outstanding:
Sundry Creditors**

Siti Cable Network Limited	51,298,802	51,268,102
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Amount Payable to

Mr. D. Krishan Mohan	-	29,604
Others	-	-

Amount Recoverable from

Master Channel Community N/w Pvt. Ltd.	46,695,447	46,695,447
--	------------	------------

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	-	-
Current tax - Previous year	-	-
Deferred tax charge / (benefit)	-0.03	-0.07
Total	-0.03	-0.07

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	-0.23	-0.69
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	-0.03	-0.07
Tax expense recognised in the statement of profit and loss	-0.03	-0.07

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 written down value as per Income Tax	-	-



Deferred tax assets on account of disallowance under section 43 B or allowed on payment basis.

520,000 520,000

Deferred tax Assets on account of difference between book value of depreciable assets as per books of account and written down value as per Income Tax

245,603 219,737

Net Deferred Tax Assets/(Liabilities)

765,603 739,737

i. Financial risk management objectives and policies

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

a. Credit risk

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

Credit risk management

Credit risk rating

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

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

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

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

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

Credit rating	Particulars		
		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	57.14	57.11
B: High credit risk	Trade receivables, security deposits and amount recoverable	21.80	21.79



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as at March 31, 2020

Particular	Rs. in million		
	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	23.45	2.00	21.45
Security deposits	0.36	-	0.36
Advances recoverable	-	-	-

as at March 31, 2019

Particular	Rs. in million		
	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	23.45	2.00	21.45
Security deposits	0.35	-	0.35
Advances recoverable	-	-	-

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

Loss allowance on March 31, 2019	2.00
Changes in loss allowance	-
Loss allowance on March 31, 2020	2.00

(i) Trade and other receivables

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

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

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's assessment of credit risk about particular financial institution. None of the Company's cash equivalents, including term deposits (i.e., certificates of deposit) with banks, were past due or impaired as at 31 March 2019.

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.

Amounts in Rs
2020

Particulars	Less than 1 year	1-5 year	Total
Borrowings	-	-	-
Trade payables	-	62,312,653	62,312,653

Amounts in Rs
2019

Particulars	Less than 1 year	1-5 year	Total
Borrowings	-	-	-
Trade payables	-	62,395,599	62,395,599

c. Market risk



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

d. Interest rate risk

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

- j. In view of mandatory digital addressable system (DAS) regulation announced by the Ministry of Information and Broadcasting, Government of India, digitalisation of cable network has been implemented in the Guntur Region, due to this the company has suspended the analogue business. The company does not have any business operations during the year.
- k. Figures for the previous year have been regrouped / rearranged / recast whenever necessary to confirm for comparison purpose.
- l. Trade receivables, Trade payables, Current liabilities, Expenses Recoverable/payable & other loans & Advances are subject to confirmation and reconciliation from the parties.
- m. Information required as per the Micro, Small and Medium Enterprises Development Act, 2006 small Scale Industries.
The Company has identified Micro, Small and Medium Enterprises on the basis of information available. As at March 31, 2020 there are no dues to Micro, Small and Medium Enterprises that are reportable under the MSMED Act, 2006.
- n. Since there are no employees on the payroll of the company the company has not provided for long term and short term employee benefits as per Ind AS 19. Accordingly no provision has been made for gratuity and leave encashment during the year.
- o. Figures have been rounded off to the nearest rupee.
- p. Note 1 to 14 form an integral part of the accounts and have been duly authenticated.

q. Fair value measurements

A. Financial instruments by category

Financial assets

Bank deposits
Amount recoverable
Interest accrued and not due on fixed deposits
Security deposits
Unbilled revenues
Trade receivables
Investments (Current, financial assets)
Cash and cash equivalents

Total financial assets

Financial liabilities

Borrowings (Non-current, financial liabilities)
Borrowings (Current, financial liabilities)
Payables for purchase of property, plant and equipment
Security deposits received from customer

NOTES

	Rs. millions	
	31-Mar-20	
	FVTPL	Amortised cost
Bank deposits	-	-
Amount recoverable	-	-
Interest accrued and not due on fixed deposits	-	-
Security deposits	-	0.36
Unbilled revenues	-	-
Trade receivables	-	21.45
Investments (Current, financial assets)	-	-
Cash and cash equivalents	-	6.19
Total financial assets	-	28.00
Financial liabilities		
Borrowings (Non-current, financial liabilities)	-	-
Borrowings (Current, financial liabilities)	-	-
Payables for purchase of property, plant and equipment	-	-
Security deposits received from customer	-	-



Trade payables	-	62.31
Other financial liabilities (current)	-	-
Total financial liabilities	-	62.31

	Rs. millions	
	31-Mar-19	
	FVTPL	Amortised cost
Financial assets		
Bank deposits	-	-
Amount recoverable	-	-
Interest accrued and not due on fixed deposits	-	-
Security deposits	-	0.35
Unbilled revenues	-	-
Trade receivables	-	21.45
Investment (Current, financial assets)	-	-
Cash and cash equivalents	-	6.05
Other bank balances	-	-
Total financial assets	-	27.84
Financial liabilities		
Borrowings (non-current, financial liabilities)	-	-
Borrowings (Current, financial liabilities)	-	-
Payables for purchase of property, plant and equipment	-	-
Security deposits	-	-
Trade payables	-	62.40
Other financial liabilities (current)	-	-
Total financial liabilities	-	62.40

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	0.36	0.36
Unbilled revenue	-	-
Trade receivables	23.45	21.45
Cash and cash equivalents	6.19	6.19
Other bank balances	-	-
Total financial assets	30.00	28.00
Financial liabilities		
Borrowings (non-current, financial liabilities)	-	-
Borrowings (current, financial liabilities)	-	-
Payables for purchase of property, plant and equipment	-	-
Security deposits	-	-
Trade payables	62.31	62.31
Other financial liabilities (current)	-	-
Total financial liabilities	62.31	62.31

	March 31, 2019	
	Carrying amount	Fair value
Financial assets		
Bank deposits	-	-
Amount recoverable	-	-
Interest accrued and not due on fixed deposits	-	-
Security deposits	0.35	0.35
Unbilled revenue	-	-



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Trade receivables	23.45	21.45
Cash and cash equivalents	6.05	6.05
Other bank balances	-	-
Total financial assets	29.84	27.84
Financial liabilities		
Borrowings (non-current, financial liabilities)	-	-
Borrowings (current, financial liabilities)	-	-
Payables for purchase of property, plant and equipment	-	-
Security deposits	-	-
Trade payables	62.40	62.40
Other financial liabilities (current)	-	-
Total financial liabilities	62.40	62.40

r. Leases

Finance lease: Company as lessee

2020
Amounts in Rs

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

Operating lease : Company as a lessee

The Company has taken various commercial premises under operating leases. These leases have varying terms, escalation clauses and renewal rights. On renewal the terms of the leases are renegotiated. Rent amounting to Rs.Nil (March 31, 2019- Rs.Nil) has been debited to standalone statement of profit and loss during the year.

s. Capital management

Risk Management

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

Particular

Cash and cash equivalents (refer note 5)	6,192,875	6,050,991
Current investments	-	-
Margin money	-	-
Total cash (A)	6,192,875	6,050,991
Borrowings (non-current, financial liabilities)	-	-
Borrowings (current, financial liabilities)	-	-
Current maturities of long-term borrowings	-	-
Current maturities of finance lease obligations	-	-
Total borrowing (B)	-	-
Net debt (C=B-A)	(6,192,875)	(6,050,991)
Total equity		
Total capital (equity + net debts) (D)	9,764,752	10,104,449
Gearing ratio (C/D)	(0.63)	(0.60)



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

31st March 2020

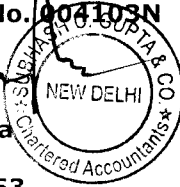
Name of the Loanee	Rate of interest	Max Bal. O/s during the year 2020	As at 31 March'20	Secured/Unsecured
Master Channel Community Networks Pvt. Ltd.	Nil	47,086,591	47,086,591	Unsecured
		47,086,591	47,086,591	

31st March 2019

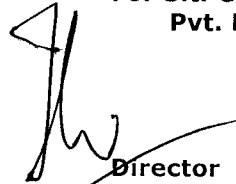
Name of the Loanee	Rate of interest	Max Bal. O/s during the year 2019	As at 31 March'19	Secured/Unsecured
Master Channel Community Networks Pvt. Ltd.	Nil	47,086,591	47,086,591	Unsecured
		47,086,591	47,086,591	

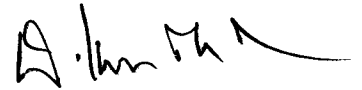
As per our Report of even date
For Subhash C. Gupta & Co.
Chartered Accountants
Firm Regn. No. 004103N

Lokesh Gupta
Partner
M. No. 503853



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


Director
DIN:


Director
DIN:

Place: New Delhi

Date: 20 JUN 2020

SITI GUNTUR DIGITAL NETWORK PVT. LTD.

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

4

Tangible assets		(millions)							
		Camera	Generator	Computers	Office equipment	Furniture and fixtures	Air conditioners	Vehicles	Total
Gross block									
Balance as at March 31, 2018		1,628,360	415,000	860,837	595,063	77,120	317,800	485,473	4,379,653
Additions		-	-	-	-	-	-	-	-
Disposal		-	-	-	-	-	-	-	-
Balance as at March 31, 2019		1,628,360	415,000	860,837	595,063	77,120	317,800	485,473	4,379,653
Additions		-	-	-	-	-	-	-	-
Disposal		-	-	-	-	-	-	-	-
Balance as at March 31, 2020		1,628,360	415,000	860,837	595,063	77,120	317,800	485,473	4,379,653
Accumulated depreciation									
Balance as at March 31, 2018		770,994	414,999	696,923	454,245	24,596	286,954	97,593	2,746,304
Charge for the year		308,610	-	133,579	63,535	7,860	28,975	60,684	603,243
Reversal on disposal of assets		-	-	-	-	-	-	-	-
Balance as at March 31, 2019		1,079,604	414,999	830,502	517,780	32,456	315,929	158,277	3,349,547
Charge for the year		259,457	-	30,337	33,836	7,860	1,869	60,684	394,043
Reversal on disposal of assets		-	-	-	-	-	-	-	-
Balance as at March 31, 2020		1,339,061	414,999	860,839	551,616	40,316	317,798	218,961	3,743,590
Net block									
Balance as at March 31, 2019		548,756	1	30,335	77,283	44,664	1,871	327,196	1,030,106
Balance as at March 31, 2020		289,299	1	(2)	43,447	36,804	2	266,512	636,063

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SITI GUNTUR DIGITAL NETWORK PVT. LTD.

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

5 Loans & Advances (Unsecured, unconfirmed, considered good)

	March 31, 2020 Rs.	March 31, 2019 Rs.
Security deposits	335,720	325,720
Other Receivable-NSC Deposit	20,000	20,000
	355,720	345,720
Less: Provision for doubtful security deposits		
	355,720	345,720

6 Trade receivables (Unsecured, unconfirmed, considered good)

Particulars	March 31, 2020	March 31, 2019
Trade Receivable - others	23,447,032	23,447,032
Trade Receivable - Related parties		
Total	23,447,032	23,447,032
Sub-classification		
-Unsecured, considered good	21,447,032	21,447,032
-Unsecured, considered doubtful	2,000,000	2,000,000
	23,447,032	23,447,032
Expected Credit Loss Allowance	2,000,000	2,000,000
Total	21,447,032	21,447,032
Allowance Movement for Trade Receivables		
Balance at the beginning of the year	2,000,000	2,000,000
Provision for doubtful trade receivables (net) for the year		
Total	2,000,000	2,000,000

7 Cash and bank balances

	March 31, 2020 Rs.	March 31, 2019 Rs.
Cash and cash equivalents		
Cash on hand	254,860	254,860
Cheques on hand		
Balances with banks		
On current accounts	1,488,322	1,622,308
In deposit account (with maturity upto three months)	4,449,693	4,173,823
	6,192,875	6,050,991

8 Other Current Assets (Unsecured, considered good)

	March 31, 2020 Rs.	March 31, 2019 Rs.
Advance to Related Parties	46,695,447	46,695,447
Advance to Employees/Others		64,696
Advance tax/ Tds Recoverable	564,059	580,035
Income Receivable		
Prepaid Expenses		
Indirect Tax	3,684,228	3,714,014
	50,943,734	51,054,192

9 Share capital

	March 31, 2020 Rs.	March 31, 2019 Rs.
Authorised share capital		
10,000 (Previous year: 10,000) equity shares of Rs. 10 each	100,000	100,000
Total authorised capital	100,000	100,000
Issued, Subscribed and Paid up		
10,000 (Previous year: 10,000) equity shares of Rs. 10 each	100,000	100,000
Total paid up capital	100,000	100,000

(i) Reconciliation of number of shares outstanding as on 31.03.2020

Particulars	March 31, 2020 Nos.	March 31, 2019 Nos.
Balance at the beginning of the year	10,000	10,000
Issued during the year		
Balance at the end of the year	10,000	10,000



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

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

(iii) **Shares held by Holding Company, 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
Siti Networks Ltd	Nos	7,400	7,400
	%	74	74

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

Particulars		March 31, 2020	March 31, 2019
Siti Networks Ltd	Nos	7,400	7,400
	%	74	74
D. Krishan Mohan Rao	Nos	2,600	2,600
	%	26	26

10 **Other Equity**

	March 31, 2020	March 31, 2019
	Rs	Rs
Retained Earnings		
Balance at the beginning of the year	16,055,440	16,679,276
Adjustment due to change in useful life of assets		
Add: Profit/(Loss) for the year	(197,814)	(623,836)
Balances as at the end of the year (A)	15,857,627	16,055,440
Other Comprehensive income		
Other comprehensive income recognised directly in retained earnings		
Deferred Activation Revenue		
Gratuity/Leave Encashment		
Balances as at the end of the year (B)	-	-
Balances as at the end of the year (A+B)	15,857,627	16,055,440

11 **Deferred tax liability (net)**

	March 31, 2020	March 31, 2019
	Rs	Rs
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/		
Others		
Gross deferred tax liability		
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	520,000	520,000
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	245,603	219,737
Gross deferred tax Assets	765,603	739,737
Net deferred tax asset	(765,603)	(739,737)

12 **Trade payables**

	March 31, 2020	March 31, 2019
	Rs	Rs
Trade Payables - others	11,013,851	11,097,893
Trade payables - related parties	51,298,802	51,297,706
	62,312,653	62,395,599

13 **Other Current Liabilities**

	March 31, 2020	March 31, 2019
	Rs	Rs
Advances from Non Related Parties	2,067,248	2,067,248
Entertainment Tax Payable		
TDS Payable	3,500	4,490
EPF/ESI Payable		
GST Payable		45,000
Service Tax Payable		
Income received in advance		
	2,070,748	2,116,738



SITI GUNTUR DIGITAL NETWORK PVT. LTD.

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

14 Revenue from operations

	March 31, 2020 Rs.	March 31, 2019 Rs.
Sale of services		
Subscription/Other income	-	-
Advertisement income	-	-
Carriage income	-	-
Commission	-	-
	-	-
	-	-

15 Other income

	March 31, 2020 Rs	March 31, 2019 Rs
Interest income on		
Bank deposits	306,523	54,015
Others	1072.5	45,402
Misc Income	4	-
Other non-operating income	-	250,000
	307,600	349,417

16 Finance costs

	March 31, 2020 Rs	March 31, 2019 Rs
Interest on late deposit of TDS/Service Tax/Income Tax	-	-
Bank charges	-	74
	-	74

17 Depreciation and amortisation expenses

	March 31, 2020 Rs	March 31, 2019 Rs
Depreciation of tangible assets (Refer note 12)	394,043	603,243
	394,043	603,243

18 Other expenses

	March 31, 2020 Rs	March 31, 2019 Rs
Office Expenses	-	700
Rates and Taxes	57,537	52,270
Legal, Professional and Consultancy Charges	31,200	307,200
Payment to auditor (Refer details below)	48,500	47,000
Commission Charges and Incentives	-	32,894



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SITI GUNTUR DIGITAL NETWORK PVT. LTD.

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

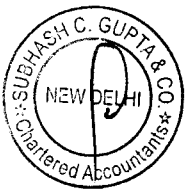
	137,237	440,064
*Auditors' remuneration		
as an auditor	48,500	47,000
for other services (certifications)		-
for reimbursement of expenses		-
	48,500.00	47,000

Earnings per share

	March 31, 2020	March 31, 2019
	Rs	Rs
Loss attributable to equity shareholders	(197,814)	(623,836)
Number of weighted average equity shares		
Basic	10000	10,000
Diluted	10,000	10,000
Nominal value of per equity share (Rs.)	10	10
Loss per share fter tax (Rs.)		
Basic	(19.78)	(62.38)
Diluted	(19.78)	(62.38)

~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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